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## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 1.

Monday, January 4, 1954.

Mr. Pearson Sees Less Danger Of Aggression: Ottawa, Jan. 3 (CP) -- Top NATO officials are agreed that international tensions have "somewhat diminished" but that Communism still menaces the security of the free nations, Mr. Pearson said in a year-end message.

The Minister spoke in an address over the CBC's International Service. At the December meeting of the NATO Council in Paris, Mr. Pearson said, it was agreed that the danger of open military aggression is "perhaps less than it was a year or two ago".

"It would be folly to allow ourselves to be lulled into a sense of false security," he added. "But it would also be wrong to so harden our hearts or close our minds to the point where we could not respond to any genuine peace move, to any sincere offer to negotiate, that might eventually come from behind the Iron Curtain."

In the Far East, he said, the Western nations must be careful lest differing views on Eastern problems should disrupt their unity.

"Anti-Communism or anti anything else will not be enough to hold us together," he said. "Our Asian policy must comprise much more than mere opposition to Communism. We must have a positive policy...."

In Europe, there had been progress towards security and stability, but the outlook gave no reason for complacency.

The relations of the Western democracies and Germany - particularly the question of the European Defence Community - demanded a solution in 1954.

"Some solution must be found," he said.

Gouzenko Interview: Montreal, Jan. 4 (Gazette) -- Senators William E. Jenner and Pat McCarran arrived in Montreal yesterday on their way to a secret rendezvous with Igor Gouzenko.

Apparently conscious of their obligations to the Canadian Government, which permitted this meeting with the former Soviet Embassy code clerk, the Senators were reticent when interviewed by reporters at Central Station.

For the sake of Gouzenko, who has been kept under wraps since the 1946 spy trials for fear of Russian vengeance, the time and place of the interview was kept completely secret....

2 U. of T. Students Reported Detained In Florida: Toronto, Jan. 4 (Globe & Mail) -- Two University of Toronto undergraduates, one of them a leader in Progressive Conservative groups on and off the campus, are being held by U.S. immigration officials in Florida for what detaining officers have told them are suspected Communist sympathies.

Edward Samuel Rogers, 20, of 405 Glenayr Rd., Forest Hill, and William M. Boulton, 21, of 89 High Park Ave., will appear Tuesday before a U.S. immigration board of special inquiry at West Palm Beach because they refused to sign, under oath, a statement they were not allowed to read.

Boulton has already received and Rogers expects to receive before the hearing an order temporarily excluding them from the United States under the provisions of the McCarran Immigration and Nationality Act dealing with Communist affiliations....

(over)

Slayer Of Trotsky Said To Be Identified: Ottawa, Dec. 31 (CP) -- The man who used a Canadian passport to enter Mexico to assassinate Leon Trotsky finally has been positively identified, the RCMP said today.

On Aug. 20, 1940, in a suburb of Mexico City, a man known as Jacques Mornard but who carried a Canadian passport with the name Frank Jacson, buried a mountain climber's pick in the head of Trotsky, exiled Bolshevik who was one of the leaders of the Russian revolution.

Mornard survived a severe beating by Trotsky's bodyguard and on April 16, 1943, was sentenced to 20 years in prison, maximum penalty for murder in Mexico. But the killer refused to reveal his real identity and it remained a mystery for years.

In an article in the RCMP Quarterly entitled "Passport to Murder," William Rodney, research specialist in the RCMP special branch, gives credit for the murderer's identification to Dr. Alfonso Quiroz, now Chief of Investigations for the Bank of Mexico.

Dr. Quiroz, writes Rodney, pursued the case for years until he was able to prove conclusively through fingerprints found at Barcelona, Spain, that Mornard is really Ramon Mercador del Rio, born at Barcelona Feb. 7, 1913.

Across Canada: Canada's rivers were harnessed to produce an additional 638,012 horsepower of hydro-electric energy during 1953 but the new output barely kept pace with a booming demand for more and more power. In a review of the country's hydro-electric progress in 1953, Resources Minister Lesage reported that new hydro developments brought total installations in water-power plants up to 14,921,459 horsepower - about 23 per cent of Canada's known resources.... Rt. Rev. Robert Jefferson announced his resignation, effective in April, as Anglican Bishop of Ottawa.... Homes started in the first eight months of 1953 totalled 69,460, a 30-per-cent increase over the corresponding period in 1952, Central Mortgage and Housing Corporation reported.

Hockey: (Saturday) Canadiens 1, Boston 1. Toronto 4, Chicago 0. (Sunday) New York 4, Canadiens 3. Toronto 0, Detroit 0.

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Tuesday, January 5, 1954.

Vol. 5, No. 2.

**Trade with Russia:** Ottawa, Jan. 4 (CP) -- Canada is willing to do more trade with Russia "in a limited list of commodities", Mr. Howe said today.

The Minister, in an interview, observed that the Soviet Union has signed a number of trade agreements with various countries, but said the Soviet has made no direct trade approach to Canada.

Australia recently concluded a deal with Russia to import Soviet canned salmon and crabmeat. This led an Australian newspaper, the Melbourne Herald, to suggest that Canada would protest since Canada had previously supplied the Australian market.

However, Mr. Howe said the Canadian Government is not planning any protest. Australia, a sterling-area country, was short of dollars and had not purchased Canadian canned salmon for several years.

As for Canada's own relations with Russia, Canada is ready to open trade negotiations on shipments of non-strategic goods.

Mr. Howe observed that there are signs of Russian "goodwill" on the world economic front, but Canada would not be willing to ship any strategic item to that country or any Communist satellite.

Russia would have to pay for her Canadian goods either in dollars or gold, but there might be ways of working out a barter deal between a Russian trade group and Canadian private traders.

Russian-Canadian trade has become almost non-existent. Canada, in the first 10 months of 1953, exported about \$466 worth of goods to Russia--mostly gifts. Imports--mostly raw furs--totalled about \$416,000 in the first eight months of last year.

During the Second World War, however, Canadian exports to Russia reached as high as \$100,000,000 a year. These were mostly war materials used by Russia to beat back the Nazi invasion.

Turning to the world economic front generally, Mr. Howe said he is "optimistic" about the future. He believed Canada's Gross National Product which reached a peak of \$24,200,000,000 in 1953, will increase again in 1954.

**Gouzenko Interview:** (Press Release No. 3, Jan. 5.) -- The Department of External Affairs announced on January 5 that in accordance with arrangements made between the Canadian and United States Governments before Christmas, a meeting was held on January 4 at which representatives of the United States Government interviewed Mr. Igor Gouzenko. The meeting was presided over by Chief Justice James C. McRuer of the High Court of Ontario, who presided at the request of the Canadian Government. The United States Government was represented by His Excellency the United States Ambassador to Canada, Mr. R. Douglas Stuart, Senator William E. Jenner, Senator Pat McCarran and Mr. J. G. Sourwine. Mr. D. W. Mundell, Q.C., represented the Attorney General of Canada. Representatives of the Departments of Justice and External Affairs and of the Royal Canadian Mounted Police were also present at the meeting.

**Departmental Appointments:** Ottawa, Jan. 4 (CP) -- Mr. Robert A. MacKay today was named Deputy Under-Secretary of the Department of External Affairs. He succeeds Mr. Charles Ritchie who will accompany Mr. St. Laurent on his world tour next month.

Two others were appointed Assistant Under-Secretaries: Mr. J. W. Holmes and Mr. Jean Chapdelaine. They succeed Mr. Jules Leger, recently appointed Ambassador to Mexico, and Mr. MacKay.

New Reserve Army: Ottawa, Jan. 4 (CP) -- Creation of a new reserve army category was announced today by National Defence Headquarters. It will be called the Canadian Army Regular Reserve.

The new classification was created specifically to "encourage Korean veterans and other trained troops to continue their army association after their release". Its ultimate purpose: "To make available immediately additional trained men should mobilization or partial mobilization be ordered."

\$300,000,000 Gas Pipeline Negotiations: Ottawa, Jan. 4 (CP) -- The federal Government will start this week to bring together two companies in a joint project on a \$300,000,000 gas pipeline from Alberta to the East.

On the eve of these negotiations, Mr. Howe today expressed the view the two big competing firms will have to merge their corporate structures to fit in with plans of the federal and Alberta Governments.

The companies are Trans-Canada Pipe Lines, which wants to build an all-Canadian line from Alberta as far east as Montreal, and Western Pipe Lines, Ltd., planning to pipe gas as far east as Winnipeg and then pipe it south to Minnesota.

A month ago, the Alberta Government in releasing long-withheld gas for the east ruled that the two proposals should be amalgamated. The federal cabinet agreed.

Mr. Howe said today in an interview he will talk to the Western concern tomorrow and to Trans-Canada later this week.

Atomic Pool Proposal: Ottawa, Jan. 4 (CP) -- Any Russian rejection of President Eisenhower's proposal that world atomic powers pool their resources for peaceful purposes should not mean collapse of the plan, Mr. Stirling Cole, Chairman of the Joint United States Congressional Atomic Energy Committee, said tonight.

Mr. Cole made the statement during an interview by a group of reporters on the CBC program, Press Conference. The interview was recorded in Washington and broadcast tonight from Ottawa over the CBC's Dominion network.

U. of T. Students Released: Ottawa, Jan. 4 (CP) -- A mix-up in identifications caused detention of the two Toronto students entering the United States, a U.S. Embassy official here explained today.

Before the two were released today, the External Affairs Department, the Canadian Embassy in Washington, U.S. State Department and the U.S. Justice Department all became involved.

Mr. Joseph Savoretti, district director of immigration and naturalization at Miami, said Boultee's name had been mistaken for another person, and that it was "a case of mistaken identity of individuals and not political parties".

Across Canada: Mr. Abbott said in Sydney, Australia, that Canada will be glad to play host to the next conference of Commonwealth Finance Ministers. He issued the invitation soon after his arrival for this week's Commonwealth Finance Ministers' meeting, according to a press cable.... Construction on the 5,000-mile Trans-Canada Highway was speeded up during 1953, the Public Works Department announced. Contracts authorized for the highway's construction totalled \$137,825,000 by the end of the year, a statement said. "Nearly every one of the nine participating provinces has added substantially to the mileage of completed, paved highway during the past year.".... For the second successive year production of General Motors of Canada last year topped the 200,000 unit mark, Mr. William A. Wecker, president, reported yesterday.



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Vol. 5, No. 3.

Wednesday, January 6, 1954.

Mr. Pearson On World Affairs: Montreal, Jan. 6 - (Gazette) -- Mr. Pearson said here last night the most imperative task of 1954 may well be the uniting of "the coalition of free states into one voice so that they may negotiate with the Kremlin and Peking as a well-knit and cohesive team."

"We hear too often the 'voices' rather than the 'voice' of freedom," he said.

The Communists have the definite advantage of speaking with one voice in negotiation, Mr. Pearson told the Montreal Branch of the Canadian Public Relations Society at the Ritz Carlton Hotel.

The Minister cautioned the West to be wary and not expect too much from any particular meeting, at Berlin, or Bermuda or Panmunjom.

"Very far reaching developments may be taking place behind the Iron Curtain. If so, we should keep an open mind and a clear head about them. These developments may make it possible to advance the policy of peaceful co-operation between states to which we of the free world are committed.

"On the other hand, words of peace and good will which come now from the communist camp may represent merely an orthodox and normal shift in party tactics, designed to disarm and deceive us."

"In a coalition of free states," he said, "large and small, powerful and weak, each has its own voice, each has its own pride, prejudice and public opinion."

"There may be no more imperative necessity facing us in 1954 than that of working out and applying satisfactory and effective methods of consultation and co-operation within this coalition, so that we can negotiate with the Kremlin and Peking as a well-knit and cohesive team."

Speaking of Canada's responsibility in uniting this coalition, Mr. Pearson said "we have a special problem in international public relations with the United States."

"Relations with the United States are becoming more varied and complicated. It is not surprising, therefore, that problems are increasing."

But Mr. Pearson warned these problems must be settled with a minimum of bickering and a maximum of good will. Any other approach, he said, would be unthinkable.

"If Canada and the United States cannot grow closer together in good neighborhood and friendship--and in the mutual respect and understanding on which friendship must rest -- what chance is there for peace and stability in the world?"

Mr. Pearson predicted that during 1954 the unity and strength of the North Atlantic Treaty Organization will come under increasing attack from the Communists, "within and without our gates."

"I feel the attack will come, not so much from direct frontal assault as from the insidious pressure of enticing double-talk and bewildering blandishment," the Minister said.

Mr. Pearson said the free world was entering a new period with new problems and difficulties -- but also new possibilities.

"It is no time to lower our guard or to start wrangling among ourselves."

Now, more than ever, he said, diplomacy should play a greater part in keeping the coalition of free states together.

U. K. To Buy Beef Surplus From Canada: Ottawa, Jan. 5 (CP) -- Britain has agreed to buy the last of Canada's surplus frozen beef at a price about one-third of cost.

The 8,000,000 pounds, remainder of the original 83,000,000 purchased by the Government under beef price support, now is being loaded at Vancouver.

The Agriculture Department today announced the deal, but gave no estimate of price. However, it was learned that Britain will pay about 15 cents a pound, well below the 45-cents-a-pound cost to the Government.

This and other losses in beef and canned pork sales may push the Government's total meat operation losses to more than \$50,000,000. Of this about \$32,000,000 has been written off by Parliament in last February's budget.

The loss is put down as part of the Government's battle against foot-and-mouth disease in Western Canada in 1952. Beef and pork price-support operations were undertaken as an emergency move to prevent collapse of the Canadian meat industry at a time when Canada's biggest market, the United States, barred imports from Canada.

Living Costs Down, Earnings Up: Ottawa, Jan. 5 (CP) -- Consumers got a boost in purchasing power during November as living costs dropped for the second consecutive month while earnings rose to a peak.

Lower food prices again beat out climbing rents to slice two-fifths of a point from the consumer price index, the Bureau of Statistics reported today.

The cost-of-living yardstick, based on 1949 prices equalling 100, dropped to 115.8 from 116.2. November's decline was smaller than the half-point October decrease, cutting the index from its 1953 high of 116.7.

While prices were declining, industrial paycheques were climbing, increasing the purchasing power of the labour force. Average weekly paycheque in major industries rose to a record of \$58.15 on Nov. 1 from \$58.11 on Oct. 1, and \$55.65 on Nov. 1, 1952.

The November consumer price index figure of 115.8 was nine-tenths of a point below the 1953 high of 116.7 reached in September, but 1.4 points higher than the 1953 low of 114.4 in April. It brought living costs back to where they were a year ago, down 2.4 points from the December, 1951, peak of 118.2.

Admission Requirements For Universities: Port Hope, Jan. 5 - (Globe & Mail) -- Dissatisfaction with present admission requirements for Canadian universities was expressed at a two-day conference today and yesterday under auspices of the Headmasters' Association, Canadian Independent Schools, at Trinity College School here.

Views of Canadian, American and British educators were heard.

Canadian universities want candidates who have not only developed skill but have also shown basic qualities which are not always disclosed in the present type of subjective examinations, Dr. W. A. McIntosh, principal of Queen's University, told the meeting.

There is a real need for an intellectual ambition, high literacy, and the beginning of independent standards of truth and accuracy in university students today, Dr. McIntosh said.

Across Canada: Canada's independent retail merchants today asked the Federal Government to help them modernize their stores and improve their competitive position. The Retail Merchants Association of Canada in a brief presented to Mr. St. Laurent and Justice Garson urged the Government to set up a revolving fund and "make it available to qualified merchants for modernization of their stores".... Toronto's population dropped 1,862 during 1953--from 667,364 to 665,502--according to a report which will be submitted to the Board of Control by Assessment Commissioner Gray, but city officials don't believe the figures.



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Vol. 5, No. 4.

Thursday, January 7, 1954.

November Exports Down \$36,000,000: Ottawa, Jan. 6 (CP). -- Canada's exports fell by \$36,600,000 during November, nipped by cuts in shipments to the United States, Britain and most other major markets.

Shipments declined to \$355,100,000 from \$391,700,000 in November, 1952, reducing the 11-month total by \$150,300,000 to \$3,811,600,000 from the 1952 record of \$3,961,900,000, the Bureau of Statistics reported today.

The reduction showed both in volume and price. On the basis of 1948 equalling 100, volume declined during November to 117.3 from 125.5 in November, 1952, while price dropped to 116.7 from 120.4.

Exports to the U.S., main sustaining market, slipped by about \$9,000,000 to \$200,600,000 from \$209,841,000 in November, though the 11-month total was still higher at \$2,199,700,000, compared to \$2,086,180,000 in 1952.

Continuing the scale-down trend showing in earlier months, Britain's purchases declined during November to \$55,629,000 from \$61,125,000, reducing the 11-month total by more than \$80,000,000 to \$617,908,000 from \$698,358,000.

Exports were lower to other Commonwealth countries as well. Australia cut purchases to \$3,149,000 from \$5,076,000 during the month; New Zealand, to \$1,369,000 from \$1,911,000; India to \$653,000 from \$1,516,000; Pakistan to \$2,127,000 from \$4,127,000.

Continental Europe, as a whole, reduced purchases to \$34,987,000 from \$46,072,000. Exports increased only to one European market -- West Germany -- to \$12,587,000 from \$6,069,000. The over-all reduction slashed 11-month exports to Europe by almost \$100,000,000 to \$349,068,000 from \$442,104,000.

Shipments to Latin America also dropped to \$20,311,000 from \$21,507,000 in the month and to \$183,241,000 from \$249,886,000 in the 11-month period.

Labrador Iron Ore By August, 1954: Chicago, Ill., - Jan. 7 (Globe & Mail) -- Mr. William H. Durrell, general manager of Iron Ore Co. of Canada, yesterday told members of the Chicago section of the American Institute of Mining and Metallurgical Engineers that all grading on the 360-mile railway being pushed north from Seven Islands, on the Gulf of St. Lawrence to the ore fields has been completed. Rail has now been laid to Mile 335 and should reach Schefferville early in February. Ballasting will be completed during the coming summer.

The mines, hydro-electric plants and ore handling and terminal facilities are in an advanced stage of completion and will be ready for ore shipments by August, 1954.

Of the \$200 million spent to date, Mr. Durrell stated that \$45 million was for wages, of which more than 95 per cent went to Quebec and Newfoundland labour.

More than \$225 million will have been spent before a ton of ore is shipped. According to the speaker, this is the largest sum ever spent on a mining development prior to initial production.

Mr. Durrell pointed out that the main problem in marketing the ore would be one of transportation, and emphasized the important part the St. Lawrence Seaway, when constructed, will play in the economical transportation of the ore to inland steel mills.

"Existing rail and canaller facilities will be able to handle 10 to 12 million tons annually, but if our production is to rise to our hoped for 20 million tons a year, the seaway will be absolutely necessary."

In closing, he stated that, upon completion of the railway, an entire new country would be opened up and, owing to the favourable geology in the area, new mines would be found for years to come.

Tropical Fish Off Nova Scotia: Ottawa, Jan. 6 (CP) -- Strange fish have been turning up in the nets of Canada's east coast fishermen.

The Fisheries Department said today that one of its research vessels, the Investigator 2, had taken 22 specimens of blue hake from Newfoundland waters last summer for the first time in history.

Also, the Department added in a statement, fishermen had found among their cod and redfish catches such rare types as the deep sea eel, the dollarfish, lantern fishes, viper fishes, grenadiers and spiny eels.

Farther south, off the coast of Nova Scotia, some types of tropical fish have appeared. These include the white shark and tarpon, which seldom before have ventured so far north.

The Department said discovery of these tropical specimens coincides with reports of higher temperatures in the north Atlantic and the fact that large catches of cod are now being made regularly far to the north in the Davis Strait, off Greenland.

Exploratory work carried out by the Investigator 2 showed excellent supplies of cod on the Hamilton Inlet bank off southern Labrador, a region fished extensively by European vessels but as yet not at all by Newfoundland trawlers. This bank also yielded good catches of American plaice, the report said.

Various methods of fishing also were tested by the Investigator 2. The famed dory fishing of the past is all but extinct, the statement said, and its place has been taken by the schooner system.

Duke Of Edinburgh's B.C. Visit: Vancouver, Jan. 6 (CP) -- The Duke of Edinburgh will arrive in British Columbia from London Aug. 1 for an eight-day visit that will include at least four appearances at the British Empire Games.

Details of the itinerary were announced by Stan Smith, chairman of the games which open here July 31. The Duke will begin the visit with a formal call on Government officials at Victoria Aug. 1 and will inspect the naval base at Esquimalt the following day.

Across Canada: The first professional stock company established in its own theatre in Toronto in more than two decades held its opening performance Tuesday night. The Murray and Donald Davis company presented Gordon Daviot's Richard of Bordeaux at the Crest Theatre.... The 95th running of the Queen's Plate will be held Saturday, June 12, it was announced by the Ontario Jockey Club. It is the latest date in history the 1 1/8-mile classic has been held.... Mr. Gordon Osler of Winnipeg, president of Western Pipelines Ltd., said today his company is anxious to co-operate in an amalgamation of competing plans for a trans-Canada natural gas pipeline from Alberta. Mr. Osler was conferring Wednesday with Mr. Howe.

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Vol. 5 No. 5

Ottawa, January 8, 1954.

Sea Corridors Through Alaska: Vancouver, Jan. 7 (CP) -- Canada may ask the U.S., for corridors to open new gateways to the sea through the Alaska Panhandle.

The corridors would open the way for development of a treasure land of minerals, power and timber areas.

Canadian industrial and mining interests are behind the proposals for several corridors to provide access to deep-sea ports on the Pacific. The plan has been discussed in Ottawa and Washington.

The executive of the B.C. and Yukon Chamber of Mines backs the idea, supporting industrial and mining interests.

Governor B. Frank Heintzleman of Alaska will make recommendations when he attends a conference in Washington later this month.

For the territory, Frobisher Ltd., an exploration and development company with world-wide chemical and metallurgical interests, has suggested a scheme involving moving three towns, rerouting the Alaska Highway, and shifting the White Pass-Yukon Railway.

The plan, with an estimated cost of more than \$1,000,000,000 would lay the base for the world's largest chemical and metallurgical industry.

Covering 17,000 square miles and three lakes emptying into the Yukon River and a hydro potential of 5,000,000 horsepower, it dwarfs a somewhat similar proposal by the Aluminum Company of America, rejected by the Canadian Government.

A number of companies have staked claims to what are believed vast copper fields in the area....

Atomic Energy Proposals: Ottawa, Jan. 7 (CP) -- Canada will take part in any full-scale negotiations on President Eisenhower's proposal for an international pool for peaceful development of atomic energy officials said today.

They added that ever since the President outlined his plan to the UN last month, Canada and the United States have been exchanging views on the subject. This process will continue....

Army Recruits From U.K.: Ottawa, Jan. 7 (CP) -- Nearly 300 Britons joined the Canadian Army last year, Army headquarters reported today.

An official spokesman said this number included 212 technicians, 50 bandsmen, and 26 former members of British civil or military police forces. The latter were enrolled in the Canadian Army Provost Corps.

"We are interested mainly in technicians, and musicians," the spokesman said, "but we are not running any recruiting campaign over there."

He said the Canadian Army is looking for men who have completed their tours of military duty with British forces and who want to come to Canada. He emphasized that only Britons without any military obligation in the United Kingdom are considered.

Science Aiding Fishermen: Ottawa, Jan. 7 (CP) -- Canada's commercial fishermen no longer have to rely on their own experience and intuition to determine if the fishing is going to be good. Science tells them.

The Fisheries Department said today that continuing investigations into water conditions and the biology of various types of fish have enabled them to forecast with some accuracy the commercial fisherman's haul.

Especially, a department statement said, in the case of the Digby, N.S. scallop fleet. In 1948, the department told the scallop fishermen that 1952 would bring them a record haul.

That's just what happened and now, according to the statement, they can look forward to a new record catch in 1954.

"It is not done with mirrors," the department said, "but from long painstaking hours spent studying water temperatures, specimens of the catch and the life history of this strange sea creature."

Canadian Vessels Sold: Montreal, Jan. 8 - (Gazette) -- Three Canadian-flag vessels have been sold to foreign interests, it was revealed yesterday. This brings to less than 30 the number of ships in the Canadian merchant marine.

Two of the vessels, the Triberg and Seaboard Trader, both units of the Triton Steamship Company, of Montreal, have been disposed of to a Liberian firm and will fly the flag of that country.

Toronto Biggest Retail Business Centre: Ottawa, Jan. 7 (CP) -- Montreal is Canada's biggest city, but Toronto does more retail business.

A distribution survey, undertaken for the first time in the 1951 census, showed that Toronto was the leader among metropolitan areas in dollar volume of retail sales, the Bureau of Statistics reported today.

Retail merchants in Metropolitan Toronto, with a 1951 population of 1,117,000, sold \$1,244,000,000 worth of goods that year. Montreal, with Canada's top population of 1,400,000, was a close second with \$1,211,000,000.

Altogether, 15 metropolitan areas accounted for almost 48 per cent of the total 1951 retail sales of \$10,654,000,000 in all Canada.

Montreal and Toronto, together, accounted for 23 per cent of the Canadian total.

Vancouver was third with \$568,300,000 in retail sales.

Reserve Army Structure: Ottawa, Jan. 7 (CP) -- Possibility of a sweeping re-organization of Canada's Reserve Army will be discussed here later this month by some of the forces' own most senior officers.

It was learned today that a high-secret report dealing with the structure, purpose and administration of the Reserve Army may be ready for study by the annual conference of defence associations opening here Jan. 21.

Across Canada: Newfoundland's Provincial Government and the Federal Government will share the cost of a \$10,200 civil defence program for Newfoundland this year. The Health Department, which is responsible for the nation's civil defence effort, announced Jan. 7 that an agreement has been reached whereby the two governments will split the 1954 civil defence expense in Newfoundland.... The number of official oil fields in Saskatchewan now is 14, with three other areas defined as pools. This total includes four new areas officially defined as fields in an announcement yesterday by Saskatchewan Resources Minister J. H. Brockelbank.... Hockey (Thursday) Canadiens 7, Toronto 3, Detroit 3, Boston 1.



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Vol. 5 No. 6

World's Longest Pipeline To Link West, Quebec

largest corporate merger in Canadian history soon will begin construction of a \$300,000,000 natural gas pipeline from Alberta to Eastern Canada, longest single pipe in the world.

Mr. Howe today announced the merger of the two companies competing for the lucrative franchise to carry Alberta gas east, virtually assuring a construction start some time this year on the 2,240-mile line reaching through Ontario and into Quebec.

The two companies will amalgamate as Trans-Canada Pipe Lines Ltd., the name of the firm originally seeking an all-Canadian franchise from Alberta as far east as Montreal.

A 50-50 interest in this company will be given Western Pipe Lines, whose opposing proposition was to carry Alberta gas to Winnipeg and then divert south to the Minneapolis, Minn., market.

The two projects will be unified under the terms of the merger, laid down by the Alberta Government a month ago as its main provision for the release of gas for sale outside Alberta to the East. Gas will be made available both for Eastern Canada and Minnesota, though Ontario and Quebec will get preference.

On the basis of several months needed for financing and other arrangements, expectations here were that a start on construction could be made by about midsummer.

This would mean gas from Alberta could be laid down in Winnipeg next year and in Ontario and down to Montreal in 1956. Probability is the line will be extended later to Quebec City and intermediate points.

The companies involved in the huge deal were brought together here this week by Mr. Howe, designated by the Federal Government to work out an arrangement in line with the Alberta amalgamation proposal approved by the Federal cabinet.

For the last few days, Mr. Howe has been talking individually and jointly to representatives of the firms bidding for some of the highest stakes in Canadian financial history.

Meanwhile, officers of the companies, Canadian and United States investment banking firms, and other big investing concerns, worked almost around the clock in an Ottawa hotel to iron out details of financing and other matters.

Experts said there has been no single financial operation in Canada of comparable scope, and it was described as the biggest pipeline deal the world has ever seen.

The main route of the line, as proposed by Trans-Canada, would be from Princess, Alta., to Regina, Winnipeg, Kenora, Ont., Port Arthur, Fort William, and Sudbury, shooting down from Sudbury to Toronto.

After Toronto, one line will dip into Southwestern Ontario and another will head for Montreal. At Morrisburg, Ont., a pipe will go out to serve Ottawa. Officials say the Toronto-Montreal line probably will be extended early to serve Quebec City and Three Rivers on the way to Quebec.

U.S. Defence Spending In Canada: Ottawa, Jan. 8 (CP) -- Government officials said today they assume the United States will spend more on defence installations in Canada in the coming year.

They said this assumption stems from President Eisenhower's announcement Thursday that the U.S. will spend \$1,000,000,000 more for continental defence in the next fiscal year.

They added that they don't know--but would like to -- how much of this increased outlay will come to Canada. But the bulk of it, of course, would be for the defence build-up in the U.S. itself and Alaska.

U.S. defence measures in Canada involve chiefly a radar warning system and air bases. American personnel operate some radar stations jointly with Canadians and the U.S. has three air bases in Newfoundland.

It was believed increased U.S. expenditures in Canada would go toward improvement of the radar warning system.

Sees Unprecedented Prosperity For Canada: Toronto, Jan. 8 - (Montreal Gazette) --

A leading American industrialist reviewed Canada's progress tonight and predicted an era of unprecedented national growth and prosperity.

Speaking before the Toronto chapter of the American Marketing Association to more than 100 Canadian economists and business leaders, international industrialist John Jay Hopkins predicted:

1. Canadian business will enjoy continued expansion, with defence spending to be a strong contributing factor to the general economy.
2. There will not be any major economy change in the U.S. in the near future which will affect Canada.
3. Canada will maintain its business leadership which places it second only to the United States in terms of high per capita income.
4. Canada will eventually surpass United States per capita wealth and income.

Mr. Ford Compliments Canada: Toronto, Jan. 8 (CP) -- Mr. Henry Ford II, president of the Ford Motor Company, tonight handed a bouquet of compliments to Canada and Canadians, terming the country's progress "astonishing."

In an address to 1,000 dealers attending the golden jubilee national conference of Ford of Canada, Mr. Ford said the greatness of Canada "lies in her well-developed political institutions, in her sound economic system, and above all in her sober, ingenious and hard-working people."

"In short, it lies in human qualities and human achievements."

He said that with this firm basis on which to build, Canadians are presented with unparalleled economic opportunity.

"We Americans are usually astonished when, from time to time, we run across facts and figures which illustrate the progress Canada has made in the last 10 or 15 years."

Oil Near North Pole? Ottawa, Jan. 8 (CP) -- Canadian Government geologists have made a discovery only 800 miles from the North Pole which some day may surpass the oil wealth of Alberta.

The discovery comprises "salt domes" far north of the Arctic Circle in a 40,000-square-mile area of the Arctic archipelago. Under the treeless stretch of tundra may lie one of the biggest reservoirs of oil in the world.

Officials here are excited about the find, made last summer after some peculiar rock formations showed on aerial photographs taken by the RCAF for Canada's map-makers.

Freight Rate Equalizing Plan: Ottawa, Jan. 10 (CP) -- The Board of Transport Commissioners moved Saturday to speed up the establishment of a new freight rate scale equalizing the rates in various parts of Canada.

Mr. Justice J. D. Kearney, board chief, told representatives of provincial governments and other interests that he will call on them this week to make a definite choice among several proposed scales now before the Board. Some of them have been non-committal up to now.

The chief commissioner said that, if a degree of unanimity appears in favour of anyone of the five scales now being considered, the Board would be inclined to adopt it promptly.

The scales now under discussion deal with the basic "class" rates that carry about one-fifth of the railways' \$1,000,000,000-a-year freight traffic and which are used as the foundation for many of the other rates.

Across Canada: Dr. C. J. Mackenzie, pioneer of atomic research in Canada and first Canadian to win the Kelvin Medal, will be honoured at a testimonial dinner in Ottawa Jan. 23. Mr. St. Laurent is expected to attend the dinner, tendered by the professional institute of the Civil Service.... Mayor Charlotte Whitton said Ottawa will become a federal district "when bananas grow on white pine trees." She told reporters that formation of a federal district for Canada's capital, similar to the United States' district of Columbia was "absolutely impractical" unless neighboring Hull, was included.... Hockey (Saturday) - Canadiens 12, Chicago 1; Toronto 3, Boston 2. (Sunday) - Detroit 2, Canadiens 1; New York 4, Toronto 1; Boston 5, Chicago 3.



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Vol. 5, No. 7.

Tuesday, January 12, 1954.

Mr. Pearson On World Affairs: Ottawa, Jan. 11 (CP) -- Mr. Pearson said tonight the Western nations should go ahead with President Eisenhower's atomic pool plan with or without Russia.

The door could always be left open for Russia to come in later, he added during the CBC programme "Press Conference" recorded for broadcast on the Dominion network.

Mr. Pearson said he is encouraged by the fact Russia has agreed to discuss the President's proposal for pooling atomic resources for peaceful purposes. But it would be wrong to "go overboard with optimism" about Russian intentions.

The Soviet's agreement to discuss the plan and attend a Big Four Foreign Ministers' Conference at Berlin might indicate a change in the Russian attitude, but it would be better to wait and see what happens at these meetings.

He said the West and Russia are closer to agreement on an Austrian peace treaty than on Germany. Therefore, the Foreign Ministers might discuss Austria first and that might be a test of Russia's willingness to work with the West.

If the Soviet really was anxious to make a gesture of friendship to the West, one possibility would be Russian agreement to a unified Germany, which would decide its own fate in free elections.

He reiterated that if France does not ratify the European Defence Community, "then we will all have to reappraise our policies - and all reappraisals are agonizing".

It would be a mistake to think that EDC, which would provide for 12 German divisions in a supranational European Army, is the only way to incorporate Germany in Western defence.

Other possibilities might be German membership in the North Atlantic Treaty Organization or a series of bilateral treaties between Germany and NATO countries.

However, these would mean a separate German army under a German general staff.

He was commenting on the statement by Mr. John Foster Dulles, U.S. State Secretary, that if France does not ratify EDC the U.S. will have to make an "agonizing reappraisal" of its foreign policy....

Canada To Accept About 168,000 Immigrants In 1954: St. Thomas, Ont., Jan. 11 (CP) -- Canada will accept about 168,000 immigrants in 1954, including the 1,000,000th post-war immigrant, Citizenship Minister Harris said tonight.

The Government believes there are still many opportunities for newcomers and plans to take in "about the same number" as last year's 168,000, he said.

There was evidence that Canada could have placed "at least another 20,000" during 1953, Mr. Harris said in a speech at a church meeting here.

"But it is better to under-estimate than to over-estimate your ability to find employment or settlement for the newcomer."

By the end of 1953, Canada had taken more than 958,000 post-war immigrants.

"We are looking forward to the 1,000,000th immigrant some time in the next few months, a post-war record equalled only by that of the U.S.A."

British immigrants, totalling 295,000, were the largest single racial group. There were 115,000 Germans, 92,000 Netherlanders, 70,000 from the United States and 386,000 of other racial groups.

(over)

House Of Commons Reassembles Jan. 12, Senate Jan 19: Ottawa, Jan. 11 (CP) -- The House of Commons reassembles tomorrow following the 26-day recess with the bulk of the session's work still ahead.

Debate on the Government's new housing legislation heads the agenda, together with a motion for establishment of a joint Commons-Senate committee to study how capital and corporal punishment and lotteries should be handled under the Criminal Code.

The Senate will meet Jan. 19.

Parliament passed several important bills during a five-week sitting before the Christmas recess started Dec. 16. Among them were measures to give textile manufacturers and other industries protection against seasonal price cuts in import goods, to bring interprovincial and international pipelines under the Transport Board's jurisdiction and to change the name of the Resources and Development Department to the Northern Affairs and National Resources Department.

There is a possibility the present session will end early in June with a break for the Easter recess April 14-26.

Mr. Massey On Canadianism: Toronto, Jan. 11 (CP) -- Governor-General Vincent Massey suggested today that Canada may interest more tourists if it improved its Canadianism as well as its coffee.

In a speech to the Canadian Club here, he said that "while doing what we can to raise the standards of our coffee and of our cafeterias generally," Canadians should strive to offer the "exhilaration" of visiting a "different country".

He urged English-speaking Canadians to take a deeper interest in the culture of French-speaking Canadians.

Every English-speaking Canadian should be "as familiar with and as proud of the achievements of his French-speaking fellow-citizens as he is of his own," the Governor-General said. "There is no better way of expressing the truest, most genuine Canadianism!"

Across Canada: Graham Suter, the 34-year-old British actor and lecturer who has just arrived in Canada to start on an 8,000-mile, three-month assignment as adjudicator for the 1954 Dominion Drama Festival, said he has been told to expect an "unusually high standard" in Canadian amateur theatre.... The Board of Transport Commissioners yesterday completed the reception of 3,900,000 words of evidence dealing with a national plan of freight rate equalization ordered by Parliament in 1951. On Tuesday the Board will begin hearing argument from spokesmen for provincial governments, railways and other organizations concerned with the proposed new rate setup.... Unemployment insurance rose to \$10,172,035 last November, compared with \$7,603,667 in October and \$6,435,444 in November, 1952.... Trade in outstanding securities between Canada and other countries in October led to a favourable balance - or capital inflow - of \$4,500,000, the Bureau of Statistics reported. The inflow was \$800,000 in the preceding month and there were outflows in the five months before that.... Executive officers of the Associated Boards of Trade of Eastern Ontario will meet here to discuss unemployment caused in eight Ottawa valley towns by closing or slowdown at a number of woollen textile mills.



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Vol. 5, No. 8. Wednesday, January 13, 1954.

**House of Commons Reassembles:** Ottawa, Jan. 12 (CP) -- Commoners had a hatful of questions ready to ask the Government today after they returned from their 26-day Christmas and New Year's recess.

First question broached by the Opposition during the usual question-and-answer period soon after opening of the House concerned the announcement that two companies have merged to build a 2,240-mile, \$300,000,000 natural gas pipe line from Alberta to Eastern Canada.

Cabinet Ministers were all in their places to handle any questions and Mr. Howe outlined briefly the moves leading to merger of Trans-Canada Pipe Lines and Western Pipe Lines for construction of the longest pipe in the world. There was a series of questions all relating to the line immediately after.

Mr. Howe said the east-west gas pipe line will not affect British Columbia chances of obtaining natural gas from the Peace River area.

Mr. Howe said the Ontario and Quebec Hydro-Electric Power Commissions and the Shawinigan Water and Power Company are considering acting as distributors for the gas in their territories, but no decision has been reached at the moment.

Opposition Members also swung into other fields.

**Favours Provincial Lotteries:** Ottawa, Jan. 12 (CP) -- A French-language Progressive Conservative said tonight laws will never stop people from gambling.

Mr. J.W. Dufresne, Member for Quebec West, said in the House of Commons that he favours provincial lotteries. Millions of dollars went to foreign countries, money which could be kept in Canada to help hospitals, the needy and education.

He spoke on a resolution establishing a Commons-Senate committee to study the Criminal Code concerning capital punishment, lotteries and whipping.

**Auditor-General's Report:** Ottawa, Jan. 12 (CP) -- Canadian contributions to the Colombo Plan, Army Pay Corps accounts and service uniforms have come under the critical eye of the Auditor-General.

A two-inch thick blue-covered report of Mr. Watson Sellar for the fiscal year ended March 31, 1953, was tabled today in the House of Commons. The Auditor-General usually has some caustic comments to make concerning Government accounts, but the report for the most part contained few criticisms.

Referring to the Colombo Plan, Mr. Sellar said that to July 31, four months after the close of the fiscal year, no report had been received that India had covered \$10,000,000 worth of wheat shipped from Canada in 1952....

**Freight Rate Equalization:** Ottawa, Jan. 12 (CP) -- Western Provinces and other bodies today split widely over a freight rate scale to equalize rates among different parts of Canada.

The divergent views were offered as the Board of Transport Commissioners began hearing final argument in its long inquiry on equalization directed by a 1951 parliamentary statute. The Board is seeking a new scale of basic "class" rates to go into effect Jan. 1, 1955.

Five proposed new rate schedules are before the Board, and today it heard arguments favouring three of them from the Governments of

British Columbia, Alberta and Saskatchewan, the city of Edmonton and the Winnipeg Chamber of Commerce.

**McIntyre Strike Settlement:** Toronto, Jan. 12 (CP) -- A basis of settlement was reached today for ending the 112-day strike of 1,400 workers at McIntyre Porcupine Gold Mine.

McIntyre is the largest of seven strikebound gold mines in the Timmins area of Northern Ontario. A total of 3,500 miners are on strike, many since July, for higher wages and the union dues check-off.

Announcement that a settlement basis had been reached was made by Labour Minister Daley after a two-hour conference in his office with union and company officials. He would not reveal the terms before ratification by union membership of the United Steelworkers of America (CIO-CCL).

**Quebec Bill Aimed At Communists:** Quebec, Jan. 12 (CP) -- Labour Minister Barrette said today Communists are concentrating their efforts on labour unions in Quebec Province and the Government plans to do "everything possible so that they will be eliminated from all such spheres".

Mr. Barrette, introducing a Government bill authorizing the Quebec Labour Relations Board to decertify unions led by "known Communists," said he failed to see how there could be any opposition to the bill.

**Across Canada:** Petroleum became Canada's number one mineral during 1953 and led total mineral production to a record annual value of \$1,331 million. Preliminary estimates by the Bureau of Statistics, valued the flow of the west's black gold at \$198 million in 1952. Output reached 81 million barrels compared with 61 million the previous year.... Canadair Ltd., Montreal aircraft builders, have received contracts valued at \$280,887,204 since Jan. 31, 1952, the House of Commons was informed.... Sales of new passenger cars and trucks, which rose substantially earlier in 1953, dropped during November in the wake of a sales decline first noticed in September.... It was 15 degrees below zero in Ottawa last night, with no moderation of recent low temperatures in sight.

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Vol. 5, No. 9.

Tuesday, January 14, 1954.

Senator Macdonald Solicitor-General: Ottawa, Jan. 14 -- Senator W. Ross Macdonald, Government Leader in the Senate and former Speaker of the House of Commons, has been appointed Solicitor-General of Canada, Mr. St. Laurent announced yesterday.

Exports To Red Countries Halved: Ottawa, Jan. 13 (CP) -- Canada's export trade to Communist-dominated Poland, Czechoslovakia, Hungary and Bulgaria in the first nine months of 1953 was only about half the value of her exports in the full year of 1952, the House of Commons was informed today.

Exports in 1952 totalled \$519,590 in value and in the first nine months of 1953, \$281,499.

Canada has trade agreements with Poland, Czechoslovakia and Communist China but not with Hungary and Bulgaria.

The Trade Department said in the return there was no trade in the first nine months of 1953 with Communist China, adding that exports previously were not recorded. No shipments of aluminum have gone to these Communist countries since 1950 when Poland, Czechoslovakia and China received a total of \$1,731,112 worth of the strategic metal.

Candidates' Election Costs: Ottawa, Jan 13 (CP) -- Biggest amount spent by a candidate in the Aug. 10 federal election was the \$22,113.09 put up by René Gobiél, Progressive Conservative, in Quebec-Montmorency. Wilfred Lacroix, Liberal, who spent \$3,890.75, was elected.

Largest amount spent by a successful candidate was \$19,909.30 for re-election of Finance Minister Abbott in Montreal St. Antoine-Westmount.

These and other figures were given today in a parliamentary return on election expenses for Stanley Knowles (CCF - Winnipeg North Centre).

Of the some 900 candidates who ran in the election, 133 have not filed figures on their election expenses, 85 of these in Quebec. Altogether, the candidates spent some \$2,500,000.

Grant MacDonald, defeated Progressive Conservative candidate in Antigonish-Guysborough, reported that he had absolutely no expenses. Least amount recorded outside of this was the \$18 spent by Ross Pope, defeated CCF candidate in Middlesex West.

Mr. St. Laurent spent \$3,187.10 in Quebec East; Mr. Drew, Progressive Conservative Leader, \$5,600 in Carleton, Mr. Coldwell \$2,717.66 in Rose-town-Biggan; and Mr. Low, Social Credit Leader, \$1,757.28 in Peace River.

Destroyer Iroquois On Way Home: Ottawa, Jan. 13 (CP) -- The destroyer Iroquois, only Canadian war ship to suffer fatal casualties during the Korean war, is on her way home for the second time.

The Navy announced today the Iroquois will have logged about 48,000 miles during her second Korean tour when she arrives at Halifax early in February. She left Canada last April.

The Iroquois' homeward journey will complete a round-the-world trip. Her ports of call will include Hong Kong, Singapore, Colombo, Aden, Suez, Port Said, Malta, Gibraltar and the Azores.

Most of the Iroquois' second tour in Korean waters was spent on patrol duty but she also assisted in evacuation of the United Nations-held Chodo Island after the armistice last July.

(over)

\$30,000,000 Rebuilding Of Halifax Refinery: Halifax, Jan. 13 (CP) -- A \$30,000,000 rebuilding of the oil refinery at nearby Imperoyal will make it the most modern in the world and capable of turning out fuel for modern jet aircraft.

Mr. George McMillin, superintendent of the Imperial Oil plant, said today it is the largest single refinery construction project ever undertaken in Canada.

When completed, probably in 1956, the plant will turn out 41,625 barrels of refined oil a day, almost double the capacity of the present plant, now out of date. It was constructed in 1916 and last modernized in 1936. The production will include high octane gasoline for high compression automobile engines and two types of jet fuel.

One customer for this jet fuel will probably be the Navy's air arm, based a mile or so from the refinery at Shearwater. The Air Force also has jets in the Maritimes, based at Chatham, N.B. The air arm now uses propeller aircraft but has announced plans to acquire jets for use aboard the aircraft carrier Bonaventure, being built in Glasgow.

Anti-Communist Bills Pass Quebec Assembly: Quebec, Jan. 13 (CP) -- The Quebec Legislative Assembly today adopted Government measures to decertify unions led by Communists or involved in public service strikes. The bills were passed 57 to 19 and 60 to 19 respectively. Liberal Members argued the measures hit all labour unions, not just Communists or labour leaders calling illegal strikes in public services.

Premier Duplessis said strikes in public services are anti-social acts kin to revolutions and sabotage.

It is Government's duty to give the people an example of courage.

"Democracy is not government of the people by a class and for a class," he said.

"Calling a strike in a public service is like a soldier turning a gun against a general. . . . it is equivalent to treason."

"A strike in a public service is a strike against the people, against good order and against the law. A Government with courage has to take appropriate means to put an end to them."

Civil Defence Training At Arnprior: Ottawa, Jan. 13 (CP) -- The town of Arnprior, about 30 miles west of Ottawa, next month will become the training headquarters for Canada's Civil Defence Organization.

Civil Defence sources said today that between 1,500 and 2,000 men and women will graduate each year from the new training centre. Their job will be to train others at the community level in methods of dealing with possible enemy air attacks, and other national emergencies.

The centre occupies the former grounds of the RCAF's Arnprior station. The college commandant is Maj.-Gen. H.S. Penhale, former civil defence chief at Winnipeg.

Across Canada: A total of 2,212 wells, 1,416 of them in Alberta, was drilled in the four Western provinces last year in the search for oil and gas. More than 56 per cent or 1,245 wells resulted in oil production. There were 183 indicated gas wells and 784 dry holes. . . . Five Canadian snowmobiles, otherwise known as "penguins," have completed a 917-mile trip through Northern British Columbia and the Yukon in 66 hours actual driving time. Army headquarters, announcing the sub-Arctic journey today, said no effort was made to break or establish any speed record. . . . Mr. G.H. Barnard, 85, former Progressive Conservative Senator, Member of Parliament, mayor and magistrate, died in hospital yesterday in Victoria, B.C., after a short illness. He retired from the Senate in 1945 after 43 years' public service.

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Vol. 5, No. 10.

Friday, January 15, 1954.

**First Class Mail Rates Increase:** Ottawa, Jan. 14 (CP) -- Spokesmen for all opposition parties in the House of Commons today opposed the Government's plan for a cent-an-ounce boost in first-class mail rates.

The increase, scheduled to start April 1, was described by Mrs. Ellen Fairclough (PC - Hamilton West) as "a proper April fool".

She was joined by Mr. Harold Winch (CCF - Vancouver East), Mr. Robert Fair (SC - Battle River-Camrose) and other opposition speakers in urging the Post Office to look for savings through more efficient operating methods.

Postmaster-General Coté said the proposed increases are the "only equitable way" to meet increased costs from salary boosts, a shorter work week effective April 1 and improvements to rural mail deliveries.

He estimated the increases would bring in \$14,000,000, with the additional costs amounting to \$13,500,000.

Members spoke on a motion preparatory to introduction of a bill to make the following increases in first-class rates:

1. On mailings beyond postal areas, five cents instead of four for the first ounce and three cents instead of two for each additional ounce.

2. On mailings within postal areas, four cents instead of three for the first ounce and two cents instead of one for each additional ounce.

The Government's motion was opposed as soon as it was called. By a vote of 136 to 77 the Liberals defeated an attempt to block consideration of the motion.

Mr. Coté said: The department faced additional costs of \$5,000,000 for implementing the five-day 40-hour week in certain localities, \$7,000,000 for salary increases and \$1,500,000 for improvements in rural mail service....

**Quebec Provincial Income Tax:** Premier Duplessis today announced establishment of a provincial income tax effective Jan. 1, 1954. Thunderous desk-thumping on the part of his National Union Party supporters greeted the Premier's announcement.

The tax, first income-levy imposed in Quebec since the Federal-Provincial agreement signed in 1942 by the Liberal Government of former Premier Godbout, is expected to yield between \$22,000,000 and \$25,000,000 annually.

Mr. Duplessis said the tax, rendered necessary by increasing public health and education costs, will affect some 300,000 Quebec residents.

This is half the number affected in Quebec Province by the federal income tax, the Premier said.

The new provincial tax will in effect mean that the Quebec taxpayer will pay to the provincial treasury 15 per cent of what he now pays in federal income tax. If no agreement can be reached with Ottawa then Quebecers will be called on to pay around 15 per cent more in income taxes.

The Premier indicated the province's income will be somewhat less than 15 per cent the amount Quebecers now pay to the federal Government in income taxes.

The bill, text of which has still to be presented to the House, was given first reading today.

Mr. Georges Lapalme, Liberal Opposition leader made no comment. He urged prompt printing of the bill so it could be studied prior to debate in the House.

Few details of the 228-clause, 150-page bill were announced by Mr. Duplessis.

(over)

The Premier said his Government would tax personal income starting at \$1,500 for single persons and \$3,000 for persons supporting families. He said \$400 would be deductible from taxable income for each child.

He announced there would be other types of exemptions but did not elaborate.

Mr. Duplessis said he believed elementary agreements with the federal Government and the Canadian constitution would permit deduction of provincial tax from federal income tax....

Royal Bank President On Trade Outlook: Montreal, Jan. 15 (Gazette) -- Reduction of costs and prices and promotion of lower tariff, freer-moving trade with other countries, to adjust Canada's "high-cost economy" to new competitive conditions, were strongly urged here yesterday by Mr. James Muir, President of the Royal Bank of Canada.

In his address at the Bank's annual meeting of shareholders, Mr. Muir contended that downward revision of prices was needed, not only to maintain Canada's competitive position in world markets, but to nourish a more competitive situation within Canada itself.

Dollar countries such as Canada, he believed, should open their doors wider to import competition by reducing tariffs and customs red tape, thus leading the way toward similar action abroad to liberalize trade and get closer to currency convertibility. Such action would also, he felt, exert pressure to bring Canadian prices down and narrow the disparity between the cost of imported goods and their prices in countries of origin.

Mr. Muir also advocated action by chartered banks and other financial institutions to support and extend the Bank of Canada's efforts to encourage development of a money market in Canada. "Great improvement" had already stemmed, he declared, from the central bank's activities and its co-operation with financial institutions in this respect.

The fostering of a money market he saw as an important aspect of the success of "our monetary authority" in pursuing "a policy appropriate to a nation that must maintain a competitive position in foreign markets" during a period of inflation....

Wheat Stockpile: Ottawa, Jan. 14 (CP) -- Canada's wheat stockpile, for export and carryover, was more than 100,000,000 bushels higher Dec. 1 than a year before.

The total increased to 713,900,000 bushels from 610,000,000 in the previous year, the Bureau of Statistics reported today.

Total exports of wheat and flour in the first four months of the current crop year, which opened Aug. 1, dropped to 102,800,000 bushels from 138,300,000 from the similar 1952-53 period.

Wolfe, Montcalm Monuments: Ottawa, Jan. 14 (CP) -- A Liberal Member of Parliament today said that monuments should be provided on the Plains of Abraham for Generals Wolfe and Montcalm, victor and vanquished in the battle between Britain and France for possession of Canada.

Mr. Jean François Pouliot, Member for Temiscouata, made the suggestion during discussion of a Government plan to increase to \$125,000 from \$100,000 the amount of money paid the commissions charged with keeping the historic battlefield at Quebec.

Furthermore, said Mr. Pouliot, if any descendants of the British General Wolfe or the French General Montcalm are living they should be appointed trustees of the 1759 battlefield or named to the Battlefield's Commission irrespective of their political views.

Across Canada: Trans-Canada Air Lines announced that two four-engined North Star aircraft will operate daily to Newfoundland through Halifax, beginning Feb. 1.... Some progress was reported by union officials after a meeting between Noranda Mines and the negotiating committee of the United Steelworkers of America (CIO-CCL), Local 4278. Another meeting has been called for next Thursday.... An increase in the number of British immigrants coming to Canada is urged in a letter sent by the town and country church committee of the Anglican Diocesan Council for Social Service in Toronto to Immigration Minister Harris.... Captain the Right Hon. Peter Thorneycroft, President of the United Kingdom Board of Trade, has accepted an invitation to open the Seventh Canadian International Trade Fair, in Toronto, on May 31, it was announced January 14 by the Minister of Trade and Commerce.

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Vol. 5, No. 11.

Monday, January 18, 1954.

**Parliamentary Salary Boosts:** Ottawa, Jan. 17 (CP) -- Mr. St. Laurent gave notice Saturday he will ask Parliament to raise members' allowances in the 102-seat Senate and 265-seat House of Commons by an unspecified amount.

He said also, in his Commons order paper notice, he will ask for boosts for all Cabinet Ministers, Opposition Leader Drew, Senate Government Leader Macdonald, Senate Opposition Leader Haig, as well as Speakers of both Chambers and the Commons Deputy Speaker.

The Cabinet is studying a proposed 25-per-cent pay boost for judges of Provincial Supreme Courts.

Annual pay of Provincial Supreme Court justices would be raised to \$18,000 from \$14,000; Provincial Chief Justices to \$20,000 from \$16,000; and County Court Judges to \$10,000 from \$8,000.

First increase since legislators got a \$2,000-a-year expense allowance at the end of the Second World War, Mr. St. Laurent's prospective boosts likely will mean a jump to \$10,000 a year from a current minimum of \$6,000 for Senators and MPs.

**Work of the House of Commons:** Ottawa, Jan. 17 (CP) -- The House of Commons probably will get more variety into its debates this week in contrast to a rather lean four days since members returned from the Christmas holiday.

Only three full-dress debates marked the four-day sitting last week. Tuesday was spent debating the merits of corporal and capital punishment; toll bridges to Montreal occupied Wednesday; Thursday and Friday saw a sustained fight over the Government's plan to boost postal rates a cent an ounce.

However, this week promises something different. Monday's private member day--missed last week--brings up two resolutions concerning the Income Tax Act....

These likely will keep members occupied Monday. Detailed study, clause by clause, of the bulky revision of the Criminal Code is expected to be started Tuesday. On subsequent days, the Government's housing legislation will be called and an external affairs debate may be arranged for late in the week as a result of Mr. St. Laurent's remark last Friday that the Government hopes to launch one this week.

**Postal Rate Increases:** Ottawa, Jan. 15 (CP) -- Mr. Drew said today Canada will have the highest postage rates in the world if a proposed one-cent-an-ounce increase on first-class mail is adopted.

The Opposition Leader said in the House of Commons the Government's plan is "the payoff on the political bait that was offered last spring" before the general election. The Government knew it would lose money when it removed the stamp tax on cheques then.

On the second day of debate on a resolution preliminary to implementing the postage boost, Mr. Drew was joined by members of the other two Opposition parties in criticizing the proposal.

Postmaster-General Cote defended it, saying his Department is faced with increased expenditures of around \$13,500,000 a year and the Government wants the Post Office to pay its way. He estimated the boosts, scheduled for April 1, will yield \$15,000,000 a year.

The Commons tonight approved the resolution by a vote of 49 to 34 and a bill to implement the increases was introduced... Progressive Conservative, CCF and Social Credit members voted against the motion, which was supported by the Liberals...

(over)

Release of Kurt Meyer: Ottawa, Jan. 15 (CP) -- German Maj.-Gen. Kurt Meyer will be released from prison "in some months", Mr. Claxton said today.

Meyer, serving life imprisonment for his part in the shooting of 18 Canadian prisoners-of-war in Normandy in 1944, has had his sentence commuted to 14 years, Mr. Claxton said in the Commons.

Sentence of German Sgt. Johann Neitz, serving 20 years for wounding a Canadian airman who was his prisoner, also is being commuted to 14 years.

Mr. Claxton, after two questions from Mr. Diefenbaker, said the commutation will mean that Meyer will be released in "some months" or a "year or so". He said he could not say definitely because it would depend on prison regulations at Werl in the British zone of Germany, where Meyer is serving his sentence.

There were protests from the Opposition benches when Mr. Claxton said Meyer's crime was less serious than those of other Germans who already had been released from prison.

Mr. Drew asked what crime could be more serious than to order the shooting of Canadian prisoners-of-war. Mr. Claxton replied that Meyer had not been convicted on that charge but that the shootings had taken place in an area under Meyer's command.

Meyer, now held by British authorities at Werl, was moved there from the Federal penitentiary at Dorchester, N.B.

Sentence of Meyer and other war criminals, Mr. Claxton said, had been reviewed by boards in the United States, British and French zones of Germany.

Across Canada: Saskatchewan's young oil industry grew taller in 1953, when production figures rose nearly 1,000,000 barrels ahead of 1952 output. Records were established in the number of wells drilled, footage bored and the number of new wells capable of production. Strides were made in expanding refinery capacity. Marketing problems dimmed with the promise of pipe lines, C.P. reports.... Exchange visits of high school students between French-speaking and English-speaking Canada increased last year by 32 per cent. This was reported at the annual meeting of Visites Interprovinciales, which sponsors the visits.... The great-great grandson of the man who quelled the Riel Rebellion came ashore at Halifax today the first descendant of his illustrious ancestor to come to Canada. He is 25-year-old Peter Le Mesurier whose great-great grandfather, Sir Frederick Middleton, was Commander-in-Chief of British troops sent west to battle the rebel forces of Louis Riel....

Hockey: (Saturday) -- Canadiens 2, Boston 1; Toronto 4, New York 0.  
(Sunday) -- Boston 3, Canadiens 2; New York 3, Detroit 2, Toronto 3, Chicago 1.

GOVERNMENT



OF CANADA

## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

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Vol. 5, No. 12.

Tuesday, January 19, 1954.

**Medical Income Tax Floor Debated:** Ottawa, Jan. 18 (CP) -- A government spokesman today rejected a CCF proposal that the three-percent floor limiting deduction of medical expenses for income tax purposes be eliminated.

Mr. William Bendickson, Parliamentary Assistant to Mr. Abbott, said in the House of Commons that the Government feels individuals should pay normal medical expenses without receiving income tax relief.

However, spokesmen for Opposition parties supported the resolution of Mr. Stanley Knowles (CCF - Winnipeg North Centre) that the Government consider removing the three-percent floor on deductible medical expenditures.

The resolution was defeated by a vote of 90 to 66, with CCF, Progressive Conservative and Social Credit members voting together in support of the proposal.

Mr. Knowles said taxpayers should be allowed to deduct from their income every dollar spent on medical care, up to the ceiling of \$1,500 for single persons, \$2,000 for married persons and \$500 for each dependent, up to four.

**Gold Stockpile Climbs At Year End:** Ottawa, Jan. 18 (CP) -- Canada's official stockpile of gold and United States dollars reversed a \$100,000,000 mid-1953 decline to climb to \$1,886,800,000 at the end of the year.

Used to iron out fluctuations in the exchange value of the Canadian dollar, the reserves on Dec. 31 were just \$48,300,000 below the all-time high of \$1,866,800,000 reached last January.

During December, the stockpile increased by \$11,800,000 from \$1,806,700,000 on Nov. 30.

Setting out the reserves' 1953 standing, the Bank of Canada's statistical summary for December today showed:

1. The gold-dollar stockpile declined by more than \$100,000,000 from the January peak to \$1,750,100,000 on June 30. At that time the Canadian dollar dipped almost to par, but swung upward again.

2. A decided concentration in pure gold developed throughout the year. Holdings in pure gold rose by almost \$100,000,000 to \$986,100,000 on Dec. 31 from \$888,500,000 on Jan. 31. Holdings in U.S. dollars were cut by more than \$140,000,000 to \$832,400,000 from \$978,300,000....

Throughout the year the Canadian dollar maintained its universal leadership, slipping only at a time when the reserves dropped. In terms of Canadian funds, the U.S. dollar was worth a shade above 97 cents on Jan. 31. It increased almost to 99½ cents on June 30, but dropped again to about 97 1/3 cents on Dec. 31.

It was quoted at Montreal today at a discount of 2 27/32 per cent in terms of Canadian funds. At New York, the Canadian dollar was at a premium of 2 29/32 per cent in terms of U.S. funds.

**Mounties in Film Series For Television:** Ottawa, Jan. 18 (CP) -- A Hollywood production team will start "shooting" Canada's crime-busting Mounties Monday.

Film producer Victor Stoloff arrived here today to prepare for production of 13 television film plays, depicting in dramatized form the roll of the RCMP in smashing crime.

Shooting will start here and later move to Montreal, Toronto, Regina and possibly the Arctic to bring in authentic background material.

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To be taken in colour for release over United States and Canadian TV networks some time next fall, the films will show a 90 per cent Canadian cast, seasoned with a few American experts, including Lloyd Bridges who appeared with Gary Cooper in High Noon.

Bridges will play the lead in the series as Inspector McGuinness. About 100 Canadian actors and actresses, including some who appeared in the Shakespearian Festival at Stratford have been lined up for possible roles, Stoloff said. The writing job has been assigned to four Hollywood script writers.

Floyd Crosby, colour movie expert, who won the academy award for his filming of High Noon, will do the film work on the Canadian stories.

The RCMP series is being sponsored by a new \$250,000 Canadian company S and S films Ltd.--headed by K. K. Sims, Kitchener lawyer. Other prominent Canadians are understood to be in the venture, but names have not yet been released.

The RCMP are prevented by regulations from giving the series official authorization, but officials said they are co-operating with the film producers as they would with any other legitimate group seeking background material on the RCMP.

Premier Sees Fast Growth For Ontario: Toronto, Jan. 18 (CP) -- Premier Frost predicted tonight that Ontario will have a population of about 6,000,000 in the next five or six years and said provision is being made to provide the schools, roads, housing and other facilities the people will need.

Ontario's population has just passed the 5,000,000-mark, the premier said in a radio address. The next five or six years would "see another million people in our province."

Last year more than half of all the new people coming to Canada settled in Ontario.

Instalment - Buying Rise: Ottawa, Jan. 18 (CP) -- Another boost in instalment-plan buying pushed Canada's consumer credit bill to a new high of \$1,772,000,000 on Sept. 30.

But there were signs the big on-the-cuff buying splurge that followed removal of credit controls in April, 1952, was nearing the saturation point.

The 1953 third-quarter rise between June 30 and Sept. 30 totalled only \$51,000,000, a Bank of Canada survey showed today. This compared with the \$175,000,000 jump in the second quarter and the \$143,000,000 increase in the third quarter of 1952.

Mr. George V. Ferguson On Canada-US Relations: Toronto, Jan. 19 - (Globe & Mail) -- An aggressive U.S. leadership has filled the vacuum created by withdrawal of Britain, and Canada today is reacting toward the influence of its big neighbour in much the same way it had once reacted to British influence, Mr. George V. Ferguson, Editor-in-Chief of the Montreal Star, said yesterday....

"If the reaction seems odd to our neighbours, it is they, rather than we, who should make the adjustment," he said. "If our neighbour is wise, he will realize that our storm signals are flying...."

"Whether we like it or not, we are better off with it than without it. We should always thank Providence that the United States no longer is isolationist."

Across Canada: Canadians were described yesterday as "the most tasteless people in the world, with an educational system that is archaic." Dr. Arthur Lismer, Educational Supervisor of the Museum of Fine Arts of Montreal, told members of the Canadian Club of Montreal that people in this country not only neglect their universities and schools of art, but its young people "have fewer national and provincial opportunities to study with adequate support than most of other countries," the Gazette reported.... All but eight of Hollinger Consolidated Gold Mines' 1,800 employees have returned to work since the Dec. 28 settlement of a three-month strike, mine officials said yesterday.... Senator William Henry Dennis, publisher of the Halifax Chronicle-Herald and the Halifax Mail-Star, died suddenly in Halifax yesterday. He was 66.



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Vol. 5, No. 13.

Wednesday, January 20, 1954.

**Atomic Power For Industry:** Ottawa, Jan. 19 (CP) -- Trade Minister Howe said today Canada will not be behind other countries in developing atomic power for industry.

The Minister was commenting on a United Kingdom Government announcement lifting the curtain on production of atomic fuels for peacetime uses.

Mr. Colin Cameron (CCF - Nanaimo) asked Mr. Howe, who reports to Parliament for Atomic Energy of Canada, Ltd., whether Canada is conducting similar experiments to harness the atom for industrial purposes.

Mr. Howe said the atomic energy plant at Chalk River, Ont., always has devoted its energies to research in peacetime uses of atomic power. Canada was not interested in developing atomic power for war purposes.

Research into industrial uses of atomic power was actively proceeding at Chalk River, 125 miles northwest of Ottawa, and considerable progress was being made.

"Canada will not be behind other countries in bringing atomic energy into practical use," he said.

**Probe Of Communism To Be Asked:** Ottawa, Jan. 19 (CP) -- A Social Credit Member of Parliament said today he will ask the Government to establish a special committee to investigate Communism in Canada.

An outspoken foe of Communism, Mr. John Blackmore (SC - Lethbridge) said in a statement that he feels an agency should be set up to assist the RCMP and the Justice Department in "identifying, and in dealing adequately with, Communists in Canada."

He said a resolution suggesting appointment of a committee will appear on the House of Commons order paper later this week.

He said the committee should be empowered to investigate:

1. Possible Communist espionage developing in Canadian industrial and other activities.
2. Conceivable Communist infiltration into the Canadian administration "even to the extent of planting in sensitive positions in certain departments, agents desirous of influencing policy or of impairing executive effectiveness."

**Mr. Drew On Northwest Development:** Ottawa, Jan. 19 (CP) -- Mr. Drew said today the Government should do everything possible to interest more people in settling in the Northwest Territories.

The vast area offered opportunities to persons of all ages, Canadian-born and immigrants alike, he said in the House of Commons during debate on a bill to amend the Northwest Territories Act.

The bill, changing the number of elected representation on the council from three to four, was given second reading approval in principle - and will come up later for third reading.

Mr. Drew said that in the last few years new interest in the Territories resulted from mining discoveries. The Territories played a vitally-important part in the development of atomic energy.

"In many ways," he said, "the North beckons to the young and the vigorous, to people of all ages, who look for the rewards that come with adventure and with new developments such as we have seen in that part of Canada...."

"I would hope that in every way possible we would direct our attention to that distant area so as to encourage young Canadians and others who have not yet come to Canada to seek opportunity there."

Mr. Drew cited Russia as an example of a country which holds great interest in the development of its northland and support of population in that area.

"We will hope that those developments will be for peace rather than for war - peace that will provide opportunities for us and for other people."

Earlier, Mr. Lesage announced the Government has accepted a suggestion by the Opposition Leader that the elected representation on the council be increased to five. However, the fifth seat would not be filled until population of the Territories warranted additional representation.

The Territories now have a population of about 16,000 most of them living in the Mackenzie River Valley. About 6,000 are white, the others Indians and Eskimos.

Dr. Trueman On Work Of Film Board: Ottawa, Jan. 19 (CP) -- National Film Board documentaries are helping to extend and enrich the national sense of unity, Dr. A.W. Trueman, Film Board head, said today.

He told the Canadian Club that documentaries also are helping to interpret Canada to Canadians and provide the people with at least some of the necessary materials of thought.

More than 13,000,000 persons had seen Film Board documentaries last year outside commercial theatres.

The Film Board might not attain its aim by "talking in a grandiose manner about Canada as a whole" and there was little point in trying to sell anything. Canada should be presented "as honestly and objectively as possible".

The Film Board, he said, "seeks to inform the Canadian people about their own country, to give them in honest and attractive form some, at least, of the materials of thought, not to propagandize, not to disseminate messages, but to show them through the eye-gate and the ear-gate the rich variety of Canadian life, confident that in this way our citizens may be helped to better citizenship and Canada a stronger and more united country".

\$100,000,000 For Housing: Toronto, Jan. 19 (CP) -- The Minister of Public Works, Mr. Winters, said today the federal Government will invest \$100,000,000 in Canada's housing in 1954.

Addressing a meeting of the Toronto Liberal Businessmen's Club, the federal Minister estimated the number of new houses started last year at 105,000 and declared that that level of construction will be at least maintained this year.

Answering criticisms of proposed changes in the housing and bank acts to permit banks to invest in housing mortgages, the Minister said Canada is expanding and the level of bank deposits will increase.

Passamaquoddy Bay Project: Ottawa, Jan. 19 (CP) -- The United States Government has made no recent proposals for a survey on the feasibility of the Passamaquoddy tidal power project, Mr. Pearson said today. "If and when the U.S. Government makes a specific proposal, it will be given careful consideration," he told Mr. A.J. Brooks (PC - Royal) in the House of Commons.

Across Canada: The Legislative Assembly of Quebec yesterday unanimously approved a Government bill to curb distribution of literature "abusive and insulting" to any religious group. The final vote was 81 to 0.... Canadian retailers did a peak \$10,921,000,000 business in the first 11 months of 1953, but there was a slight decline during November.... Membership of the Income Tax Appeal Board has been boosted to four from three due to a major increase in income tax appeal cases.

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Vol. 5, No. 15.

Friday, January 22, 1954.

Ambassador To Russia: (Press Release No. 5, Jan. 21) -- The Secretary of State for External Affairs announced on January 21 that Mr. John B.C. Watkins, who is at present Canadian Minister to Norway and Iceland, will be transferred to Moscow with the rank of Ambassador. Mr. R.A.D. Ford, who is at present Chargé d'Affaires a.i. in Moscow, will return for duty in the Department. Announcement was also made of the appointment of Mr. Chester A. Ronning as Canadian Minister to Norway and Iceland to succeed Mr. Watkins.

Mr. Chevrier On St. Lawrence Seaway: Quebec, Jan. 21 (CP) -- Mr. Chevrier said tonight the federal Government will proceed alone with a deep navigation development in the St. Lawrence River's Lachine section if the Quebec Government does not join it in a power-shipping project.

The proposed undertaking would be part of the down-river works of the St. Lawrence Seaway. The navigation works in the Lachine area would cost around \$98,000,000 on the last estimate made public, while the 1,200,000-horsepower development would cost something over \$270,000,000.

He said the seaway would open up a new waterfront along the south shore in Montreal, which would "stimulate industrial development there".

Mr. Chevrier spoke to the Canadian Electrical Association.

Dealing with the waterway generally, Mr. Chevrier reiterated that Canada proposed to build the navigation works alone from Montreal into Lake Erie. He expressed the hope construction can start next summer if court obstacles in the United States are cleared away.

"The Government is determined to construct an all-Canadian seaway as soon as these hurdles are overcome," he said.

"At the same time, we are committed to consider any firm proposal for United States consideration that would not upset present power plans and would not unduly delay completion of the seaway.

"Congress has such a measure before it even now, but its prospects are most uncertain, especially in the House of Representatives.

(The seaway bill was adopted in the U.S. Senate last night. The House has yet to act on concurrent legislation.)

"Unless it is approved by both Chambers before Canada is in a position to start her own canals, the long history will end with an all-Canadian seaway."

Housing Act Amendments: Ottawa, Jan. 21 (CP) -- The Minister of Public Works, Mr. Winters, hinted today that the \$10,000 ceiling on Government housing loans may be boosted by as much as \$2,500 or \$3,000 under proposed new legislation. Interest rates on National Housing Act loans, currently 5½ per cent, also may be increased, but he said they will be held below six per cent.

In a 6,500-word statement in the House of Commons, he outlined further details of a proposed NHA amendments and urged Members to give the legislation speedy approval so it can be put into operation next spring.

The measure met some criticism as it came up for second reading - approval in principle. Mr. Donald Fleming (PC - Toronto Eglinton) said his party will not oppose the measure but he described some of its features as inadequate.

The measure would admit banks into the mortgage-lending field and this was a "fundamental departure" from existing banking legislation. He

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assumed banks will co-operate, but he hoped there will be no "pressure" put on them to get depositors' money into long-term housing loans.

Mr. Winters said the legislation will open the mortgage-lending field to chartered banks under a loan-insurance scheme aimed at maintaining residential housing construction in Canada at or near the 1953 peak of 104,000 housing starts.

It will cut down payments, extend the time to pay and provide maximum 15-year loans to encourage conversions of large, old homes into duplexes and apartments.

Coastal Waters Restrictions: Ottawa, Jan. 21 (CP) -- Canada is expected to tighten restrictions on use of Canadian coastal waters by Commonwealth shipping before the St. Lawrence Seaway gets into operation.

The so-called coastal area, in which Commonwealth vessels now can ply freely between Canadian ports, probably will be redefined to exclude the St. Lawrence River and the great Lakes from free access in this trade.

The move would be a protection for Canadian merchant shipping, which will be open to stiffer competition from low-cost British craft once large ocean-going vessels can move up the proposed deep waterway into the lakes.

Canadian authorities also are known to be giving some thought to the question of a suggested treaty with the United States to allow only ships of these two countries to engage in international Canada-U.S. trade in the lake-river area.

"Lyndhursts" Off For Stockholm: Toronto, Jan. 21 (CP) -- Toronto's East York Lyndhursts leave tomorrow for Stockholm and the 1954 World hockey championships.

The 16 players making the trip were on the ice at the East York Arena this afternoon trying out new skates purchased for the trip.

The club sails on the Queen Mary from New York Saturday.

Across Canada: Newfoundland needs engineers more than any other part of Canada Mr. Ross L. Dobbin, of Peterborough, President of the Engineering Institute of Canada, said yesterday in Montreal. Mr. Dobbin reported to engineering students at L'Ecole Polytechnique and McGill University on a just-completed tour of industrial developments in the Maritimes, Quebec and Ontario. He described Newfoundland as "practically undeveloped",... Premier Duplessis said yesterday in the Legislative Assembly his Government plans to apply 1952 legislation to censor television films and programmes.... Western Canada was muffled in heavy winter clothing for the eighth straight day today as a blanket of frigid Arctic air held the Prairies and British Columbia in its icy grasp. Sub-zero temperatures have plagued the West since Jan. 13 and have claimed 11 lives, directly or indirectly. Eight inches of snow believed to be the heaviest fall in nine years, blanketed the Vancouver area. Coldest Prairie point was Val Marie, Sask., where the mercury fell to 59 degrees below zero. It was ten to 15 below in the Ottawa district.



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Vol. 5, No. 16.

Monday, January 25, 1954.

**Death Of Mr. Wrong:** Ottawa, Jan. 24 (CP) -- Mr. H. Hume Wrong, Canada's second highest foreign affairs officer and a former Ambassador to Washington died here today. He was 59.

He was Under-Secretary of State for External Affairs and previously had served in London, Geneva and Washington. Mr. Wrong was one of Canada's most polished and seasoned diplomats.

More than half his nearly 27 years in the service was spent in Washington where he helped establish the first Canadian Legation.

He was a familiar figure to most international diplomats because of his service on Canadian delegations to wartime and post-war conferences and was a friend of the last four United States Presidents.

Mr. Pearson, a close friend of Mr. Wrong since their comradeship in France in the First World War, described him today as "the finest type of public servant" and said "no man has made a greater contribution to the building up of Canada's foreign service or to the wise administration of Canada's foreign policies".

Mr. St. Laurent said: "I have heard with deep regret - personal and official - of the passing of Hume Wrong. Canada has lost a great public servant. I shall lose a good friend and wise counsellor."

Mr. Wrong died of a heart ailment. He entered hospital for treatment last November only a fortnight after taking over his latest assignment, as Under-Secretary of State for External Affairs. He had appeared to be making a good recovery but a second attack caused him to re-enter hospital Saturday....

**December Deficit Reduces "Surplus":** Ottawa, Jan. 22 (CP) -- The Government went into the red \$34,687,000 in December, cutting the nine-month surplus to \$240,381,000.

Expenditures declined slightly through lower defence payments, but revenues took a more pronounced drop, the monthly treasury statement showed today.

Second monthly decline in the 1953-54 fiscal year, revenues slid by \$19,308,000 in December to \$379,106,000 from \$398,414,000 in the previous year. This compared with the \$2,000,000 drop in October.

Expenditures decreased by \$12,375,000 to \$413,793,000 from \$426,168,000. Increases showed on the civilian side of Government expenditures, but defence spending was cut by \$26,390,000.

The December deficit of \$34,687,000 was up from the \$27,754,000 deficit in December, 1952, while the nine-month surplus of \$240,381,000 was down from the \$264,099,000 favourable balance in the similar 1952-53 period.

The treasury, budgeting for a year-end surplus of \$11,000,000, said collections and disbursements are running true to forecasts.

In the first nine months, about 71 per cent of total revenues of \$4,473,000,000 forecast for the year in last February's budget were collected. About 66 per cent of forecast expenditures of \$4,462,000,000 were made. This same percentage pattern prevailed in the previous fiscal year.

During December, collections from income taxes and customs duties declined. Personal income taxes deducted at source totalled \$72,308,000, down from \$77,319,000 in the previous year. Corporation income tax collections dropped to \$99,037,000 from \$106,573,000.

Collections from customs import duties slid to \$28,124,000 from \$33,223,000; excise duties to \$22,920,000 from \$25,236,000; and excise taxes to \$74,735,000 from \$83,457,000.



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Vol. 5, No. 17.

Tuesday, January 26, 1954.

Canada, U.S., U.K. Trade Statistics: Ottawa, Jan. 25 (CP) -- Canada's deficit in United States trade rose to a six-year high of \$694,400,000 in the first 10 months of 1953.

Exports to the U.S. in the 10 months edged ahead to \$2,035,500,000 from \$1,911,200,000 in the previous year, but imports jumped by more than \$280,000,000 to \$2,729,900,000 from \$2,447,500,000.

The unfavourable balance in U.S. trade increased from \$536,800,000 in the 10-month 1952 period, rising to the highest mark since the peak of \$804,500,000 in 1947.

Canada balanced off part of this deficit in a surplus in British trade, but the general 10-month interchange showed a Canadian overall deficit of \$236,500,000. This compares with a surplus of \$248,400,000 in the 10 months of 1952.

Canada's shipments to all countries dropped to \$3,456,500,000 from \$3,570,000,000 in 1952, while imports climbed to \$3,693,000,000 from \$3,321,900,000.

Exports to Britain declined to \$565,000,000 from \$641,000,000 while imports increased to \$376,200,000 from \$296,500,000. The surplus in British trade dropped to \$188,900,000 from \$345,400,000 in the previous year.

Housing Legislation Before Commons: Ottawa, Jan. 25 (CP) -- A Progressive Conservative Member of the House of Commons said today the Government's new housing legislation will turn lending institutions into agents of the Government.

Mr. J.M. Macdonnell (PC - Toronto Greenwood) said one section of the measure will leave lenders "practically no choice" but to foreclose on mortgages when payments are in default.

Under the new plan of insuring mortgages, banks and other lending institutions would be unable to depart from the housing regulations in administering home loans for fear of losing the Government's guarantee on the mortgage.

Mr. Macdonnell criticized the "wide, inclusive, meticulous and permanent power" given the Government's Central Mortgage and Housing Corporation during the Commons' third day of debate on the housing bill.

"The bill regulates private enterprise to the status of a mere machine of Central Mortgage and Housing Corporation," he said.

"The only place where initiative is left to the lender is the dirty job of foreclosing the loan. In many cases he will be forced to do it even against his better judgment."

The wide powers of regulation given the Government would be acceptable to a CCF government, if the party were to come into power. A CCF government would want to extend similar control over any other industry where regulation was "socially desirable"....

Opposition Asks For Meyer Documents: Ottawa, Jan. 25 (CP) -- The Government today declined to make public documents relating to the trial, sentence and possible early release from prison of German S.S. Maj.-Gen. Kurt Meyer.

Mr. Claxton said the Government could not accept a motion, placed on the Commons order paper by Mr. Drew, asking for the papers.

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Mr. Claxton said: "Parliament is not the place to try or retry criminal cases."

It was not in accord with Parliamentary practice to make such information public and would not be in the public interest.

Mr. Drew sought the information after Mr. Claxton announced Jan. 15 that Meyer will be released from Werl Prison in Germany "in a matter of months".

Mr. Drew called for a formal vote on the motion and it was defeated by 102 to 63.

Mr. Tom Goode (L - Burnaby-Richmond) voted with the Progressive Conservatives, CCF and Social Credit Members. Mr. P.E. Gagnon (Ind. - Chicoutimi) voted with the Government.

Mr. Drew asked for a copy of all correspondence, telegrams cablegrams, recorded telephone or other conversations between the Canadian Government and any other government authority, person or persons and all documents in the Government's possession relating to Meyer.

Mr. Claxton said the decisions of the boards set up in the British, United States and French zones to review the sentences of all convicted war criminals had been accepted by the governments concerned. He asked whether Canada was to be the only country to make an exception and to treat Meyer separately and differently than other war criminals.

To Prosecute Cable Firms: Ottawa, Jan. 25 (CP) -- The Government has decided to launch court prosecutions in connection with the alleged 41-year price-fixing combine in Canada's \$124,000,000 electrical wire and cable manufacturing industry, Justice Minister Garson announced today.

Ten companies - including the industry's "big four" - were named in a 247-page report last November by Special Combines Commissioner H. Carl Goldenberg of Montreal.

He charged that the companies, by arranging to submit identical bids on tenders, "vitiating and made a mockery" of competitive bidding.

Mr. Garson told the House of Commons that Mr. J.D. Arnup, of Toronto, who had been retained to advise on the case, has stated that prosecutions were warranted against some or all of the manufacturers.

The exact parties to be prosecuted, the Minister added, will be determined later when evidence is examined in detail in preparation for trial.

Labour "No-Raiding" Agreement: Ottawa, Jan. 25 (CP) -- Plans for a "no-raiding" agreement between Canada's two largest labour congresses were worked out today at a conference of their top officers, it was learned tonight.

The tentative arrangement is one step in the direction of closer all-round co-operation by central labour bodies, some of which have had an eye on complete unification eventually.

Today's meeting was between "co-operation" committees set up last year by the 580,000-member Trades and Labour Congress of Canada, oldest and largest central body, and the 375,000-member Canadian Congress of Labour.

Informants said the officers had come to terms leading to a non-raiding agreement between the congresses, so that TLC and CCL unions would not try to snatch members from unions belonging to the rival congress.

Across Canada: Mr. Cecil Clarke, artistic director of the Stratford Shakespearian Festival, said in Stratford yesterday that Western Canada greeted with enthusiasm a proposal to hold a Shakespearian festival in the West. Mr. Clarke said the people interested in the West have been told: "You build the theatre and we'll put on the show." He has just returned from a cross-country tour seeking talent for the 1954 festival.... The federal Government for the third time has asked Mr. Justice R.L. Kellock of the Supreme Court of Canada to help work out a settlement in Canada's biggest recurring labour dispute. Mr. Gregg announced yesterday that the 60-year-old jurist, a veteran of labour-management conciliation, has taken on the job of chairman of the conciliation board dealing with the dispute between the railways and their 150,000 non-operating employees.... The CCF said yesterday a "recession" has arrived in Canada, and it called on the federal Government for immediate and broad action to step up economic activity.... Southwestern British Columbia crawled out of a blizzard Monday while the Prairie Provinces battled the worst cold wave in years. Twenty-three persons have lost their lives in Western Canada during the wintry blast. Carbon monoxide, domestic gas and over exertion were high on the list of cold weather killers. Sweeping in on the fringe of an Alaskan storm, the blizzard struck the B.C. mainland and Northern Vancouver Island in full fury. In Ottawa temperatures ranged in the high 30's.



# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

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Vol. 5, No. 18. Wednesday, January 27, 1954.

**Economic Outlook Not Gloomy, Mr. Gregg Reports:** Ottawa, Jan. 26 (CP) -- Canada's economic outlook is not gloomy and the federal Government is not planning expanded public works to choke off rising unemployment, Mr. Gregg said today. He suggested to the House of Commons that "fiscal and monetary measures" which he did not describe - could be used to better purpose to prop up employment.

He said the \$900,000,000 unemployment insurance fund is carrying most of the load of the jobless now and that the remainder of the problem could best be solved through federal-provincial-municipal efforts.

At the same time, the Trades and Labour Congress of Canada and the Canadian Congress of Labour, with a combined membership of 955,000, issued a joint statement declaring unemployment is "the most serious problem facing Canadians today".

The largest of Canada's central labour bodies announced they have set up a joint committee to bring "the maximum influence upon all levels of government in order that employment will be stimulated wherever possible and with the minimum of delay".

"The increasing numbers of workers now looking for jobs and the current high totals of unemployed in all parts of Canada are cause for alarm," the Congresses' statement said.

"In some parts of the country, the unemployed total has reached approximately 15 per cent of the labour force - well over the danger point."

Mr. Gregg's statement followed questions by Mrs. Ellen Fairclough (PC - Hamilton West) and Mr. James A. Byrne (L - Kootenay East) as to what the Government is doing about unemployment.

Their questions were based on Labour Department figures of 338,000 persons looking for jobs through the Department's agency at Dec. 10 - a post-war high for that time of year.

Mr. Gregg said the figure for December, though up 100,000 from a year earlier, was not strictly comparable with those of previous years for several reasons including a larger labour force and extension of unemployment insurance coverage.

"During the last few months," he added, "some industries have experienced a decline in output, but there is little evidence of any basic weakness in the economy . . . much of the increase in winter unemployment can be traced to seasonal decline in activity."

**Parliamentary Salaries:** Ottawa, Jan. 26 (CP) -- Mr. Drew said today a Royal Commission should study the entire question of parliamentary salaries and indemnities.

He spoke as the House of Commons debated a Government proposal to boost the pay of Members of the Commons and Senate and Cabinet.

Mr. Drew said a Royal Commission review would remove any suggestion that the pay increases were decided "on the basis of personal interest".

At the night sitting, the proposals were approved after a standing, informal vote, by 130 to 37. Liberal, Social Credit Members and Mr. Harold Winch (CCF - Vancouver East), Mr. Clarie Gillis (CCF - Cape Breton South), Mr. Joseph Noseworthy (CCF - York South) and Mr. Erhart Regier (CCF - Burnaby-Coquitlan) voted for the increases. Progressive Conservative and 13 CCF Members voted against.

Two bills, giving effect to the proposed boosts, then were introduced and given first reading.

Mr. St. Laurent outlined the proposals to give Members of Parliament \$10,000 yearly compared with \$6,000 at present; Cabinet Ministers and the Commons Opposition leader \$27,000 compared with \$18,000, and the Prime Minister \$37,000 compared with \$23,000.

The plan also provides for increases to the Speaker and Deputy Speaker in both the House of Commons and Senate and to the Senate's Government leader and Opposition leader. Mr. St. Laurent did not indicate amount of these increases.

Allowances For The Disabled: Ottawa, Jan. 26 (CP) -- The federal-provincial conference on allowances for the disabled today approved the outline of the central Government's plan for joint government payments to the totally and permanently disabled.

A statement issued after the meeting said there was "general approval of the federal Government's declared intention to introduce enabling legislation providing for a system of federal-provincial allowances".

Federal Health Minister Martin said after the one-day conference he now will introduce his disabled-allowance legislation in the House of Commons "just as quickly as possible".

After this legislation has been enacted, the official statement said, there will be another federal-provincial meeting to enact regulations for administering the plan.

While the general statement gave no details, informants said later the federal officials outlined their plan in these terms:

Payments of \$40 a month to those qualified, with federal treasury and the provinces splitting the payments evenly and the provinces meeting administrative costs. The provinces would have charge of administration.

Officials said this outline was affirmed in principle by all provinces.

Funeral Of Mr. Wrong: Ottawa, Jan. 26 (CP) -- Senior Government officials and Members of the Diplomatic Corps today attended the funeral of Mr. Hume Wrong, Under-Secretary of State for External Affairs, who died Sunday.

Funeral service in All Saints Anglican Church was conducted by Archdeacon C.G. Hepburn and Rev. D.M. Thomson.

Mr. Pearson, Mr. Claxton, Mr. Martin and Mr. Pickersgill represented the Government.

Mr. Hubert Guérin, Ambassador of France and Dean of the Diplomatic Corps, headed the large group of diplomats present. Governor General

Vincent Massey was represented by his son and secretary, Mr. Lionel Massey.

Across Canada: Toronto and district consumers will pay between \$1.10 and \$1.30 per 1,000 cubic feet for Alberta natural gas under the proposed Trans-Canada Pipeline plan, Attorney-General Porter of Ontario said yesterday. He said industrial gas in the Toronto area might run as low as 37 to 40 cents per 1,000 cubic feet, but the price is dependent on "many factors"....

Canadian aircraft production was valued at \$104,118,000 in 1952, the Bureau of Statistics reported. The total was more than triple 1951's

\$34,701,000 and 40 times the 1950 figure of \$2,666,000.... Officers of

Canada's two largest labour bodies have taken a step towards eventual unification by negotiating a tentative no-raiding treaty. The 580,000-

member Trades and Labour Congress of Canada - the largest - and the Canadian Congress of Labour, with 375,000, announced yesterday that the

agreement was worked out at a top-level conference on Jan. 25 as part of a new plan of co-operation between the rivals.

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Vol. 5, No. 19.

Thursday, January 28, 1954.

Mr. Pearson Addresses Federation Of Agriculture: London, Ont. Jan. 27 (CP) --

Mr. Pearson said today "firesale" methods of marketing "massive United States-surpluses" of farm products are not in the interests of the under-fed people of the world.

He told the annual meeting of the Canadian Federation of Agriculture: "Movement of massive United States surpluses . . . through give-away programmes or through sales at cut prices . . . are almost bound to affect ordinary exports directly or indirectly."

It was not in the interest of needy countries to have surpluses "distributed in a manner which will disorganize markets and thus reduce production elsewhere".

He said the United States Commodity Credit Corporation has on hand about \$5,000,000,000 worth of farm produce. It was not surprising that so much attention was being concentrated "by others than Americans" on the future agriculture policies of the U.S.

High prices were not the road to real and lasting prosperity for farmers.

"Except from the most short-sighted point of view, it is not in the interest of the farmer in either exporting or importing countries to produce at prices, often supported by Government action, which will discourage consumption and involve subsidies which cannot be sustained indefinitely.

He said expedients used in some countries to meet temporary problems "should not divert attention from or postpone action on the more fundamental problem of encouraging normal exports, particularly to the food-deficient areas of the world through a healthy expansion of international trade in all directions".

Canada recognized that emergency relief measures and foreign aid programmes were necessary but aid should be provided "in a manner which will achieve the most durable results".

Through the joint United States-Canadian Committee on Trade and Economic affairs and other meetings, Mr. Pearson hoped "that effective international co-operation will be secured".

Summer Election Ban Proposal: Ottawa, Jan. 27 (CP) -- The Government today rejected a proposal to bar federal general elections in July and August.

State Secretary Pickersgill "talked out" a Progressive Conservative Member's resolution to this effect and said extension of advance polling provisions might be the answer to the problem of away-from-home voters in midsummer elections.

The resolution was proposed by Mr. Rodney Adamson (PC - York West) who said many holidaying workers were disfranchised by the Aug. 10 date of the 1953 general election. His resolution called for the exclusion of July and August as election months except in "a state of emergency".

House Rejects Farm Debt Cancellation: Ottawa, Jan. 27 (CP) -- The House of Commons today rejected an Opposition attempt to cancel \$293,000 owed by 299 First World War veterans who settled on farms more than 30 years ago. About 25,000 veterans took up farming in 1919 under the Soldier Settlement Act.

(over)

Members defeated by 113 to 75 a motion asking the Government to consider writing off the debt still owed by the 299 veterans.

Mr. Robert Fair (SC - Battle River-Camrose), sponsored the motion.

Mr. Chevrier On National Flag: Moose Creek, Ont. Jan. 27 (CP) -- Mr. Chevrier said tonight that many Canadians, including himself, think Canada should have a distinctive national flag.

He said in part:

"It now is felt by many Canadians, including myself, that the time has come for Canada to assert further the fully autonomous status of our country within the British Commonwealth by the adoption of a distinctly national flag."

"I am in full agreement with the Prime Minister who has indicated that no decision would be made until there is evidence that the changes will be acceptable to a majority of Canadians."

Across Canada: Senator T.A. Crerar (L - Manitoba) said there is some doubt that the revised criminal code will be passed at the present session of Parliament. The revised code has been given second reading - approval in principle - in the House of Commons and now is receiving clause-by-clause study.... The Canadian Construction Association at Vancouver yesterday urged the federal Government to set up a national highway commission and said there is continuing need for federal aid for highway construction. The statement was contained in a series of resolutions and policy declarations which delegates to the current annual meeting have worked on in private sessions during the last three days, and which were given approval yesterday by the full meeting.... Mr. Gregg said yesterday 13,900 Canadian workers on temporary layoffs were claiming unemployment insurance benefits at the start of December. A Labour Department official said workers under temporary layoffs are those with definite instructions to return to work at specified times.... Victoria, B.C., rocked with charges of "witch-hunting" and "interference" in the wake of an announcement by Mayor Claude Harrison that he intends to burn all Communist books in the city's public library, according to Canadian Press.... A Russian-born McGill graduate, Dr. Igor Klatzo, has been awarded the \$8,000 Allan Blair Fellowship for 1954 to enable him to continue his cancer research in the United States, it was announced yesterday according to the Montreal Gazette.



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Vol. 5, No. 20.

Friday, January 29, 1954.

**Mr. St. Laurent's World Visit:** Ottawa, Jan. 28 (CP) -- Mr. St. Laurent will log some 125 air hours - more than five days and nights - during his crowded six weeks world tour starting a week from today.

The longest single flights in the special RCAF C-5 which will carry him will be between Rome and Bahren in the Persian Gulf and between San Francisco and Ottawa. Both will take approximately 11 hours and 10 minutes.

Though the Prime Minister will visit 11 countries in Europe and Asia, he will take no interpreter with him. He is fluent in both French and English, which will serve in most, if not all, countries.

Mr. St. Laurent's itinerary was made public today. It shows that he will confer with the government leaders in every nation he visits....

In the House of Commons today, Mr. St. Laurent said he will make a statement tomorrow on his trip during a debate on external affairs.

The Prime Minister's longest stay will be in India, where he will remain a week. He will have four-day stopovers in Rome, Pakistan and Ceylon. In Rome, Mr. St. Laurent will be received by the Pope.

Mr. St. Laurent is not forgetting Canadian forces abroad on his trip. He will visit the 1st Brigade at Soest, Germany, RCAF wings in France and Germany, the Canadian Infantry Brigade in Korea and three Canadian destroyers in Tokyo Bay. In each case, he will speak to the men.

The Prime Minister will make radio broadcasts to the people of France, Pakistan and Ceylon and hold press conferences at most capitals he will visit. He is due back in Ottawa March 17.

Wing Cmdr. Howie Morrison, DSO, DFC, 34, of Lauder, Man., will be chief pilot of the RCAF C-5, an improved version of the North Star. The plane has been undergoing extensive tests here recently.

**Budget Speculations:** Ottawa, Jan. 28 (CP) -- Defence appropriations will be cut by about five per cent this year, an authoritative source said today.

That means that Mr. Abbott will ask Parliament to vote \$1,900,000,000 for defence in the fiscal year starting April 1 compared with appropriations of \$2,000,000,000 for each of the last two years.

The \$100,000,000 cut might have provided a slight break for the taxpayer except that the saving probably will be eaten up by other departments whose requirements will be heavier than in the current fiscal year.

The reduction in defence appropriations will not mean any slackening in Canada's defence effort, however. It will merely reflect the fact that stockpiles of many soft goods now are large enough to meet foreseeable needs and that major construction, such as airfields and barracks, is over the hump.

No major reduction in defence costs is seen for the next several years at least if Canadians want their armed forces maintained at present strength - 110,000 personnel - or increased.

More than one-fifth of the defence budget - some \$400,000,000 - will go for aircraft and aircraft engines, Canada will re-equip its RCAF division in Europe with later-type Sabre jet fighters - they will have Canadian instead of American engines - and continue to build up squadron strength of the all-weather CF-100 jet Interceptors at home.

The RCAF is expected, as last year, to get more of the defence dollar than the navy and army combined. Last year, the RCAF got 41.7 per cent of defence appropriations, the army 23.7 per cent and the navy 14.8.

(over)

The mutual aid programme for supplying Canada's partners in the North Atlantic Treaty Organization will be maintained at approximately its present level - \$300,000,000. But a greater proportion of this aid will be for such items as aircraft, minesweepers, electronic and wireless equipment, ammunition and explosives.

Housing Legislation Approved In Principle: Ottawa, Jan. 28 (CP) -- The House of Commons tonight voted 186 to 2 for the principle of the Government's new housing legislation.

Two CCF Members, Mr. Ross Thatcher (Moose Jaw - Lake Centre) and Mr. Colin Cameron (Nanaimo) voted against the bill when it was given second reading - approval in principle.

The bill now goes to the Banking and Commerce Committee for further study.

The vote ended four days of debate in which Opposition Members criticized various features of the measure. The legislation amends the present National Housing Act to decrease down payments, lengthen mortgage repayment periods and permit banks to enter the mortgage-lending field.

Mr. Winters, completing the debate, replied to criticisms of many of the 53 Members who spoke earlier.

CCF Members, he said, had charged the bill was a "sell-out to capitalist exploitation" while Progressive Conservatives said it was "state socialism".

"It seems that once again the Liberals have found the middle-of-the-road course."

Seaway To Lower Lake Level: Ottawa, Jan. 28 (CP) -- A Canada-United States body today announced prospects of lowering the water level in Lake Ontario, an issue on which the Canadian Government is being sued for \$100,000,000 in the U.S.

The International Joint Commission, which regulates the use of boundary waters, said it expected the St. Lawrence Seaway will bring down destructively high levels in the lake and is prepared to take further measures to lower the lake level.

It said, specifically, that some of its river and lake levels calculations based on the operation of the seaway need "modification". The indication was that the levels would be lowered all around.

The IJC issued its statement here and in Washington jointly, after a meeting of the six-man commission in Boston today.

Across Canada: Two Liberal Senators yesterday said that too many lawyers have been proposed as members of the joint parliamentary committee which will study lotteries, whipping and the death penalty. Senators W.D. Euler and Thomas Reid made the criticism during debate in the Upper Chamber on a resolution to name eight lawyers and one doctor as Senate members of the committee. The House of Commons has not yet named its members....

Canadian combines officials are checking on rising coffee prices but a full-scale investigation has not been ordered. Mr. Garson made the statement Jan. 28 in the House of Commons in reply to a question from Mr. Hazen Argue.... Delegates to the Canadian Pulp and Paper Association's technical section annual meeting last night were told that Canada would lose several potential markets for wood products if forest policy and management was not improved. Dr. John S. Bates, of Montreal, suggested that federal and provincial Government authorities confer with paper companies and members of the industry to devise a plan of such improvement, according to the Montreal Gazette.



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Vol. 5, No. 21.

Monday, February 1, 1954.

External Affairs Debate: Ottawa, Jan. 29 (CP) -- The world is still "an unsafe place for the weak, the weary and the unwary", Mr. Pearson said today.

This was his general theme in a review of the world situation and Canadian foreign policy in the House of Commons' first external affairs debate at this session.

He said that though world tension has eased, Soviet "Imperialism" remains and the West must not let down its guard.

Mr. Drew said that world peace depends on acceptance of Russia's demand that Western countries admit China to the United Nations.

Mr. Drew in a bitter attack on Russian policies, said that the West should refuse to accept the Russian demand on moral grounds. The Chinese Reds seeking admission to the U.N. were "murdering their own countrymen in the name of Communism in China today".

He said: "The price of peace is recognition of Communist China and her entry into the United Nations."

Mr. Pearson, leading off the debate before a packed diplomatic gallery, said easing of tension in Europe is due to increased unity and strength in the free world, especially within the North Atlantic Alliance.

Since the death of Stalin, there had been some indication in Russia of a trend "away from the sterile rigidity of Stalinist policy". There now was more emphasis on collective leadership rather than individual dictatorship.

But though this and apparent Russian stress on increased production of consumer goods seemed to be hopeful signs, there were more factors "stubbornly discouraging". There was nothing to indicate the Russians want to reach reasonable agreements with the West. Therefore, the West was prepared for a "long haul" in defence.

"...The plan is to see that the NATO forces which now exist and which will be strengthened are furnished with the most modern equipment possible, including new types of weapons; that they are given adequate support and are ready to go into action rapidly.

Effective local defence of this kind, plus the certainty of swift and crushing retaliation from the air, is a defence combination upon which we now rely to the terror of the aggressor."

Mr. Pearson received general support from Mr. Diefenbaker, Opposition foreign affairs spokesman, Mr. Coldwell, CCF leader, and Mr. Solon Low, Social Credit leader.

Mr. Diefenbaker said the Minister had painted a "sombre picture". Canadians must realize, in that case, that defence expenditures will continue "for a very considerable period of time".

The Kremlin pattern of 30 years still remained. Despite recent Russian conciliatory moves, Moscow might still be aiming at splitting the United Nations and North Atlantic Alliance and separating France and Italy from the proposed European defence community.

Mr. Coldwell said "startling changes" have occurred in Russia since Stalin's death.

"...Mankind has breathed a sigh of relief, and countless millions pray that, however slow the process, we may be able to move towards an era in which, little by little and bit by bit, the outstanding problems between the powerful nations will be settled . . . by intelligent negotiation."

(over)

One of the chief means of achieving this was to encourage trade in non-strategic materials between the West and Russia.

The West should maintain its strong position but at the same time not lose any opportunity to reach agreement on issues with the Soviet, no matter how minor they might be.

Mr. Low said freedom-loving national groups behind the Iron Curtain could become one of the most important factors in bringing about the downfall of the Soviet dictatorship.

He contended that the West has been "too ready" to grant concessions to Russia. Western leaders had allowed their advisory councils to become "packed with unfaithful servants who have been guilty of perfidy on some occasions". He did not elaborate on this point.

The Communist objective was to become "boss of the world by any method" and the West should do all in its power to weaken communism.

Canada-U.S. Relations: Ottawa, Jan. 29 (CP) -- Canada and the United States are dependent on each other for safety and prosperity, Mr. Pearson said today.

He said there is not much chance for peace and stability in the rest of the world if Canada and the U.S. cannot grow closer in mutual respect and understanding.

Mr. Pearson was speaking in the debate on external affairs.

Canada, he said, has a "special responsibility" for maintaining close relations with the U.S. because that country is the leader of the free world coalition and bears the greatest burden in maintaining peace.

Canadian-U.S. relations depended on Canada remembering that fact and on the U.S. remembering that "partnership is a two-way proposition".

Co-operation would run smoothly "if neither asks the other to do what it would not like to be asked to do itself".

Mr. St. Laurent's Statement On World Visit: Ottawa, Jan. 29 (CP) -- Mr. St.

Laurent said today the main purpose of his coming round-the-world trip is to visit Asia, where happenings "vitally concern" Canada.

In a statement to the House of Commons on his tour that starts Feb. 4, he said he hopes to assure Asian and other countries that Canada wants to play its part in the cause of freedom and social justice.

Mr. St. Laurent said he wants to bring back to Canada - and also perhaps to leave behind him - a clearer picture of the problems that the free countries face.

One of the motives behind the trip, the Prime Minister said, is the fact that Canada has come to play an increasingly-large role in world councils. Its external affairs were of growing importance.

Partly, too, it was to repay Canadian visits of world leaders and to "assure them of our desire to co-operate with them . . . so we can all try to adopt the best course in our relations with each other".

He said he hopes that "in the not too distant future" he can arrange a visit to Australia and New Zealand. The Antipodean part of this tour was called off because it would run into the Royal visit in Australia.

Mr. St. Laurent said he is looking forward particularly to visiting Canada's troops in Korea, and he expressed the hope that the fighting there will not be renewed.

Dealing with relations with the Asian people, he said he feels the Western democracies can maintain good relations with them "only when we treat them on terms of complete equality . . . and on terms of understanding and co-operation".

Currency Convertibility: Ottawa, Jan. 29 (CP) -- Finance Minister Abbott, returning from a Commonwealth Finance Ministers' conference, said today the world is "very much" closer to currency convertibility than at any time since the Second World War....

Across Canada: The Government has approved a Toronto company's tender of \$5,230,000 to build the new headquarters of the National Film Board at Montreal.... Canada, on January 29, supported the United States in turning down an Indian proposal that the United Nations General Assembly be reconvened Feb. 9. Mr. Pearson said in the House of Commons that the Canadian Government feels it would be "inadvisable" to discuss the general Korean situation at this time, according to Canadian Press.

Hockey: (Saturday) New York 2, Montreal 1. Toronto 4, Boston 2. Detroit 4, Chicago 2. (Sunday) Boston 2. Toronto 0. Detroit 5, Chicago 1.



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Vol. 5, No. 22.

Tuesday, February 2, 1954.

**M.P.'s Pension Benefits Limited:** Ottawa, Feb. 1 (CP) -- The Government today introduced legislation limiting M.P.'s pension benefits to a maximum of \$3,000 a year despite changes in sessional indemnities.

In introducing the bill, Mr. St. Laurent said the Government feels there should not be any change at this time to the Members of Parliament Retiring Allowances Act.

The amending bill stipulates that Members' contributions, matched by the Government, shall be six per cent of the first \$4,000 - \$240 - of the Members' indemnity.

Mr. Solon Low today suggested that Members of Parliament who oppose a \$4,000 increase in sessional indemnities be given a chance to refuse it.

He said in the House of Commons that he will offer an amendment later to a bill boosting the pay of Senators and Commoners to \$10,000 from \$6,000.

The amendment would give Members an option of collecting the additional pay which otherwise would go to Members automatically. It would show "how much of this talk is on principle and how much is for political purposes".

Mr. Low spoke after Mr. MacInnis strongly opposed the increase.

**National Film Board Policy:** Ottawa, Feb. 1 (CP) -- The National Film Board plans to continue producing feature films of an informative type but has no intention of making motion pictures designed solely for entertainment.

Citizenship Minister Harris made this clear today in a reply to a question tabled in the House of Commons for Mr. Fulton.

Mr. Fulton asked whether the Board was considering the production of dramatic feature films; whether films of this type, if produced, would call for the employment of professional actors and actresses and whether they would be offered for sale in competition with films produced privately.

Mr. Harris said documentary features such as Royal Journey, RCMP File 1365 and Canada at the Coronation have been highly commended and similar documentaries will be produced as the occasion may arise. No other features were contemplated.

A Board official said there were no actors or dialogue in Royal Journey, or Canada at the Coronation. However, there were dialogue and actors in RCMP File 1365. There also would be dialogue and actors in a 40-minute documentary on the Shakesperian Festival at Stratford.

**Canadians Of British Descent Now In Minority:** Ottawa, Feb. 1 (CP) -- Canadians of French descent comprise nearly the same proportion of the total population as they did at Confederation, while those of British descent have become a minority.

The information was tabled today in the House of Commons for Mr. Dufresne who asked if Government immigration policy is to maintain the balance between the two groups which existed in 1867.

The reply did not give a direct answer, but said immigration laws, admitting those who can be absorbed easily into the Canadian economy, apply equally to immigrants from the British Isles and France.

It said that in 1871, people of British origin in Canada comprised 60.5 per cent of total population, and in 1951 were 47.9 per cent of the total. Those of French origin comprised 31.1 per cent in 1871 and 30.8 per cent in 1951.

(over)

New Vaccine May Defeat Polio: Ottawa, Feb. 1 (CP) -- Hope is rising in Canada that poliomyelitis may be beaten by an unnamed vaccine now undergoing tests in the United States. But it may be a year or more before scientists have absolute proof of its power.

Meanwhile, Toronto's Connaught Laboratories have been instructed to increase production of gamma globulin to be fed into areas hit by the crippling and killing disease.

Dr. G.D.W. Cameron, Deputy Minister, said in an interview that the Toronto Laboratories last year produced about 26,000 doses of gamma globulin. Production this year might total as much as 150,000 doses. Distribution would be made on the basis of greatest need.

Dr. Cameron touched on the polio problem as he discussed a reference to the disease in the Health Department's 140-page annual report for 1952-53, tabled in the House of Commons.

The report said that while gamma globulin offers polio immunity, humanity's greatest hope is through active immunization by vaccine.

Gamma globulin wasn't the answer to the problem of polio prevention in large populations because of the "difficulty of producing a sufficient volume" and the "comparatively short duration of the immunity conferred - five weeks."

But the vaccine, now under test in the U.S. held promise. Dr. Cameron said he does not want to raise the hopes of Canadians too high, lest some unforeseen flaw makes the vaccine a disappointment. Reports so far were "encouraging", but the degree of permanency was unknown.

Great Future Predicted For Pembina Oil Field: Edmonton, Feb. 1 (CP) -- An oil industry spokesman predicted that Alberta's new Pembina field, 80 miles southwest of here, probably will become the largest in western Canada.

"Indications are that it will be the largest in the west, and that takes in Redwater and Leduc," said Mr. A.R. Nielsen, district geologist for Socony Vacuum Exploration Co., a big operator in the fields. "Pembina is without a doubt the hottest thing in western oil."

Nine of 10 wells drilled since the field was discovered last June have produced oil. Another 15 wells are being drilled over a considerable area by seven outfits.

Mr. Nielsen said present activity at Pembina is "definitely very exceptional for a new field".

Indication of the industry's hopes for the new field were demonstrated last week when Texaco Exploration Co. Ltd., paid a record \$13,000,000 for reservation rights to 92,160 acres in the area.

Texaco Exploration and Imperial Oil Ltd., which paid \$11,000,000 for similar reservation rights, have not yet moved into the Pembina area to start developing their acreage.

There has been no "rush" for oil land at Pembina such as at Leduc in 1947 when that discovery ushered in Alberta's oil boom.

Across Canada: Mr. St. Laurent yesterday celebrated his 72nd birthday. He rose and bowed graciously in the House of Commons as Speaker Ren e Beaudoin, amid energetic desk-thumping by all Members, wished him "a very happy birthday and many happy returns of the day".... Premier Duplessis of Quebec yesterday sent a telegram extending the best wishes of the Quebec Government to Prime Minister St. Laurent, soon to leave on a world tour. "May this voyage be happy and profitable to our country," Mr. Duplessis' telegram said.... Because of low earnings, Canadian railways are experiencing "grave difficulty" in attracting enough capital to enable them to meet the transportation demands of Canada's expanding economy, Mr. G.F. Buckingham, of Montreal General Traffic Manager for the Canadian Pacific Railway, said in an address to the Leamington Lions Club last night, according to the Montreal Gazette.... Mr. R.M. Fowler, President, Canadian Pulp and Paper Association, has reported that 1953 had been a "peak year" for Canada's pulp and paper industry and forecast a "high level of production and achievement" this year.



# DAILY AIRMAIL BULLETIN

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Vol. 5, No. 23.

Wednesday, February 3, 1954.

Western Interests Being Ousted From China: Ottawa, Feb. 2 (CP) -- Mr. Pearson says Western businesses are being forced to withdraw from China because of Communist pressure. The Minister made the statement in answer to a question in the House of Commons by Maj.-Gen. G.R. Pearkes.

Mr. Pearkes asked whether the Government's attention had been drawn to an order of the Tientsin People's Government issued Nov. 11, 1953, abolishing the business of representation or management of properties of third parties by foreign real estate firms. The order placed a three-month limit on the time principals residing outside China must adjust their affairs.

Mr. Pearson said the Government has received no specific information on the order. However, the Government had received reports on general business conditions within Red China.

It appeared that the Communists were making things so difficult for Western businessmen that they would be compelled to withdraw. Western interests had been progressively ousted from China since the Communists took power four years ago.

The Chinese Communist order will be investigated further by the Government.

The Vote On Indemnity Increase: Ottawa, Feb. 2 (CP) -- The CCF Party split today on whether parliamentary pay should be boosted. Fifteen Members of the 23-member group voted in the House of Commons against giving second reading to a Government measure increasing pay to \$10,000 from \$6,000.

Seven supported the bill's principle, including Mr. Coldwell who said he disagrees with some details but feels an increase is warranted.

After the vote, 155 to 45, the measure was given second reading.

All Liberal and Social Credit and three Independent Members voted for the principle of an increase. The bill doubles the present \$4,000 indemnity on top of a \$2,000 tax-free expense allowance. The increase would go to both Commoners and Senators.

The Progressive Conservatives, who had argued that the increases should be referred to a Royal Commission, opposed second reading along with the 15 CCF Members.

A day-and-a-half debate was concluded by Mr. St. Laurent, who said Members should vote on the principle of a pay increase. The vote on second reading did not mean that those who voted for the bill were approving every part of the bill.

He said it was apparent that the Progressive Conservatives did not expect the bill would be defeated.

He also left the door open for the Senate to vote Senators a smaller increase. He said that arguments for a \$4,000 increase for Members of Commons do not apply "to the same extent" to Senators. If Senators felt it was not proper to accept the same indemnity, the Commons would agree to a reduction.

C.C.F. Amendments Defeated: Ottawa, Feb. 2 (CP) -- The House of Commons tonight defeated by 122 to 20 a CCF proposal to eliminate Senators from a proposed \$4,000 increase in indemnities.

Earlier Members defeated by 96 to 15 a CCF motion limiting the boost to Senators and Commoners to \$2,000.

House Sales Control Held By C.M.H.C.: Ottawa, Feb. 2 (CP) -- Though Central Mortgage and Housing Corporation will step out of joint lending, it still will have power to control the selling price of homes under the Government's new housing legislation.

Mr. D.B. Mansur, CMHC President told the Commons Banking and Commerce Committee today that the Government housing agency will be able to control selling prices under its authority to set lending values and mortgage levels.

The corporation will have the right, in the case of homes erected by commercial builders, "to stipulate that a maximum loan under the act is only available if the builder sells the house at a price not exceeding the maximum selling price established by the corporation, which generally is the lending value".

"The builder is not compelled to meet the established maximum selling price," said Mr. Mansur, "but if this price is exceeded, indicating an undue margin of profit, then the loan is reduced by an amount to be stipulated in the regulations - perhaps 10 per cent."

Mr. Mansur was the committee's first witness as it opened detailed study of the new legislation adopted in principle by the Commons after sharp opposition criticism.

Hallnor Mine Workers End Strike: Timmins, Ont. Feb. 2 (CP) -- A strike that lasted more than six months ended today when gold miners at Hallnor Mines Limited accepted terms of a company offer.

Settlement terms, though not disclosed, were believed similar to those accepted by workers at four other mines in the Porcupine gold fields where strikes called by the United Steelworkers of America (CIO-CCL) have been settled in recent weeks.

Settlements at Hollinger, McIntyre Porcupine, Coniaurum and Aunor mines were based on a five-cent-an-hour wage increase and five statutory holidays. Three other mines - Preston East Dome, Broulan Reef and Delnite - are still on strike.

The settlements brought the base rate - the rate at which new employees are hired - to \$1.04½ at Hollinger, \$1.04 at Coniaurum, \$1.05 at Aunor, and \$1.08 at McIntyre.

Development Of Lachine Rapids Power: Quebec, Feb. 2 (Montreal Gazette) -- Premier Duplessis said in the House this afternoon that the Province was willing to co-operate with federal authorities in the hydro-electric development of the Lachine Rapids near Montreal providing its rights were protected.

The Premier said that those who believed that construction of the multi-million dollar hydro-electric project on the Bersimis River on the north shore would block further development of hydro-electric resources in the Montreal area were victims of their own imaginations.

Answering questions by Opposition Leader Georges Lapalme, the Premier stated that a number of meetings had been held with federal authorities on the subject but that no concrete proposals had been made.

Across Canada: The Copyright Appeal Board yesterday authorized BMI Canada Ltd., a performing rights organization, to collect \$55,534 from privately-owned radio stations this year for performance of musical or dramatic works in its repertoire.... Television artists belonging to the Canadian Council of Authors and Artists will withdraw their services from television after Feb. 14 unless CBC and other TV outlets meet the conditions requested by the Council, according to a Globe & Mail report.... Solicitor-General Macdonald, Government Leader in the Senate, yesterday paid tribute to the late Senator William J. Hushion. Senator Macdonald won unanimous approval of a motion to adjourn the Upper Chamber in tribute to Senator Hushion who died Friday in Montreal at the age of 70. His death left the Senate standing at 79 Liberals, seven Progressive Conservatives and 16 vacancies.... Mr. John Diefenbaker described pollution of the Saskatchewan River as "a national emergency" and urged prompt Government action.



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Vol. 5, No. 24.

Thursday, February 4, 1954.

Prime Minister Departs On World Visit: Ottawa, Feb. 3 (CP) -- Parliamentarians today wished Mr. St. Laurent good luck and a successful round-the-world tour. He leaves by air tomorrow (Thursday) for London on the first leg of the journey.

Looking forward to his departure the Prime Minister said:

"I do feel - and I confess it - that I have the good wishes of all the people of Canada." He added that it will be a "great pride to be received as an ambassador of good will".

Main purpose of the seven-week flying journey is to visit Asia whose affairs, Mr. St. Laurent said in the House of Commons last week are of "real concern" to Canada....

First stop is London where he will lunch Saturday with Prime Minister Churchill. A three-day visit to Paris follows with calls on President Coty and talks with Premier Joseph Laniel and his Cabinet. He will meet President Heuss and Chancellor Konrad Adenauer at Bonn Feb. 11 before visiting Canadian troops stationed in France and West Germany for the defence of Europe.

From Italy, Mr. St. Laurent embarks on his visit to Pakistan, India and Ceylon....

Mr. St. Laurent Addresses The Nation: Ottawa, Feb. 4 -- On the eve of his departure on a world visit, the Prime Minister spoke to the nation on a radio broadcast. After reviewing briefly the work of the parliamentary session to date he discussed his intended visit as follows:

"I want also to say a word about the tour around the world on which I am embarking later this week. While I am away Mr. C.D. Howe will be Acting Prime Minister and I am sure all Canadians will feel the direction of their Government will be in good hands.

"I do not feel I should be absent from Canada for too long a period, especially while Parliament is in session and it will not be possible for me to make a long stay in any one country. But this is no doubt the best season to visit the Far East and by taking advantage of air travel I will try to make the best possible use of what time there is. From the conversations I shall have with the leaders of the many countries I shall visit, I hope I shall bring back with me and also leave behind me, not only useful information but also, perhaps, a clearer picture of the problems which all of us have to face together.

"Europe, which I shall visit during the first part of my tour, is faced at present with a decision of great importance. Our own future may be largely influenced by its outcome. The presence of our soldiers and airmen over there is an indication of our interest in the maintenance of some efficient method of collective protection against aggression and it will be all the more efficient if we all participate in it.

"But the main purpose of my tour is a visit to Asia. That vast continent which contains well over half the world's population was once a vague and romantic concept far over the horizon for most of us in this part of the world. Today our troops are lined up against aggression on the frontiers of Communism there as well as in the western world, and only a few months ago they were engaged in actual combat. I look forward to visiting those troops during my brief stay in Korea, and to bringing them greetings from Canada. For the past three years we have been spending \$25,000,000 per year through the Colombo Plan

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to aid our Asian friends to improve their social and economic conditions.

"These facts give some indication of how important Asia has become in our lives. Decisions taken there, and the welfare and happiness of these peoples, have become of real concern to us.

"Canada has welcomed the opportunity to share in the encouragement of freedom and economic improvement in Asia because we realize the importance of maintaining good relations between the western world and the hundreds of millions of our fellow men in the ancient nations of the East. And we can maintain those good relations only as long as we treat them on terms of complete equality, with respect for their older and perhaps less materialistic culture and in a spirit of genuine understanding and co-operation. We must deal with them in the realization that while we may seem to have much to give they too have a rich contribution to make to the general welfare of the free world.

"Wherever my travels take me I know that my fellow-Canadians will want me to bear their greetings and to assure our friends that we do want to play our part in the cause of peace, freedom and social justice in our own interest as well as in theirs."

About 30 More Items Of Legislation: Ottawa, Feb. 3 (CP) -- The Government today yielded to Opposition demands and postponed for two weeks a move to eliminate private members' business on Wednesdays.

After protests from all three Opposition parties, Citizenship Minister Harris, Government House Leader, withdrew in the House of Commons a motion to give Government legislation precedence over private members' business today and every Wednesday until the end of the session.

He said, however, that the Government will ask later that Wednesdays be devoted to Government work on and after Wednesday, Feb. 17.

This would leave only one hour on Tuesdays and Fridays for private members. Mondays previously were eliminated.

The motion was dropped following a prolonged debate that left little more than two hours of the half-day sitting for consideration of private members' resolutions.

Mr. Harris said the Government still has about 30 more pieces of legislation to place before members, including the decennial revision of the Bank Act. There now are 18 Government bills and motions on the order paper.

Ottawa Disposes Of Meat Pile: Ottawa, Feb. 3 (CP) -- The Government has disposed of the last of its original 180,000,000-pound meat pile-up.

Officials said today the Agriculture Department has accepted the tender of a Canadian firm to purchase the remaining 9,000,000 pounds of canned pork for export.

The agreed purchase price was not disclosed, although it is understood it was about 18 cents a pound, a fraction of the roughly 58-cent-a-pound cost to the Government.

The deal marks the end of the Government's meat business arising out of the foot-and-mouth disease outbreak early in 1952. The total loss through sales at less than cost may run to more than \$50,000,000.

Across Canada: Treasury contributions to the federal Government's grade crossing fund should be increased substantially, the Board of Transport Commissioners was told by several spokesmen in its crossings inquiry.... Central Mortgage and Housing Corporation, the federal Government's housing agency, yesterday filed in the House of Commons a capital budget of \$6,700,500 for 1954. The amount does not cover loans under the National Housing Act, which the Corporation estimated at \$120,600,000 for the year. A further \$14,500,000 would be laid out in federal-provincial housing projects.... Government agencies yesterday retained an outside expert to investigate Tuesday's collapse of a newly-built \$304,000 garage at the Shearwater naval base near Halifax.... Mayor Camillien Houde of Montreal will receive a pension equivalent to two-thirds of his present income of \$18,500 it was decided in the Private Bills Committee of the Quebec Legislature, according to the Montreal Gazette.



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Vol. 5, No. 25.

Friday, February 5, 1954.

Mr. St. Laurent Leaves On World Visit: Ottawa, Feb. 4 (CP) -- Wearing a sky-blue homburg and natty overcoat with fur collar, Mr. St. Laurent today swept away on his around-the-world "bridge-building" mission.

Mrs. St. Laurent waved with a crowd of some 500 as the RCAF C-5 silver airliner trundled away from the Rockcliffe Airport terminal and a few minutes later roared into an overcast sky.

The plane took off at 2.53 p.m. EST and landed three hours and 25 minutes later at 6.19 p.m. EST at Goose Bay, Labrador, where it remained overnight before the trans-Atlantic hop to London.

As he mounted the ramp to the plane, the Prime Minister, who turned 72 Monday, clutched a bridge set presented by Mayor Charlotte Whitton and a game of scrabble - a word game.

Mr. St. Laurent said of Ottawa's gift: "That's very fitting, for I'm going to do some bridging, trying to build a bridge of good understanding between East and West."

The Prime Minister spent 10 minutes shaking hands with his staff, Cabinet Ministers and members of the diplomatic corps before he boarded the plane....

Prime Minister At Goose Bay: Goose Bay, Labrador, Feb. 4 (CP) -- Mr. St. Laurent told members of the party accompanying him on his world tour that no enterprise he had undertaken since his entry into politics had such unanimous approval. He was obviously pleased by the farewell turnout at Rockcliffe for his departure.

Mr. St. Laurent is due to leave here at 7 a.m. AST tomorrow on the hop to London.

Postal Rate Increase Debate: Ottawa, Feb. 4 (CP) -- A CCF Member of Parliament charged today that the Post Office Department is being used as a "medium of political patronage".

Mr. Alistair Stewart (CCF - Winnipeg North) made the charge during debate in the House of Commons on a Government measure to increase first-class postal rates by one cent an ounce.

A CCF motion that the legislation be withdrawn and that a Parliamentary committee be established to study the increase was defeated by 110 to 73.

Progressive Conservative, CCF and Social Credit Members with Mr. Raoul Poulin (Ind - Beauce) voted for the motion, which was opposed by the Liberals.

The motion was a substitute for a previous motion by Mr. Stewart asking for a Parliamentary inquiry into organization and operation of the Post Office Department. This was ruled out of order by Speaker René Beaudoin on the grounds that it did not relate strictly to the bill....

Would Unseat M.P.'s Elected On Small Vote: Ottawa, Feb. 4 (CP) -- A Progressive Conservative wants the House of Commons to take the stand that Members elected on a small turnout of voters should be unseated.

Mr. Rodney Adamson (PC - York West) today gave notice in the House of Commons of a resolution asking the House to express the "opinion" that winning candidates be unseated when they poll fewer votes than the number of registered voters who did not ballot in a general election.

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In such cases, according to the terms of the resolution, the candidates' riding would go without representation until the next general election.

On the basis of statistics from the general election of last year, such a move would unseat 101 of the 265 Commons Members returned last Aug. 10.

However, the resolution is not likely to be debated at the current session of Parliament.

Copper And Aluminum For India: Ottawa, Feb. 4 (CP) -- Canada has agreed to provide India with \$5,000,000 worth of copper and aluminum as part of her Colombo Plan contribution for the current fiscal year, trade officials said today.

She also will ship \$1,200,000 worth of hydro and electrical equipment to help build India's big Umtru hydro project in Assam in the northeast of India.

Canada previously announced she will provide India with \$20,000,000 worth of steam locomotives, of which \$11,000,000 will come out of this year's Colombo Plan contributions, officials said.

In all, allocations for India total \$17,200,000 for the 1953-54 fiscal year. Canada's total contribution for the year to help South and Southeast Asia build up its economic strength is \$25,000,000. However, some funds have been held over from the previous year which will help increase the annual total.

Officials said plans also are being developed to ship \$650,000 worth of wheat flour to Ceylon. Of this total, firm agreement has been reached on \$450,000 worth of the flour. Ceylon will sell the flour to consumers and use the funds to help provide equipment for a polytechnic college and for rural road work.

Canada also plans to send Ceylon two diesel locomotives to be built by the General Motors Corporation at London, Ont. The diesels will cost \$425,000.

Agreement also has been reached to provide Pakistan with \$3,500,000 worth of hydro equipment for the construction of a hydro and irrigation project in Warsak in Northwest Pakistan. Canada already has contributed \$3,400,000 toward construction of this project.

Canada has agreed as well to provide funds for a land farm survey in that country.

Living Cost Down Slightly: Ottawa, Feb. 4 (CP) -- Living costs declined during December for the third consecutive month but the drop was the smallest in a year.

The consumer price index, yardstick for measuring living costs, eased by one-tenth of a point to 115.7 from 115.8, pushing the total three-month drop to a full point, the Bureau of Statistics reported today. The index is based on 1949 prices equalling 100.

As in previous months declining prices for foods and other commodities outweighed higher prices for rents and other services. But here again the gains and losses were relatively small.

Lower prices for eggs outbalanced boosts for most meats and vegetables to cut the food sub-index by one-half point to 111.6 the lowest in seven months.

Clothing prices were generally stable, but a few tiny declines shaved a tenth of a point from the sub-index which eased to 110.1, pushing it back to the May, 1953 level.

Rents, however, continued to climb, pushing the shelter column up by another fifth of a point to a peak of 125.4.

Across Canada: By-elections to fill vacant Commons seats in Gatineau and Elgin will be held March 22, Acting Prime Minister Howe announced yesterday. The date coincides with that for by-elections in Montreal, Verdun and Peel. . . . The 1,000,000th immigrant since the Second World War should land in Canada this summer, possibly in June. Arrivals last year rose three per cent over 1952 to 168,868 bringing the total since 1946 to 958,146. If past rates of flow of roughly 8,000 a month continue, the 1,000,000-mark will be reached in the next few months. . . . Plans for a \$9,500,000 cancer research and treatment centre in Toronto, housing two cobalt bombs, have been approved by the Ontario Government, Premier Frost announced yesterday. The project, proposed by the Ontario Cancer Research Institute, is expected to be completed by 1956.



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Vol. 5, No. 26.

Monday, February 8, 1954.

Mr. St. Laurent In Paris: Paris, Feb. 7 (CP) -- Mr. St. Laurent arrived by plane from London today for an official visit to Paris, second stop on his good-will round-the-world tour. He was greeted by French Premier Joseph Laniel at Orly Airport.

The Canadian Prime Minister stood bareheaded in a whirl of snowflakes while a French military band played the Canadian and French National Anthems. He then inspected a blue-uniformed guard of honour of French security forces.

In a short statement, he told of the "profound and sincere emotion" he felt on arriving in "the country of our ancestors".

Recalling the role French settlers played in the development of Canada, he said:

"Two centuries ago our ancestors made great sacrifices to open up a new land and made the nation mistress of her own destinies. Now it is one of their descendants who has become Prime Minister...."

During his 2½-day stay in Paris, Mr. St. Laurent will call on President René Côté and Premier Laniel. He will deliver a national radio address and confer with officials of the French Foreign Ministry and permanent representatives of NATO.

A spokesman for the French Foreign Ministry has said conversations with Foreign Office representatives will cover the whole field of French-Canadian relations with emphasis on their common association in the NATO alliance.

The Prime Minister will stay at the Canadian Embassy. His official programme will begin tomorrow morning when he places a wreath at the tomb of the Unknown Soldier. After calling on the Presidents of the National Assembly and Senate, he will lunch with President Côté at Elysee Palace. In the afternoon he will deliver a national radio address.

He will be entertained at a dinner tomorrow night arranged by Mr. Wilgress and attended by the 12 other permanent representatives of NATO. A theatre party will follow.

Tuesday's schedule includes the Foreign Ministry conference, a visit to a special exhibit of documents relating to Canadian history at the French National Archives, lunch with Mr. Laniel and dinner at the Canadian Embassy.

The Prime Minister's party leaves Wednesday morning for Bonn, next stop on the world tour.

Main Estimates Total \$4,492,000,000: Ottawa, Feb. 5 (Toronto Globe & Mail) -- Any hopes of tax reductions in this year's budget appeared to have vanished today as Mr. Abbott tabled in the House of Commons his main estimates of expenditure for the fiscal year starting April 1.

The estimates totalled \$4,492,000,000, a peacetime record. An additional \$355,850,000 must be provided for old-age pensions, \$48,000,000 for sundry loans and advances and there are the supplementary estimates to be brought down later. All in all, Government spending during the coming fiscal year is expected to approach \$5,000,000,000....

Figures given by Mr. Abbott in an accompanying press statement show the cost to Canadians of the cold war and the Korean operation incidental to it. Total expenditures in the 1947-48 fiscal year were \$2,197,000,000, or less than half of the 1954-55 main estimates, let alone total spending.

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Since 1947, expenditures have mounted steadily year by year. The forecast for 1954-55 is exceeded only by the peak year of the Second World War, 1943-44, when the total outlay was \$5,322,000,000.

A major increase in spending on atomic energy research has been proposed to Parliament. Government estimates for 1954-55 tabled today show a boost of \$8,771,387 in appropriations for the Atomic Energy Control Board and Atomic Energy of Canada Ltd., compared with the previous year....

Mr. Abbott's own Department - among the non-defence branches - bore the heaviest brunt of increased expenditure, since such items as the debt charges and payments through provinces go through his hands. His Department's spending will be up to \$936,424,000 from \$847,500,000 in the current financial year.

Estimates of Health Minister Martin's Department took a leap to \$449,850,000 - a record - from \$429,891,000. This was caused chiefly by a boost in family allowance payments from \$348,000,000 to \$366,000,000 because of increasing population.

1953 World Trade Reviewed: Ottawa, Feb. 5 (CP) -- While other world markets were shrinking, Canada's trade with the United States soared to an all-time high in 1953. But Canada was a long way from bridging her American trade gap.

The flow of goods across the border rose to a peak of \$5,692,600,000 last year, a \$366,500,000 gain from \$5,326,100,000 in 1952, the Bureau of Statistics reported today. About two-thirds of the increase resulted from heavier Canadian imports.

Exports to the U.S. rose to \$2,463,000,000, up \$113,900,000 from \$2,349,100,000 in 1952. But imports increased by \$252,600,000 to \$3,229,600,000 from \$2,977,000,000.

Thus, Canada's deficit in American trade widened to \$766,600,000, up from \$627,900,000 in 1952, and the biggest deficit since the \$918,000,000 adverse balance in 1947.

A major portion of this deficit was balanced off by surpluses in trade with other countries. But over-all exports declined, while imports rose to a record, producing a net deficit of \$214,800,000, third postwar adverse balance and a significant contrast from the net surplus of \$325,500,000 in 1952.

Postal Rates Increase Approved: Ottawa, Feb. 5 (CP) -- The House of Commons tonight approved in principle a Government measure to increase postal rates by one cent an ounce starting April 1.

After a vote of 76 to 58, the Commons gave second reading to a bill embodying the increase. Progressive Conservative, CCF and Social Credit Members opposed the bill; the Liberals voted in favour.

The vote came shortly after a CCF attempt to kill the bill was defeated by 76 to 59.

The increase would raise the cost of a once-ounce letter to five cents from four for mailings between postal districts and to four cents from three for mailings within a postal district. Additional ounces also would cost an extra cent.

The Government also proposes to eliminate the seven-cent domestic airmail rate and carry all first-class mail by air when that would speed service.

Across Canada: All provinces - except Quebec - will share \$322,200,000 in 1954-55 from the rental of tax fields to the federal Government. The estimates tabled on Friday show that those provinces which signed five-year agreements with the federal Government in 1952 will receive about \$22,000,000 more in the coming fiscal year than in the 1953-54 year ending March 31. Receipts for the present fiscal year are estimated at \$300,500,000. The biggest increase, \$9,800,000, is expected to go to Ontario which will collect \$140,800,000, compared to \$131,000,000 in the present fiscal year.... Premier Duplessis on Feb. 5 announced a cut in Quebec's proposed income tax. Mr. Duplessis told newspaper men Quebec residents will be assessed approximately 11 to 12 per cent of what they now pay the federal Government, according to the Canadian Press from Quebec City.

Hockey: (Saturday) Montreal 4, New York 3. Toronto 6, Chicago 0. Detroit 4, Boston 2. (Sunday) Montreal 4, New York 1. Detroit 1, Boston 1. Chicago 2, Toronto 1.



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Vol. 5, No. 27.

Tuesday, February 9, 1954.

Mr. St. Laurent Talks With French Leaders: Paris, Feb. 8 (CP) -- Canada's Prime Minister emerged from meetings with top French Government leaders today and expressed his confidence in France's future.

Mr. St. Laurent's first full day in Paris on his round-the-world tour was a busy round of top-level talks and welcoming ceremonies, including a reception at Elysee Palace by President René Côté and a formal call on Premier Joseph Laniel.

It was after his meeting with Mr. Laniel that the Prime Minister said: "We were able to discuss a wide range of problems and, as far as I am concerned, I was able to renew my confidence in the future of France."

The day's programme also included a reception for Premier Laniel and the Presidents of the two French Houses of Parliament at the Canadian Embassy and a dinner with Mr. Dana Wilgress, Permanent Canadian Delegate to the North Atlantic Treaty Organization.

Earlier in the day the Canadian leader placed a wreath at the tomb of the Unknown Soldier at the Arc de Triomphe.

Mr. N.E. Tanner Heads Canada Pipe Line, Ltd.: Calgary, Feb. 9 (CP) -- Mr. N.E. Tanner, former Alberta Mines Minister, has been named President of Trans-Canada Pipe Line Ltd., the firm which proposes to export Alberta gas to Eastern Canada.

The appointment was announced by Mr. A.H. Williamson on behalf of the management of the new pipeline company, an amalgamation of Trans-Canada Pipeline Co. Ltd., and Western Pipelines. He said Mr. Tanner will continue as Chairman of the Board of Merrill Petroleums of Calgary.

Mr. Tanner, elected to the Alberta Legislature in Social Credit's 1935 sweep, left politics and his Cabinet post just before the 1952 provincial election to head Merrill Petroleums. He guided Alberta through the first stages of its oil and gas boom which began in 1947 with the discovery of oil at Leduc, near Edmonton.

40-Hour Week Postal Arrangement Criticized: Ottawa, Feb. 8 (CP) -- Opposition speakers in the House of Commons were critical today of the way the Government plans to put into effect a five-day 40-hour week for the postal service in some communities.

The criticism centred around the Government's idea of using casual workers - including high school students - for mail delivery on Saturdays.

This will replace a system under which, in larger centres, postmen on the 44-hour week are relieved by men who rotate through the various delivery routes in a city.

The Government has not yet specified which cities are to come under the 40-hour week April 1, but generally it is to those where this is in effect for private business. Postmaster-General Côté, in a debate on first-class mail rate increases, said he expects details in a week.

Attacks on the Government's method of putting the 40-hour week into effect were delivered by Mrs. Ellen Fairclough of Hamilton West, Labour spokesman for the Progressive Conservative Party, and Mr. Howard Green (PC - Vancouver Quadra).

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Mail Rate On Post Cards: Ottawa, Feb. 8 (Globe & Mail) -- Opposition Members raised a rumpus with Postmaster-General Côté today for having made no mention of the intention to raise the mail rate on postcards from three to four cents.

Mr. Fulton said the Government had resorted to something not far short of false pretenses to gain the consent of the House to legislation for the increase of rates on letter mail.

Mr. Knowles said the disclosure that the rate on first-class postcards also was to be increased came as a bombshell.

Mr. Côté replied that it was customary to increase the postcard rate when the letter rate was increased. Also, said Mr. Côté, the postcard rate increase should have come as no surprise, far less as a bombshell, because both he and Mr. Abbott in earlier statements on the postage rate proposals had spoken of a "general increase" in first-class mail rates.

Igor Gouzenko Testimony: Ottawa, Feb. 8 (CP) -- Canada is willing that the testimony given to a U.S. Senate subcommittee by Igor Gouzenko five weeks ago be made public, it was learned today.

But after the international dust-up over the affair, the subcommittee has apparently lost all interest in Gouzenko and his testimony. Though informed last month of the Canadian view, the Senate group has made no request that the testimony be made public.

This would bear out the original Canadian contention that Gouzenko, former cipher clerk in the Russian Embassy here who revealed operations of a Soviet spy ring in Canada, had no new information to offer the Communists-in-government investigators and that any interview would be fruitless.

The Canadian Government informed the Americans three weeks ago that it had no objection to publication of the Gouzenko testimony taken Jan. 4 by Senators William Jenner and Pat McCarran. There has been no reply from the Senators.

Canada asked only that 33 words in the transcript of testimony be eliminated if the testimony were published, because it would be impossible to prove any charges against persons named among these 33 words.

It was learned reliably that these names came out in questions asked by the two Senators and that Gouzenko knew nothing about them or, if he did, he had given the names previously. The Senators did not obtain a single scrap of new information, it was stated here.

Railway Employees Contract Hearings Open: Montreal, Feb. 9 (Gazette) -- Representatives of 150,000 non-operating railway employees will press for fringe benefits in a new labour contract when hearings open today before a federal conciliation board.

The Board is headed by Mr. Justice R.L. Kellock, of the Supreme Court of Canada. Mr. M.M. Porter, of Calgary, Alta., and Mr. A.J. Wickens, of Moose Jaw, Sask., are company and union nominees respectively.

Negotiations for a new contract to replace one that expired last year became deadlocked in early December.

Principal demands of the employees are: eight paid holidays, an improved plan of vacations with pay, 18 days' pay per year for time lost on account of sickness with unused days accumulating to the employee's credit, special pay for Sunday work.

Sessions will take place in the Windsor Hotel.

Across Canada: Mr. Pearson said there has never been any objection from the U.S. Government concerning the size of Canada's war effort in Korea. But he declined in the House of Commons to comment on a speech by Senator William F. Knowland (Rep., Calif.), U.S. Senate majority leader, at Washington, Saturday. Senator Knowland was quoted as saying that the U.S. had furnished 90 per cent of the U.N. forces in Korea and that this was "not a fair distribution".... RCAF Lancaster bombers flew from their Greenwood, N.S. base to Bermuda yesterday for anti-submarine training with the Canadian destroyer Micmac and Royal Navy submarine Tally Ho.... Mr. James Y. Murdoch, President of Noranda Mines Ltd., has turned down a proposal by the Rouyn-Noranda Chamber of Commerce that he meet with Mr. C.H. Millard, National Director of the United Steelworkers of America (CIO-CCL), and Labour Minister Barrette of Quebec in an effort to end a strike, according to C.P. from Rouyn, Que.



# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 28.

Wednesday, February 10, 1954.

Mr. St. Laurent At Bonn: Paris, Feb. 9 (CP) -- Prime Minister St. Laurent wound up his two-day visit to the French capital tonight when he played host at a dinner at the residence of Canada's NATO Ambassador, Mr. Dana Wilgress.

Tomorrow the Prime Minister moves on to Western Germany, where he will talk international politics with Chancellor Konrad Adenauer and see Canadian army units and RCAF bases in the European defence organization.

On his final day in Paris, the Canadian leader visited the Allied Military Headquarters just outside the capital where he addressed the military representatives of 14 Western powers.

Later, he broadcast to the French nation his faith in the value of NATO as a shield protecting the peace of the world.

At tonight's dinner, Mr. St. Laurent was host to Gen. Alfred Gruenther, Supreme Commander of the allied powers in Europe. Other guests were Lt.-Gen. Lauris Norstad, Air Commander; Air Marshal Hugh Campbell, RCAF Commander in Europe; Air Marshal Sir Basil Embry and his Chief of Staff, Air Marshal J.L. Plant.

Tomorrow, Bonn will be the Prime Minister's third stop on his round-the-world goodwill trip. He will be returning last year's visit to Ottawa by Chancellor Adenauer.

He will inspect the Canadian Infantry Brigade at Soest, in the Ruhr, and on his way to Rome on Friday will drop in at the RCAF Sabre jet bases at Gros Tenquin, near Metz in Eastern France, and Zweibruecken, in the Saar.

The Prime Minister whipped back and forth through Paris today on his round of formal calls and receptions. When he visited the Palais Bourbon, home of the French Parliament, the Chamber of Deputies gave him two rounds of applause. Premier Joseph Laniel in an address of welcome referred to Canada as a country "occupying a privileged place in our heart".

In his broadcast address to the French people - originally scheduled for Monday but postponed for 24 hours - the Canadian leader said that although old historical friendships had lost none of their deep value, they must now be placed in a larger sphere.

"If the friendship between Canada and France has lost none of its vigour . . . it is because your country, like mine, has known how to conserve . . . certain fundamental notions which - and we are aware of the test - constitute the unbreakable foundations of this friendship," Prime Minister St. Laurent said.

Of NATO, he said that "for the first time in her history, Canada has signed in peacetime a mutual assistance pact which obliges her to take up arms if France or other powers of the Atlantic association are victims of aggression".

"We believe sincerely in the value of this pact for the protection of peace."

Trade Boost To B.W.I. Seen As Curbs End: Ottawa, Feb. 9 (CP) -- Canada's \$40,000,000 market in the Caribbean has been opened to free trade in a dozen commodities ranging from newsprint to fish.

(over)

Mr. Howe today brought this move to the attention of the House of Commons as he announced continuation in 1954 of the Canada-British West Indies trade liberalization programme. He described the lifting of the curbs as "an encouraging sign for the future".

Under the liberalization programme, Canadian exports are granted quotas for shipping a wide range of goods into the B.W.I. market. Quotas are based on half the average amount sent in the years 1946-48 inclusive in the case of goods considered essential and 40 per cent in the case of less essential items.

These same quotas are being continued in 1954. However, a number of items previously on the restricted list now can be shipped into the B.W.I. market from any part of the world without restriction.

Added to the classification of open general licence are: newsprint; kraft paper; dried, smoked, pickled and salted fish; onions; potatoes; cheese; powdered and canned milk; split peas; meats; canned fish; and animal feeds in the case of all colonies with the exception of British Guiana.

All these are items which Canada normally sells to B.W.I. Last year they amounted to about \$10,000,000 of the \$40,000,000 worth of Canadian goods absorbed by the British colonies.

They are of particular interest to the East Coast which has a long established trade line with the B.W.I. It was the Maritimes which suffered particularly when the colonies were forced to curb imports during the war and post-war years.

Trade officials now expect there will be a step-up in business with the B.W.I. and Mr. Chevrier said the Canadian National Steamships will continue to operate 10 or 12 cargo ships on runs to the West Indies this year.

Parliamentary Indemnity Bill Approved: Ottawa, Feb. 9 (CP) -- Progressive Conservative and CCF parties split today when the House of Commons voted on final approval of a \$4,000 parliamentary pay boost.

Four members of each party sided with Liberal and Social Credit members as the House voted 153 to 46 to give third and final reading to a Government measure doubling the \$4,000 indemnity to Commons members and Senators. They also receive a \$2,000 annual expense allowance.

When the bill receives Royal assent, the increases will be retro-active to the start of this session - Nov. 12, 1953.

Passage of the bill was opposed by 28 Progressive Conservatives and 18 CCF members, including three CCF members who voted last week for the principle of the measure.

Postal Rates Bill Approved: Ottawa, Feb. 9 (CP) -- The Government defeated by a vote of 127 to 77 a Progressive Conservative motion to give a six-months' hoist to a bill providing for increased postage rates.

All Opposition parties and Independent Raoul Poulin (Beauce) supported the motion by Mr. Davie Fulton (PC - Kamloops). Liberals voted against it.

The House then voted 125 to 75 to give the bill third reading. Final reading was supported by all Liberal members and opposed by all Opposition parties and Mr. Poulin.

Across Canada: Canada has taken full responsibility for supplying its Arctic weather stations, Mr. Chevrier said yesterday. Alert, the most northerly tip of Ellesmere Island, will continue to be served by the U.S. task force servicing Greenland.... New Canadian-designed and Canadian-built Orenda engines will give Sabre jet fighters of the RCAF air division in Europe 20 to 25 per cent more power Mr. Claxton said last night.... Federal health authorities are thinking about investigating the effect of cigaret smoking on lung cancer. Health Minister Martin made the announcement in reply to a question from Mr. Stanley Knowles.... Exports of Canadian wheat and wheat flour in terms of wheat during December declined considerably to 17,800,000 bushels from 24,400,000 in November, and six per cent below the 1943-44 and 1952-53 average of 19,000,000 bushels.... Record department store sales in December last boosted the yearly total over the billion-dollar mark for the first time.



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Vol. 5, No. 29.

Thursday, February 11, 1954.

Canada To Increase U.N. Technical Aid: Ottawa, Feb. 10 (CP) -- Canada this year will nearly double her contribution to the United Nations programme of technical assistance to underdeveloped countries. Mr. Pearson said today in the House of Commons that Canada will increase her share to \$1,500,000 from \$800,000 last year.

He said it is clear that two conditions proposed by Canada last fall in offering that amount to the U.N. have been met - increased support of the technical assistance plan by other U.N. member countries and the promise that total pledges would be enough to sustain a practical programme.

The Government intended to ask Parliament for the additional \$700,000 in supplementary estimates for the 1954-55 fiscal year.

Mr. Pearson's announcement came during debate on a CCF member's resolution asking the Government to consider substantial increase in Canada's contribution to U.N. technical assistance. The resolution was introduced by Mr. Angus MacInnis, a Parliamentary observer at the 1949 General Assembly meeting. It was supported by speakers of all parties in the House of Commons.

Mr. Pearson said Canada's contributions for technical assistance to the poorer countries have been exceeded only by the United States, the United Kingdom and France. This year Canada's share would be the third largest. Russia last year pledged \$1,000,000 to the programme, but hedged it with conditions that could not be accepted by the U.N.

None of the U.N. technical assistance funds had been spent in communist countries. Russia sponsored her own plan of aid behind the Iron Curtain.

"We have often been told at the U.N. that Asia and Africa are on the march and will not be stopped," he said. "That is true, and there is no reason we should want to stop that march."

But history proved that hungry nations caused trouble and technical assistance to improve their lot was one way to lead them along the path of peace and co-operation.

Mr. MacInnis, introducing the resolution, said Canada should support the U.N. technical assistance programme "to the limit of our ability".

He listed the fields in which the programme can help underdeveloped countries: research and education, agricultural extension, public health, rural public works and soil conservation....

Mr. Francis T. Fairey (L - Victoria, B.C.), member of a three-man educational mission to Burma in 1951, said there is little point in trying to persuade uneducated and hungry people to choose between Democracy and Communism.

"They do not care two pins. They do not know what you are talking about."

Mr. St. Laurent Greeted In West Germany: Bonn, Feb. 10 (CP) -- Prime Minister St. Laurent was welcomed to West Germany today and in a meeting with correspondents expressed hope a way will be found of bringing the Bonn Government into a defence system strong enough to deter aggression.

Chancellor Konrad Adenauer and most of his Cabinet were at Wahn Airport to greet the Canadian statesman, who was whisked away to the residence of President Theodor Heuss for lunch.

(over)

At a press conference in the Bonn Federal Press Office, Mr. St. Laurent told 150 reporters: "I hope there will be found a means, acceptable to all West European countries, to bring Germany into the kind of force that would be strong enough never to have to be put to the test."

He was asked specifically whether he favours the European Defence Community as the method of international defence co-operation. But he said he hesitated to express views on "the way that the democratic statesmen of Western Europe should conduct their affairs".

He pledged Canada to a sincere effort to contribute to the common aim of achieving world peace. The sole aim of his world tour was to make "a visible demonstration that we realize the value of good relations with other countries".

Indemnity Increase Approved In Senate: Ottawa, Feb. 10 (CP) -- Parliamentary pay raises, a controversial issue in the House of Commons, has stirred only a procedural ripple in the 102-member Senate.

The Upper Chamber today approved the principle of a bill increasing parliamentary pay to \$10,000 from \$6,000. The measure now needs only final approval and Royal assent to become law. Second reading was given without opposition in 31 minutes.

Labour Delegations Before Cabinet: Ottawa, Feb. 10 (CP) -- Two delegations came to Parliament Hill today looking for action on unemployment. A third is due tomorrow.

The Government promised today's groups no departures from current policy, and Acting Prime Minister Howe told one delegation the administration thinks 1954 will turn out to be "a very good year" generally for Canada.

"We think that in general employment is going to be good over the balance of the year," he said.

For the farm implement industry in which, there are around 5,000 unemployed, Mr. Howe advised the union delegation:

1. The industry is entering a "buyer's market" and workers should be careful that wage increases do not price their product out of competition.
2. There is no immediate prospect of this industry getting back to its post-war peak of employment in 1952, and displaced workers should be prepared to move to other jobs.

Mr. Howe and other Ministers conferred on the farm implement problem today with a 20-man delegation from the United Automobile Workers (CIO-CCL) and the United Steelworkers (CIL-CCL), Canada's two largest unions.

Trans-Canada Highway: Ottawa, Feb. 10 (CP) -- Completion of the Trans-Canada Highway is expected to give new impetus to interprovincial and international tourist traffic.

That is the view of the Canadian Tourist Association, Mr. Ralph Moore, CTA President, today told the Senate tourist traffic committee which is making its annual inquiry into the tourist industry.

The highway is going to be a tremendous factor in keeping Canadians at home during their holidays, he said.

The CTA, faced with increasing competition from European countries for visitors from the United States, has stepped up its programme of selling Canada to Canadians.

Across Canada: The Senate yesterday approved the appointment of 10 Senators to a joint committee of Parliament to study the death penalty, whipping and lotteries. . . . The Private Bills Committee of the Quebec Legislative Council yesterday threw out two bills by which new Canadians sought permission to be admitted to the practice of law in the Province. Mr. Edouard Masson, Q.C., and N.U. member for Repentigny, in objecting to the bills, said new Canadians were seeking to be placed on the same level with graduates of universities of the Province without having to show they possessed the same qualifications. . . . The federal conciliation board sitting on the dispute between the railways and 150,000 of their "non-operating" employees was adjourned yesterday to March 1. No official explanation was given for the adjournment but it is believed the board wished to study proposals from both sides. . . . Ford of Canada will shift the production of Ford and Meteor passenger cars from Windsor to Oakville March 12 forcing layoff of 565 men at Windsor, the company announced yesterday according to C.P. . . . Acting Prime Minister Howe said yesterday it is "almost certain" the St. Lawrence Seaway will be started next summer.



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Vol. 5, No. 30.

Friday, February 12, 1954.

Closer Unity Within NATO Urged By Mr. St. Laurent: Bonn, Feb. 11 (CP) -- Prime Minister St. Laurent has called for closer integration of the "national resources and machinery of government" of the Atlantic nations as a way to "economic betterment, political stability and self-defence".

In the major speech of his visit to West Germany, the Prime Minister said that "perhaps the time has come now to consider whether some steps towards closer integration . . . should be taken within the larger framework of the North Atlantic community".

The speech was made Wednesday night at a state dinner tendered him by Chancellor Konrad Adenauer at the Palais Schaumburg. Newspaper men were not present, and the text was issued today by the Prime Minister's staff aboard the special train carrying him to inspect the Canadian Army Brigade stationed at Soest, in the Ruhr.

Here in Bonn, a Canadian Embassy spokesman said nothing in the Prime Minister's speech "represents a change of policy or suggests a change of policy". He added that the ideas it contained had been expressed many times before.

The Prime Minister said:

"I suggest we should perhaps be seeking solutions to the problems continuing to face you of achieving greater unity in Europe in a wider context and possibly in pursuit of Article II of the North Atlantic Treaty.

"It has become increasingly clear, I think, to all members of NATO and to those many countries associated with us throughout the world that our very survival and our continued development in freedom and peace depends upon our ability to look beyond national barriers and to make them somewhat less artificial and more satisfactory.

"We believe the proper solution to the economic, cultural and spiritual betterment of all free peoples is to be found in an even closer integration of their activities and in a greater sharing of their endeavors.

"More particularly, many of us believe the peoples living about the great basin of the Atlantic Ocean might well seek the solution of their problems of economic betterment, political stability and self-defence in this closer integration of their national resources and machinery of government."

Labour Congresses Before Cabinet: Ottawa, Feb. 11 (CP) -- Spokesmen for the federal Cabinet and for Canada's two largest labour Congresses today came into sharp disagreement on the seriousness of the country's current unemployment.

A joint brief from the Congresses described the situation as "alarming," but Finance Minister Abbott suggested the labour groups' jobless figures are wrong and said the winter unemployment picture is only "unpleasant".

Union officials claimed, in a submission to Cabinet members, that unemployment now stands around 580,000, which would be a post-war peak. Mr. Abbott held it was much lower, and he cautioned labour against taking a "too gloomy" outlook on the ground that this could slow down business expansion.

The Ministers' meeting with the labour groups followed presentations here yesterday by two other delegations looking for federal action on unemployment.

(over)

A Cabinet committee headed by Mr. Gregg met today with a joint group of the Trades and Labour Congress of Canada and the Canadian Congress of Labour, representing an aggregate of 955,000 members.

It was the first time since 1951 that the rival Congresses - Canada's largest - had come together in a joint effort.

Their brief to the Cabinet followed representations made yesterday on the same subject by the United Automobile Workers (CIO - CCL) and the United Steel Workers (CIO - CCL), and the communist-led National Federation of Labour Youth.

The TLC-CCL brief today estimated Canadian unemployment at about 550,000. The previous estimated post-war high of unemployment was 434,000 in early 1949.

Ottawa To Inspect Air Cargo: Ottawa, Feb. 11 (CP) -- Federal action is planned to prevent any repetition of the time-bombing of a Canadian aircraft in 1949 with a loss of 23 lives.

The Minister of Mines, Mr. Prudham, said today in the House of Commons that arrangements are being made to inspect all express and baggage placed aboard passenger aircraft to determine whether they contain explosives.

He made the statement after Mr. Rodney Adamson moved an amendment to the Explosives Act proposing appointment of inspectors by individual air lines. He withdrew the amendment after Mr. Prudham said the inspection would be carried out by Government officials.

Report U.S. Entry Exam Office To Close In Montreal: Montreal, Feb. 12 (Gazette) --

An economy drive by the United States Government will result in the closing of the U.S. immigration pre-examination office in Montreal this month after half a century of service here.

The office has been maintained for the convenience of Canadians and others living here who desire to make temporary visits to the U.S. Its abolition means that travellers will have to get complete clearance at the border. In the past they had been served here, making it unnecessary for them to stop for detailed examination at the border.

The economy will also result in the elimination of offices in Vancouver, Winnipeg, Toronto and Quebec. However, representatives will continue in major Canadian cities to work with the U.S. consulates on other matters pertaining to alien entries.

The U.S. also will continue its "pre-flight" inspection offices here as well as in Vancouver, Winnipeg, and Toronto. These offices serve persons flying from Canada to points in the U.S.

U.S. immigration officials say they will continue an office at Quebec for checking overseas arrivals headed for the U.S. They said the bulk of this work has always been done there.

Plan Scenic Views In U.S. Films: Ottawa, Feb. 11 (CP) -- Canada is starting a programme to sell her vacationland to Americans by film.

Mr. Dolan, director of the Canadian Government Travel Bureau told the Senate Tourist Committee that the Bureau plans to make five films this year advertising areas of Canada as good holiday spots. The colour films will be shown to groups in the United States and probably on U.S. television networks.

Across Canada: The Ontario and Saskatchewan Legislatures opened yesterday. . . .

The United States has informed Canada that charges in an American publication of large-scale slaughter of Canada geese in Southern Illinois are "distorted" a Senate committee was told yesterday. . . . Mr. Abbott says Quebec will be able to impose a provincial income tax because of Federal tax reductions since the end of the war. Mr. Abbott made the statement yesterday in the House of Commons in confirmation that Quebec residents paying a provincial tax will be able to deduct five per cent of the amount they now pay to the federal Government and apply it to what they will pay the province. . . . Mr. Howe left for Winnipeg yesterday to confer with the Canadian Wheat Board on closing up the 1952-53 wheat pool.



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Vol. 5, No. 31. Monday, February 15, 1954.

**Tighten Canadian, Italian Ties:** Rome, Feb. 14 (CP) -- Premier Mario Scelba said Saturday night he hopes that Canada and Italy, "already so near in their common understanding of Christian life and democratic freedoms," will work toward closer co-operation in economic and social fields. Mr. Scelba spoke at a state dinner in honour of Prime Minister St. Laurent, spending three days in Italy.

"I am deeply convinced that a more intimate friendship between our two peoples will easily be reached in the future, with increased cultural and artistic exchanges," Mr. Scelba said.

Remarks of the new Italian Premier followed an announcement that a \$50,000 Canadian foundation will be set up to sponsor grants to Canadians for studies in Italy and that when circumstances permit, a corresponding Italian foundation will be created.

The Canadian Prime Minister expressed deep pleasure at being "in a capital city which has contributed so much to the progress of humanity and Christian civilization".

"We appreciate your welcome greatly also because you represent in our eyes the long tradition of culture and faith which we strive to keep alive and develop also on the other side of the Atlantic."

Mr. St. Laurent told Mr. Scelba that Italian immigration to Canada will be increased as "much as possible".

He spoke of the North Atlantic Treaty Organization, of which both nations are members, and expressed the hope that the alliance "may progress one day to become that community of men of goodwill to whom the Celestial message had promised peace on earth".

Today Mr. St. Laurent visited St. Peter's Basilica, the Vatican museums and the Sistine Chapel. He also called at the office of the Vatican Secretary of State to express his wishes for the Pope's complete recovery from his illness.

The Prime Minister departs Tuesday for Pakistan.

At a press conference Saturday he said that if the Western nations really want peace, "we must be ready to undertake war to protect it". He said the world has had enough of war in recent decades.

"We hoped the United Nations would produce world security (but) it was not long before we became aware that the Soviet nations had not the same peaceful intentions as we.

"That is why we showed any potential aggressor he would have to face all of us. We did this with the conviction that if we acted together there might be hesitation in the event of contemplated aggression."

**Signs of Increased Confidence:** Rome, Feb. 12 (CP) -- Canada's Prime Minister said today his visits this week to France and Germany have revealed "encouraging signs of increased confidence."

Mr. St. Laurent said:

"In France they are still very much concerned about over-all difficulties arising from Indo-China.

"They feel that when they can remove that situation it will pave the way for removal of all difficulties in the way of a proper setup for the European Army."

(over)

Self-Sufficiency In Oil Ahead: Winnipeg, Feb. 12 (CP) -- The Minister of Trade and Commerce, Mr. Howe, tonight predicted a bright future for the west, though grain marketing had temporarily changed "for the worse".

In fact, if he had his career to live over, he would, without hesitation move west - to the "land of opportunity," he said.

"If there are uncertainties about the outlook for prairie grain, there can certainly be none about the outlook for industrial development on the prairies," he said in a speech before the Winnipeg Chamber of Commerce, celebrating its 75th anniversary.

In some ways, industrial expansion has been greater on the prairies since the Second World War than in any other part of Canada.

The prairies had great spheres of development in oil, natural gas, chemical plants and discovery of new ore bodies.

In the last six years, western oil output had increased from 15 to 50 per cent "and the end is by no means in sight.

"There is every reason to believe that production will soon reach the point of self-sufficiency, on balance, exports being sufficient to offset imports into those parts of Canada not within economic range of prairie supplies."

Economic Trend: Ottawa, Feb. 12 (CP) -- The Government is not planning "drastic" anti-depression measures to check unemployment.

Mr. Abbott said today in the House of Commons the Government is ready to take action if economic activity slumps, but that there is "no justification" now for stronger measures than are in effect.

"I have a high degree of confidence, that, when our winter season of normally-reduced activity is past, economic activity in Canada is likely to resume its upward trend at a satisfactory rate."

He was replying to Mr. J.M. Macdonnell, Progressive Conservative financial critic, who had asked what "fiscal and monetary measures" were proposed against unemployment.

Mr. Abbott indicated the Government will be undertaking more public works than previously.

"In planning our expenditures for the coming year," he said, "we have followed a less restrictive policy in public works."

Says A-Power To Transform World In 50 Years: Toronto, Feb. 12 (CP) -- Top British atomic scientist and planner of Britain's A-weapon tests last year, Sir William D. Penney said today that large power stations operated by atomic energy will transform the world in 50 years.

Sir William came to Canada to see "what Canada is adding to her already remarkable contributions in such developments as the use of atomic energy in industry and medicine."

He said there is no complete defence against atomic bombs, but the extent of the damage depends largely on the structure of a city. The Japanese cities hit by A-bombs were built of wood, but a first-class city like Toronto would not suffer nearly as much.

The answer to how much more deadly atomic bombs could get was simple, he said.

"The more stuff you put into them, the bigger the bang".

National Library Advisory Council: Ottawa, Feb. 12 (CP) -- The Government today announced four appointments to the National Library's 12-member Advisory Council, including two librarians, a university professor and a farmer's wife.

Appointed for a period of four years, effective Dec. 22 last are: Mrs. Elizabeth Hunter, Innisfree, Alta.; Dr. Alfred G. Bailey of Fredericton; Mr. Paul Houde, Chief Librarian at Montreal University's Polytechnique School; and Mr. Peter Grossman of Halifax, Director of Nova Scotia's Provincial Library Service.

Across Canada: The six-month strike of some 1,500 miners at the big Noranda mine has been settled on the basis of a company offer of a 7½ per cent hourly increase for the men.... Finance Minister Onesime Gagnon told the Quebec Legislative Assembly that provincial revenues will reach an all-time high of \$332,955,400 in the next fiscal year and that an overall surplus of \$1,700,000 can be anticipated.... Hockey: (Saturday) - Montreal 2, Toronto 2. Boston 1, New York 0. (Sunday) Boston 4, Montreal 1. Toronto 3, New York 3. Detroit 5, Chicago 0.



THE LIBRARIAN,  
DEPARTMENT OF EXTERNAL AFFAIRS,  
EAST BLOCK,  
OTTAWA, ONT.

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Vol. 5, No. 32.

Tuesday, February 16, 1954.

Unemployment Debated In Commons: Ottawa, Feb. 15 (CP) -- Opposition parties today called for measures to halt unemployment.

Two of them - the Progressive Conservatives and the CCF - proposed resolutions in the House of Commons that conflicted with each other but which technically were motions of want-of-confidence in the Government on the issue.

The Progressive Conservatives asked that a parliamentary committee investigate the unemployment situation and recommend short-and-long-term methods for dealing with it.

The CCF motion declaring there is a serious unemployment situation in Canada, sought undefined "immediate action" by the Government to "prevent further economic distress".

The motions were launched during a debate on unemployment - the first in years - which was touched off by figures indicating a rising total of jobless in Canada during the winter.

In the last week, labour leaders have suggested that the total of unemployed now may be as much as 580,000 and have called on the Government, in a series of meetings, to take steps to stem it.

Today, the Minister of Labour, Mr. Gregg said that at January 21 there were 524,000 persons looking for jobs through his Department's National Employment Service.

But he expressed the view this figure is more than the actual jobless. He made no estimate of the actual unemployed.

The Jan. 21 figure of NES compared with 338,000 at Dec. 10 and was 140,000 above that of a year earlier.

\$5,800,000,000 To Be Spent On Construction And Equipment: Ottawa, Feb. 15 (CP) -- Government and private industry will spend an estimated \$5,800,000,000 this year - three per cent more than in 1953 - on new construction, machinery and equipment.

Trade Minister Howe today gave the House of Commons a preview of a Government survey of planned capital spending this year during a general debate on unemployment. He said the full report of the survey will be made public soon.

Spending on new construction, he said, will be an estimated \$3,-865,000,000, a six-per-cent increase over last year.

He gave no figure for spending on new machinery and equipment, which he said will be down by three per cent. But on the basis of his percentage it would total \$1,935,000,000.

Mr. Howe added:

"In these circumstances, one can only conclude that . . . the collective view of Canadian business enterprise is on the side of continued growth and prosperity in our economy."

Labour Income Up In 1953: Ottawa, Feb. 15 (CP) -- Canadian workers received less money for their efforts in November than in the previous month but labour income in the first 11 months of 1953 was eight per cent above that of a similar period of 1952.

The Bureau of Statistics said today the decline in November to \$995,000,000 from \$1,009,000,000 in October was due mainly to seasonal reduction in construction and the lower level of factory production.

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The 11-month aggregate was \$10,664,000,000 compared with \$9,801,000,000 in a similar period of 1950.

Soviet Posts Trade Attaché To Ottawa: Ottawa, Feb. 15 (CP) -- A special attaché will be posted to the Soviet Embassy in Ottawa in an attempt to stimulate trade between Canada and Russia.

Mr. D.S. Chuvahin, new Soviet Ambassador to Canada, said tonight at a press conference, that his country is ready "right now" to start negotiations for trade in Canadian ships, textiles and many other commodities.

The Ambassador, first to represent his country here in that capacity since 1945, declined to amplify his reference to trade hopes.

Russia could sell Canada manganese ore, diesel fuel, petroleum products, pig iron, cotton and probably many other commodities. In addition to freighters and textiles Russia would be interested in buying Canadian butter, meat and rawhides.

He said Russia's desire to open trade with Canada, and with other countries willing to trade with them, is not new. It was a continuing policy.

The Soviet Union "regarded favourably" the statement made in a radio broadcast last Jan. 4 by Mr. Howe that Canada was ready to start trade negotiations with Russia.

Mr. Chevrier On Seaway: Kingston, Ont., Feb. 15 (CP) -- Canada would still be waiting for the U.S. Congress to make up its mind, with the outcome as doubtful as ever, if this country had not already prepared to build the St. Lawrence Seaway, Mr. Chevrier said tonight.

He noted that the U.S. Senate recently approved a measure for the U.S. to build two canals in the International Rapids section of the joint project.

"The information we have is that the House of Representatives may follow the same course . . . the progress of the Canadian plan seems to be bringing a change of heart in Congress."

His speech at Queen's University was the final lecture in a series on the seaway.

Board Turns Down Rail Rate Plan: Ottawa, Feb. 15 (CP) -- A railway plan for an upheaval in Canada's freight rate system - involving a nine-per-cent rate increase now and pointing to others later - was turned down today by the Board of Transport Commissioners.

The Board at the same time hinted at a tougher policy towards rate increases from now on, saying the post-war series of boosts has helped cut down rail traffic through the law of diminishing returns. And it inferentially cautioned rail labour - currently locked in big-money contract negotiations with the railways - to watch its step lest rising labour costs price the railways out of more business and thereby price workers out of jobs.

In a 40,000-word judgment regarded as one of the most significant in Canadian rail history, the Board said it is convinced that:

"Unless the several underlying conditions adversely affecting the railway industry in general change markedly for the better, means other than general rate increases imposed on the basis of the past will have to be found in the future if the railways of Canada are to be maintained in a healthy operating condition."

Across Canada: Members of the House of Commons yesterday paid tribute to Miss Agnes Campbell Macphail, first woman member of the Canadian Parliament, who died Saturday at Toronto. . . . A farm group yesterday called for a federal probe of Canada's livestock industry and charged that packing-plant profits are "constantly rising" while farmers are being saddled with a 50 per cent loss in income. The Interprovincial Farm Union Council, representing farm unions on the Prairies and in Ontario, charged also that fertilizer and farm implement prices are too high and urged that the Government have a look into these industries as well. . . . Federal income tax officials have asked some 500 farmers in the Calgary area to produce financial records supporting their income tax returns for past years. The fact was made public in the Commons by Dr. McCann in a reply tabled for Mr. Douglas Harkness (PC - Calgary North).



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# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

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Vol. 5, No. 33: Wednesday, February 17, 1954.

Mr. St. Laurent Commences Asian Part Of Tour: Bahrein, Feb. 16 (CP) -- Prime Minister St. Laurent arrived to spend the night in this Persian Gulf principality before embarking on the Asian portion of his world tour tomorrow.

Bahrein, an island off the northeast coast of Arabia, was roughly the half-way point in Mr. St. Laurent's flight from Rome to his next port of call, the Pakistani capital of Karachi.

Sheikh Issa Ibn Salman Alkhalifa, eldest son of Bahrein's ruler, greeted the Prime Minister at the airport on his arrival after an uneventful flight from Rome.

At Karachi, meanwhile, preparations went ahead for the visit of the St. Laurent party. The Prime Minister is to spend two days in Karachi and then will fly over 2,000 miles of Pakistani territory with stops at Peshawar and historic Khyber Pass, meeting the tribal chiefs of the country's mountainous northwest frontier.

When Mr. St. Laurent meets Prime Minister Mohammed Ali at Karachi he will not be meeting a stranger. Ali for three years was Pakistan's High Commissioner in Ottawa.

The Prime Minister, beginning the Asian part of his world tour, will be returning the visit to Ottawa in May 1950 of Liaqat Ali Khan, the then Prime Minister of Pakistan.

Pakistan naval personnel will present a guard of honour at the airport, and Mr. St. Laurent will be introduced to all diplomatic representatives in Karachi. On Thursday Governor-General Ghulam Mohammed is giving a state banquet. On Friday the Governor-General's daughter, Begum Hussain Maik, will entertain the Prime Minister's daughter, Mrs. Hugh O'Donnell, at a luncheon exclusively for women.

Mr. St. Laurent will have discussions on political problems with Prime Minister Ali, Foreign Minister Sir Zafrullah Khan and Finance Minister Chaudhri Mohammed Ali. He will also discuss Pakistan's food situation with Food Minister Abbul Qayum Khan.

After the United States, Canada played the most important role in averting famine in Pakistan last year. Canada donated \$5,000,000 worth of wheat, and helped in development projects to the extent of \$4,500,000 in 1953-54, \$4,700,000 in 1952-53 and \$10,000,000 in 1951-52.

Prime Minister Honoured On Capitoline Hill: Rome, Feb. 15 (CP) -- Mr. St. Laurent today received a silver replica of a she-wolf suckling Romulus and Remus, legendary founders of Rome.

Mayor Salvatore Rebecchini presented the Canadian leader with the city's symbol at a reception given by the municipal council at the Campidoglio, Rome's ancient city hall on Capitoline Hill.

Reaction To Soviet Trade Offer: Ottawa, Feb. 16 (CP) -- Some federal officials suspect that Russia's latest gestures toward trade negotiations are propagande moves designed to break a western economic blockade. However, Trade Department officials say the Government has decided to consider all Soviet trade overtures as genuine until proved otherwise.

That was the initial reaction today to the Soviet Embassy announcement that a special attaché will be posted to the Embassy in an attempt to stimulate trade between Canada and Russia.

Mr. D.S. Chuvahin, new Soviet Ambassador, told newspapermen last night that Russia is ready "right now" to start negotiations for trade

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involving ships, textiles and many other commodities.

However, suspicions were aroused after it became known that a few hours before the press conference, two well-known west coast left wing unionists, William Stewart and Ed. White, called on Fisheries Minister Sinclair. They are members of the Shipyard General Workers Federation of British Columbia (CCL).

They were reported to have demanded federal subsidies for Canada's merchant marine. Federal experts noted that Ambassador Chuvahin mentioned desiring Canadian ships.

"Next to the United States, it costs more to build ships in Canada than any other part of the world," said one high-placed official. "Why do the Russians want to buy ships from Canada when they can get them cheaper elsewhere?"

"It certainly seems like a propoganda move. It appears likely that Stewart and White will go back to Vancouver and make speeches along the Ambassador's lines."

Mr. Howe, who last month said Canada was willing to do more business with Russia in non-strategic items, declined to comment on the Ambassador's announcement....

Experts say that trade with Russia would be difficult because there is no competitive price in Russia. There are no standards similar to those in the western world on which the quality could be based and trade is controlled solely by the Soviet Government.

B.C. Plans Tax Cuts, Higher Pensions: Victoria, Feb. 16 (CP) -- The Speech from the Throne at the opening today of the British Columbia Legislature said the Government will:

1. Increase the present \$10 a month bonus to old-age and blind pensioners.
2. Reduce the amusement tax, which at 17½ per cent is the highest in Canada.
3. Exempt children's clothes, boots and shoes from the 3 per cent sales tax.
4. Abolish the 10 per cent tax on liquor by the glass, introduced at the fall session of the Legislature.
5. Make substantial reductions in automobile and truck registration fees. The present registration fee on an average-sized automobile licensed for the first time in B.C. is \$10.
6. Boost social allowances for needy families.
7. Bring in changes to the Industrial Conciliation and Arbitration Act and the Workmen's Compensation Act.
8. Introduce legislation concerning petroleum and natural gas to "encourage exploration and, at the same time, see that the people of B.C. share in this development".

Housing Legislation Before Banking Committee: Ottawa, Feb. 16 (Globe & Mail) --

House prices, already high, may go still higher when the Government's new residential mortgage plan comes into operation, the Commons Banking and Commerce Committee was told today.

This statement was made by Mr. John Bryden, President of the Dominion Mortgage and Investments Association, an organization comprising most of the life insurance companies, the trust and loan companies.

"It seems to me that any time you lower the down payment and lengthen the term of amortization," said Mr. Bryden, referring to two of the Government's proposals, "you affect the demand and it almost invariably pushes prices up."

Across Canada: The United Kingdom has contracted to purchase \$5,000,000 worth of canned British Columbia salmon, the Fisheries Association of B.C. announced.... Mail handlers and carriers, customs and immigration officers and operating staffs of other government departments in 180 communities will start a five-day, 40-hour work week April 1. At present they work 44 hours. The list of communities was announced in the House of Commons by Mr. Abbott.... British Columbia Government revenues reached a high of \$161,765,536 in the fiscal year ending March 31, 1953, it was disclosed in public accounts tabled at the opening of the Legislature yesterday.



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Vol. 5, No. 34.

Thursday, February 18, 1954.

Mr. St. Laurent Greeted In Karachi: Karachi, Feb. 17 (CP) -- Prime Minister St. Laurent arrived in Pakistan today on his round-the-world tour to start a series of important goodwill talks with Asiatic leaders.

Prime Minister St. Laurent's RCAF transport plane landed at the airport here this afternoon after a flight from Bahrein, and was met by Prime Minister Mohammed Ali and his wife, and corps of diplomatic and military figures.

Governor General Ghulam Mohammed's daughter, Begum Husain Malik, was also present to receive the guests at the airport.

Others were the Canadian High Commissioner, Mr. K.P. Kirkwood, Pakistan's Foreign Minister Zafarullah, High Commissioners for the Commonwealth countries, Rear Admiral Mohammed Siddique Chaudhri, Commander-in-Chief of Pakistan's naval forces, Air Vice-Marshal L.W. Cannon, Commander-in-Chief of the Royal Pakistan Air Force, Major General Mohammed Musa Khan, Area Commander for Karachi, and other local officials.

The Canadian leader mounted a dais to take the salute while an honour guard of Pakistan Navy personnel marched past.

Mohammed Ali introduced the diplomats and later Mr. Kirkwood presented all the members of the Canadian High Commission in Pakistan.

Miss Alya Saddy, as secretary, presented members of the committee of the Pakistan-Canadian Cultural Association in Karachi.

Later the Canadian party drove in six different cars to the Governor General's house, where they are staying as state guests.

The Pakistan Prime Minister's wife greeted the Canadian leader's daughter, Mrs. Hugh O'Donnell of Quebec. Tomorrow Mrs. O'Donnell will be guest at a luncheon exclusively for women at which the Begum will be hostess.

Invite Queen Mother To Visit Canada: Ottawa, Feb. 17 (CP) -- Canada has formally invited Queen Mother Elizabeth to make her first visit to this country in 15 years.

The invitation was sent by Governor-General Vincent Massey a few days ago, acting Prime Minister Howe announced tonight.

The Governor-General suggested the 53-year-old Queen Mother, who toured Canada with the late King George VI in 1939, spend a few days in Canada after her visit to the United States next November.

Income, Outlay Reach Records For Canadians: Ottawa, Feb. 17 (CP) -- Canadians earned more and spent more last year than at any time in history.

The country's net national income rose to a new high of \$18,977,000,000, a jump of about \$840,000,000 from the previous high of \$18,135,000,000 in 1952, the Bureau of Statistics estimated today.

Spending for consumer goods and services jumped to a record \$15,035,000,000, a \$700,000,000 gain from \$14,334,000,000 in 1952.

But while income rose, consumer prices remained virtually unchanged during the year, providing wage and salary earners with a "real" income gain, the Bureau said.

In 1953 the gross national product - sum total of all goods and services produced - increased to a peak of \$24,242,000,000 from \$23,110,000,000 in 1952.

Most segments of the economy showed sharp gains during the year with

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the exception of investment in new machinery and equipment, exports and net farm income.

NRX Reactor Back In Operation: Ottawa, Feb. 17 (CP) -- The powerful NRX atomic energy reactor at Chalk River, Ont., is back in operation, Acting Prime Minister Howe announced today.

The reactor, which broke down Dec. 12, 1952, began operating at 10:30 a.m. EST today. The starting switch was pulled by Dr. David A. Keys, scientific adviser to Mr. William Bennett, President of Atomic Energy of Canada, Limited.

Mr. Howe said in a statement that reconstruction of the NRX reactor is a notable scientific and engineering achievement.

"This is the first time, as far as we know, that a reactor of high power rating has been taken apart and reconstructed. The Chalk River staff has been able to show that it is possible to work safely on a structure highly contaminated by radioactivity....

Southern U.S. Natural Gas For Toronto: Ottawa, Feb. 17 (CP) -- The Senate today approved the principle of a \$7,000,000 pipeline to bring U.S. natural gas to Toronto.

Senator J.J. Connolly (L - Ontario) said the bill will allow Niagara Gas Transmission Co. to obtain Government permits to build the 75-mile pipeline from a border point on the Niagara River to Toronto.

He said permission of the Canadian Parliament is required for the "extra-provincial" project. The line will be capable of carrying 22,600,000,000 cubic feet of natural gas a year.

The gas will come from Louisiana and Texas along Tennessee Gas Transmission Co. lines to the border.

Mr. Duplessis On Grants To Quebec Universities: Quebec, Feb. 17 (Gazette) --

Premier Duplessis, in a surprise announcement in the Legislative Assembly on Tuesday said the Province's universities will receive grants superior to those they now are forbidden to accept from the federal Government.

"They will receive more than they would have received from the federal Government."

The Premier said the grants would be made out of revenues to be collected from the recently-announced provincial income tax.

Canada-Australia Air Transport Agreement: (Press Release No. 8, Feb. 18) --

The Department of External Affairs announced today that during the last few weeks discussions have been held in Melbourne between representatives of the Canadian and Australian Governments for the purpose of considering amendments to the Canada-Australia Air Transport Agreement of 1946. Under that Agreement air services were established between Canada and Australia on behalf of the two countries by Canadian Pacific Airlines and by British Commonwealth Pacific Airlines respectively.

Farm Delegation To Confer In Washington: Ottawa, Feb. 17 (CP) -- A 16-man delegation of Canadian farm leaders will leave for Washington Saturday to confer with U.S. leaders on problems of trade and agricultural surpluses.

Heading the Canadian group will be Mr. H.H. Hannam, President of the Canadian Federation of Agriculture. Canadian dairy, wheat and other farm producers will be represented at the two-day meeting opening Feb. 23.

The meeting was called by the Washington office of the International Federation of Agricultural Producers to plan development of a North American regional committee composed of farm leaders from Canada, the U.S. and Mexico.

Across Canada: Finance Minister Gagnon said yesterday in the Legislative Assembly the Quebec Government hopes the Federal Government will authorize Quebec taxpayers to deduct from their Federal income tax the money they will be called on to pay in provincial income tax.... Floods and heavy snow crippled parts of Southern Ontario Wednesday while authorities worried over what will happen when all the snow starts melting.... Canada's co-operative unions asked the Government yesterday to slash interest rates on co-operative housing projects in the drive to remove slums.



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Vol. 5, No. 35.

Friday, February 19, 1954.

Mr. St. Laurent In Pakistan: Karachi, Feb. 18 (CP) -- Prime Minister St. Laurent stood in a driving rain today and bowed his head in tribute to two leaders of a sister dominion.

The Prime Minister paused on the second day of his four-day visit to Pakistan to honour the country's founder, Mohammed Ali Jinnah, and former Prime Minister Liaquat Ali Khan, who was a guest of the Canadian Government at Ottawa a short time before an assassin's bullet ended his career.

After placing wreaths at the tombs of the two Pakistani leaders, Mr. St. Laurent had private talks with Government heads and held a brief press conference.

Tomorrow the Canadian leader's world tour takes him to Peshawar and the rugged northwest frontier region, including a visit to historic Khyber Pass.

He told a press conference today Pakistan is a free and independent country and is entitled to pursue her own policy without dictation from outsiders.

The point arose when the Prime Minister was questioned as to his feelings on the prospect of U.S. military aid to Pakistan, a subject on which the Government of India has expressed some apprehension.

He replied that Pakistan is entitled to accept assistance from any friendly country without seeking the advice of others.

In the same connection, the Canadian leader told questioners he has no intention of attempting to mediate between India and Pakistan in their dispute over Kashmir Province. He expressed the hope that the two countries could settle their differences without outside dictation and that their relationship eventually would become as friendly as that between the United States and Canada.

It was not his business to interfere in the problems of other countries and tell their statesmen he knew more about their problems than they did.

Earlier he held talks with Prime Minister Mohammed Ali, a former Pakistani Ambassador to Canada, and with Foreign Minister Zafrullah Khan, Finance Minister Chaudri Mohammed Ali and Law Minister A.K. Brohi.

Tonight he was guest of honour at a banquet tendered by Governor-General Ghulam Mohammed.

Before his departure for Peshawar tomorrow, the Prime Minister will record an address for broadcast to the people of Pakistan.

Mr. Towers On Housing Bill: Ottawa, Feb. 18 (CP) -- The Government's banker said today chartered banks will have no trouble providing at least \$100,000,000 a year for mortgage money.

Mr. Graham Towers, Governor of the Bank of Canada, told the House of Commons Banking Committee the banks will have no difficulty taking up the money slack when Central Mortgage and Housing Corporation steps out of the joint lending business.

Mr. Towers said that savings deposits in chartered banks have been growing by about \$200,000,000 annually in recent years. Though Canadians have been putting a lot of money in Canada savings bonds, he predicted savings deposits will still continue to increase "substantially" during the next few years.

Mr. Prudham On Fuel Policy: Ottawa, Feb. 18 (CP) -- Canada should not neglect any of her sources of fuel - she will need them all, the Minister of Mines,

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Mr. Prudham said today.

"If by 1975 Canada's population has reached 22,000,000, it will require  $2\frac{1}{2}$  times as much energy as it possesses at the present time.

"I believe it would be unwise for Canada to develop any one source of energy to the detriment of all other sources. For example it would be a mistake to concentrate all attention to the production and marketing of natural gas while letting the coal industry languish."

Cuts Price Of Wheat Exported From Eastern Ports: Ottawa, Feb. 18 (CP) -- Canada has cut the price of wheat shipped from East Coast ports by  $7\frac{1}{4}$  cents to equalize grain movements between East and West Coasts, Mr. Howe said today. He told the House of Commons that the new price system will permit European purchasers to buy wheat at the same price on either coast.

The price at Vancouver is unchanged at \$1.92  $\frac{5}{8}$  (U.S.) a bushel for No. 1 Northern. The Lakehead price at \$1.85  $\frac{3}{8}$  while the price at Churchill, Man., on Hudson Bay is up two cents to \$1.94  $\frac{5}{8}$ .

(In Canadian funds, the price at the Lakehead would be about \$1.79; at Vancouver, about \$1.85; and at Churchill about \$1.87).

Mr. Howe said the differential is not fixed, but could be changed to meet conditions as they occur.

It had been the Wheat Board's policy to set a single price at all three shipping points. The effect of this had been to encourage purchases through Vancouver, since higher rail rates and lower ocean shipping rates had made West Coast wheat cheaper than wheat moved by rail to East Coast ports.

Mr. Howe indicated the new differential would be changed when the Great Lakes are open to shipping in the spring and wheat can be cleared from the Lakehead by boat.

Mr. Duncan Urges More Buying From U.K.: Toronto, Feb. 18 (CP) -- The Dollar-Sterling Trade Council plans to ask Canadians to divert some of their purchases from the United States to the United Kingdom so as to enable Britain to buy more in Canada.

Mr. James S. Duncan of Toronto, Council Chairman, announced the plan today in an address to the Canadian Association of British Manufacturers and Agencies.

If, he said, such a policy would result in disturbing Canada's relationships with her greatest and most influential customer, the United States, he would be the first to oppose it.

Even, however, if the Council's suggestion were carried out, Canada would still be buying \$500,000,000 more of goods from the United States than the United States buys here; and he believed the plan would ultimately work out to the advantage of the United States as well as of Canada and Britain.

Farm Labour Groups Form Council: Ottawa, Feb. 18 (CP) -- Canada's two major labour bodies and representatives of Prairie and Ontario farmers today formed a joint council to map a programme to fight recession.

The new agency, named the Canadian Farmer-Labour Economic Council, was established at a meeting here among heads of the Trades and Labour Congress of Canada, the Canadian Congress of Labour and the Alberta, Saskatchewan, Manitoba and Ontario Farmers' Unions. Its first meeting is scheduled for Winnipeg late next month.

Across Canada: Mr. Howe said yesterday Australia has relaxed her import restrictions to permit the purchase of some Canadian salmon. Mr. Howe said in the House of Commons that the amount "may not be large" but the Australian move signified a "partial reopening" of a market for Canadian salmon closed since 1947. . . . Premier Duplessis said yesterday "the federal Government cannot reasonably refuse to allow entire deduction of the proposed Quebec income tax from the federal income tax". . . . The second session of the Alberta Legislature since the 1952 provincial general election opened yesterday with traditional ceremonies. . . . Canada's retail sales reached a record \$12,092,174,000 during 1953. This was a 4.5 per cent increase over the \$11,575,478,000 in 1952, the Bureau of Statistics reported.



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Vol. 5, No. 36.

Monday, February 22, 1954.

Mr. St. Laurent In India: New Delhi, Feb. 21 (CP) -- Prime Minister St. Laurent arrived here from Pakistan by RCAF transport today for a seven-day visit to India, seventh nation on his six-week, round-the-world good-will tour.

Prime Minister Nehru and other Indian officials were at the airport to meet the Canadian leader, whose arrival coincided with the return of sunny weather to this capital.

Mr. St. Laurent, repaying a visit Mr. Nehru made to Ottawa several years ago, exchanged greetings with the Indian leader, then reviewed a smart honour guard before meeting officials and diplomats.

He then left for the Presidential Palace where he will be the nation's guest during his stay in India. He is accompanied by his son, Jean-Paul, and daughter, Mrs. Hugh O'Donnell.

After striding vigorously through his inspection of the honour guard and the introductions, the Canadian visitor told newspapermen one objective of his world tour is "an effort to bring about more sanity in international relations and peace and good-will to all men".

Presenting greetings from the Canadian people and Government, he said, "we in our part of the world fully realize the importance of India in world affairs".

Two hours after leaving the airfield, the Prime Minister went to a dinner and a long conference with Prime Minister Nehru.

The Canadian party will spend three days in New Delhi as the guest of President Ragendra Prasad and then will make short visits to Agra, Bombay and Madras.

Mr. St. Laurent will place a wreath at the monument erected to the memory of Mahatma Ghandi and will receive an honorary degree from Delhi University. He will address Parliament and will hold talks with other leaders in addition to Mr. Nehru.

It was a full weekend for the Canadian leader, who set out on his series of international visits Feb. 4 and still has more than three weeks to go.

On Saturday he motored 30 miles from Peshawar, capital of Pakistan's northwest frontier province, to the historic hills surrounding Khyber Pass, where he was presented with gifts by the tribal chiefs.

Just before flying Saturday afternoon from Peshawar to Lahore he was received at the capital's new university, where he received an honorary doctorate of laws.

The Prime Minister, in his speech of acceptance, noted the special convocation was held in White Hall built in 1913 while Canadian-born Roos Keppel was the progressive British Commissioner of the northwest province.

He said contributions to Pakistan under the Colombo plan are "small return for what the west owes the east".

"It is from the east that the culture of mankind has been derived," he added.

The Prime Minister spent the night at Lahore and this morning visited its three century old fort whose inner walls resemble Quebec Citadel.

Before leaving Lahore for New Delhi he dropped in to see the annual "all Pakistan horse and cattle show" - one of the big events of the balmy winter season in Punjab Province.

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Prime Minister In Pakistan: Peshawar, Pakistan, Feb. 19 (CP) -- Prime Minister St. Laurent arrived in the mountainous northwest frontier province today for a two-day visit with provincial Governor Shahabuddin.

Mr. St. Laurent was surprised to meet Canadians in tribal areas he visited. The Canadians were working at the Warsak Hydel project, financed by Canada under the U.N. plan to assist under-developed areas.

In a speech broadcast tonight, the Prime Minister said Canada is "actively considering" providing equipment for important projects in eastern Pakistan. He gave no details.

Salary Increases Debated: Ottawa, Feb. 19 (CP) -- Two Opposition parties indicated today they will fight legislation providing salary increases of \$10,000 to the Prime Minister and \$5,000 to other Cabinet ministers.

Mr. Drew agreed pay raises may be in order, but said the question should be referred to a select parliamentary committee or Royal Commission.

Mr. Coldwell said the increase is "more than is warranted at this time".

They expressed their views as the House of Commons opened debate on a bill to increase the Prime Minister's salary to \$25,000 from \$15,000 and salaries of 21 other Cabinet Ministers to \$15,000 from \$10,000. The discussion will be resumed Monday.

The increases would be the first since 1920. With the \$4,000 indemnity increase, which became law this week, and other allowances the Prime Minister's total pay will be increased to \$37,000 from \$23,000 and Cabinet pay to \$27,000 from \$18,000.

Acting Prime Minister Howe said the increases are "reasonable". The Prime Minister's post was "probably the position of the greatest responsibility of any man in this Dominion of Canada".

Of Cabinet Ministers, Mr. Howe said: "I do not know of any class of executives who work longer hours or have greater responsibilities than the members of the Government here in Canada."

He said the \$7,625 tax on a Cabinet Minister's salary and parliamentary indemnity cuts the total down to "no more than the salary of a very junior executive in an ordinary business corporation".

The fact that salaries had not been increased since 1920 was "perhaps the strongest argument" for the bill. In those days, he said, income tax was negligible.

No Private Agreement On Seaway: Ottawa, Feb. 19 (CP) -- Canada and the United States have no "private agreement" on the St. Lawrence seaway project, Mr. Howe said today.

He was replying in the House of Commons to a request from Mr. Drew for comment on a press report that - as Mr. Drew put it - "there was an undisclosed agreement not to press for the joint development of the seaway in consideration of the advancement of the joint development of the hydro-electric plants on the St. Lawrence".

Federation Of Agriculture Recommendations: Ottawa, Feb. 19 (CP) -- The Canadian Federation of Agriculture, Canada's biggest farm body, today recommended that the Government support unlimited food production in Canada, despite the rise of "burdensome surpluses".

The 400,000-member organization, in a brief presented to Mr. Howe and the Cabinet, urged that the combined force of producers, processors and Governments be used to expand markets, rather than adopt "policies aimed at cutting production through reduction of acreage".

Across Canada: Two RCAF para-rescue sergeants have been awarded the United States soldier's medal for heroism in the crash of a U.S. Air Force bomber at Trinity Bay, Nfld., in March, 1953, Air Force Headquarters announced. Sgt. Joseph Couturier, 33 of Edmundston, N.B. and Sgt. Reginald W. Trent, 32, of Pathlow, Sask., members of a para-rescue team at Torbay, Nfld., parachuted to the scene of the crash to aid the victims.... Petroleum production in Alberta in the first 11 months of last year was 30 per cent greater than in the corresponding period of 1952, the provincial Bureau of Statistics reported. Production to the end of November last was 69,202,290 barrels of oil.... More than 20,000,000 tons of iron ore may flow annually out of Ungava and Labrador once the St. Lawrence Seaway is completed, Mr. W.H. Durrell, General Manager of the Iron Ore Co. of Canada, said Saturday in Montreal, according to the Gazette.... Hockey - (Saturday) Montreal 2, Detroit 0. Toronto 3, Boston 2. (Sunday) New York 6, Toronto 1, Boston 4, Chicago 3.



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Tuesday, February 23, 1954.

Mr. St. Laurent In India: New Delhi, Feb. 22 (CP) -- Prime Minister St. Laurent talked with Prime Minister Nehru of India today, alone and informally. Later the two Prime Ministers continued their discussions at a quiet dinner.

The Canadian leader, continuing his world tour, reached India last night after a four-day visit to Pakistan. He will be in India till Sunday, when he leaves for Ceylon.

The Prime Minister had a busy day. Between talks with Mr. Nehru, he sat in the Indian Parliament while Mr. Nehru delivered a foreign policy speech; he met Vice-President Sarvapalli Radhakrishana and visited Rajhai, where the late Mohandas Gandhi was cremated.

"You feel as if you are talking with a great man here," said the Prime Minister at the site of Gandhi's cremation.

At tonight's dinner with Mr. Nehru, the Prime Minister was accompanied by his son and daughter and Mr. Escott Reid, Canadian High Commissioner.

Salaries Bill Approved: Ottawa, Feb. 22 (CP) -- The Liberals today gained the support of two CCF members and the Social Credit group for salary increases to Cabinet Ministers.

A measure raising the Prime Minister's salary to \$25,000 from \$15,000 and the pay of 21 other Cabinet members to \$15,000 from \$10,000 was given second reading - approval in principle - and clause-by-clause approval. The Cabinet also receive \$10,000 in indemnities and allowances yearly plus a non-taxable \$2,000 car allowance.

The bill now needs only third and final reading before going to the Senate.

Mr. Pickersgill Before Newspaper Association: Ottawa, Feb. 22 (CP) -- A Cabinet Minister says Parliament and the public are not entitled to see every document the Government possesses.

State Secretary Pickersgill said tonight in a speech to the semi-annual meeting of the Canadian Weekly Newspapers' Association that any change in this policy would "upset the whole British concept of responsible parliamentary government".

Certain Opposition members of Parliament took the position that Parliament was entitled to any official document.

"This notion that Parliament and the public are entitled to see every document in the possession of a government department is wrong," said Mr. Pickersgill. It was contrary to the constitution and "subversive in the proper meaning of that word...."

\$185,000,000 Commercial Airliner Order: Montreal, Feb. 23 (Gazette) --

Canadair and Ottawa officials announced last night that the firm will be awarded a \$185,000,000 contract to build 50 Bristol Britannias, largest commercial airliner in production in the world.

Deputy Defence Production Minister T.N. Beaupré said last night the initial order will be for \$85,000,000 for an undisclosed number of military versions of the plane to be used as marine reconnaissance bombers.

Canadair President Geoffrey Notman told The Gazette the new contract will enable Canadair to maintain a steady level of employment with its current personnel.

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"With the quantity orders of the F-86 Sabre and T-33 Silver Star, the new order will be a major contributing factor to the nation's economy," he said.

Mr. Beaupré said it will be one to two years before the prototypes are completed and that the intitial \$85,000,000 of the contract will cover licence fees, tooling and engineering, construction of two prototypes and production of the first 20 planes.

Predicts \$400,000,000 Annual Iron Ore Production: Montreal, Feb. 23 (Gazette) -- Canada's iron ore reserves present a powerful economic "key" to greater prosperity for all Canadians, Mr. M.S. Fotheringham, President and General Manager of Steep Rock Iron Mines Ltd., said here yesterday.

Speaking at a meeting of the Canadian Club of Montreal, Mr. Fotheringham said he believed that in "a very few years" the value of Canada's iron ore production will exceed that of any other mineral, metallic or non-metallic, with the possible exception of oil.

"It will not be long before Canada's iron ore production has a value of about \$400,000,000 a year," he predicted.

Across Canada: An agreement regulating status of Canadian forces in Japan was signed in Tokyo Friday, Mr. Claxton announced today in the House of Commons . . . . The federal Government is waiting to see how "open end" mortgages work in the U.S. before deciding whether to incorporate them into the Canadian housing programme. Mr. Raymond Brunet, President of the Canadian Construction Association, said in an interview that Mr. Winters told a CCA delegation that Canada wants to watch U.S. progress with this system which would enable owners to enlarge their homes without the expense of a new mortgage, according to C.P. . . . Chief Justice J.C. McRuer of the Ontario Supreme Court yesterday ordered a full-scale investigation by the Ontario Provincial Police into the Ontario distribution of three United States crime magazines that recently carried stories in connection with a knife-slaying.

# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 38.

Wednesday, February 24, 1954.

Mr. St. Laurent Before Parliament Of India: New Delhi, Feb. 23 (CP) -- Prime Minister St. Laurent in a speech to the Parliament of India said today Canada does not question India's policy of steering a middle path between the Western powers and the Communist world.

In that way, he said, India is "playing her part in the search" for wise political decisions.

At the same time he told the two Houses of Parliament, where anti-American sentiment is often voiced, that the United States is "the most unselfish country ever to play" the role of a major power.

Sketching the differing approaches of Canada and India to the world situation, the Canadian leader said:

"Both our countries are deeply aware that the continued progress of our national development programmes depends on the maintenance of world peace. It is on the question of policies most apt to promote international security that a difference in our attitude is more noticeable.

"We fully understand the historical and other factors which underlie your policy, but we believe that for our part of this divided world there is merit in the course we are following in our country.

"We are all in great need of sincere negotiation and wise political decisions. If India, in playing her part in the search for such decisions, considers it best to refrain from commitments which others find advisable, we certainly do not question this."

The Prime Minister's speech, delivered in the vast Central Hall of Parliament, was the high spot of his visit to the Indian capital. Another round of activities here awaits him tomorrow.

Interprovincial Highways Conference: Ottawa, Feb. 23 (CP) -- The federal Government said today it does not want to move in on control of highway transport despite a Privy Council ruling that it has jurisdiction over traffic crossing provincial boundaries.

Mr. Chevrier announced in the House of Commons that he is calling a meeting of provincial highways Ministers in the hope they can reach a "common understanding" to keep all highway operations under provincial control.

He said the federal Government is reluctant to enter the trans-border field "and thereby bring about divided jurisdiction".

The Minister's statement came just about 24 hours after the British Privy Council, in the last Canadian constitutional case to go before it, found that the federal Government has jurisdiction over interprovincial and international highway traffic. Provincial control of highway operations within provinces was not in question.

Unemployment Debate: Ottawa, Feb. 23 (CP) -- The House of Commons tonight defeated a CCF motion of want-of-confidence in the Government. The motion asked direct Government action to meet unemployment problems. The vote was 129 to 68.

Progressive Conservative, Social Credit and three Independent members voted with the CCF Party on its motion that sought "immediate action" by the Government to "prevent further economic distress".

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The vote came at the end of the fifth day of the Commons debate on unemployment.

Still before the House is a Progressive Conservative want-of-confidence motion calling for a parliamentary committee study of methods to meet the employment problem.

The three Independent members voting with the Opposition were Mr. Paul Gagnon, Chicoutimi, Mr. Raoul Poulin, Beauce, and Mr. Fernand Girard, Lapointe.

During today's debate, Mr. Stanley Knowles (CCF - Winnipeg North Centre) urged the Government to increase payments from the \$900,000,000 unemployment insurance fund.

He said the payments, a maximum \$24 a week, should be boosted and the period in which payments are paid be extended.

Mortgage Interest Rate Cut Urged: Ottawa, Feb. 23 (CP) -- Canada's two top labour bodies urged the Government today to help relieve Canada's housing shortage through a drastic cut in mortgage interest rates for low-income families.

The 580,000-member Trades and Labour Congress, in a submission to the Commons Banking Committee, proposed that the rate be cut to  $3\frac{3}{4}$  per cent - equivalent to the Government's cost of borrowing money.

The current rate is  $5\frac{1}{4}$  per cent and under the new housing legislation is likely to rise to  $5\frac{1}{2}$  or  $5\frac{3}{4}$  per cent.

I.L.O. Representation: Ottawa, Feb. 23 (CP) -- Mr. Drew today suggested that the Government should disavow Mr. Hal C. Banks, Montreal union leader, as Canadian delegate to an International Labour Organization meeting at Geneva.

Mr. Drew made the comment in the House of Commons as Progressive Conservatives renewed questioning of the appointment of Mr. Banks, Canadian director of the Seafarers' International Union (AFL - TLC), to the ILO meeting.

Mrs. Ellen Fairclough, Hamilton West, described him as a United States citizen with a record of court convictions in Canada and the U.S.

Mr. Drew said: "It is possible the Canadian Government should disavow this man immediately if information in their hands is disclosed."

Inoculation Against Poliomyelitis: Ottawa, Feb. 23 (CP) -- At least four times as many Canadians will be inoculated against poliomyelitis this year as last, a federal Health Department official said today.

Plans call for inoculation of 100,000 to 140,000 persons with gamma globulin, a blood derivative. Last year, about 25,000 persons, mostly children, were inoculated in Canada.

Across Canada: The Minister of Agriculture, Mr. Gardiner, who recently returned to Canada after a week-long tour of Israel, said last night he was deeply impressed by the community spirit shown by the people of that young republic. . . . The famous Oka Monastery of the Trappist monks has been staked in a mining rush which is taking place within sight of the skyscrapers of Montreal, the Canadian Press reported from La Trappe, Que. . . . Navigation on Toronto harbour officially opened yesterday, marking the shortest closed season on record. Shipping officially ceased Jan. 4, only 50 days ago. Capt. Bert Hughes of the British-American tanker Oil Transporter, bound for Toronto from nearby Clarkson, got the traditional top hat when he brought the ship into port. . . . Labour Minister Gregg said yesterday his Department is studying the question of the checkoff of union dues but he sees no "great urgency" about bringing legislation into Parliament.

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AMERICAN DIVISION.

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*W. Mitchell*

GOVERNMENT

# DAILY AIRMAIL BULLETIN



OF CANADA

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 39.

Thursday, February 25, 1954.

Mr. St. Laurent's New Delhi Press Conference: New Delhi, Feb. 24 (CP) -- At a hard-hitting press conference with Indian correspondents, Prime Minister St. Laurent today rejected suggestions that United States military aid to Pakistan is a mistake, said Canada would be "very much concerned" at any arms deal between India and Russia, and endorsed Prime Minister Nehru's appeal for a cease-fire in Indo-China.

The Prime Minister held a spirited question-and-answer session with more than 100 correspondents. One of the reporters remarked afterward that while the atmosphere remained good-humoured, it was one of the "toughest" press conferences he had ever seen here. Another said that in six years it was the first time a press conference had ended with applause.

Some of the newspaper men were armed with copies of the text of the Canadian leader's speech to the Indian Parliament Tuesday in which he described the United States as the "most unselfish country" ever to play the role of a major power.

The Prime Minister, in reply to questions, today defended U.S. motives in extending military aid to friendly countries.

"You are free to criticize the United States Government; I am not going to do so," he told reporters who had criticized the reported plan for U.S. arms aid to Pakistan. He denied that U.S. policies had been adopted with the "deliberate intention" of creating tension between India and Pakistan.

"There are impressions existing that are unfair to the masses of the American people," he said. "I have contacts with many Americans. I am convinced the average American is not different from most Canadians. He wants peace, wants to rear his family under peaceful conditions. He goes along with leaders he trusts to give him those conditions."

Answering a question about the U.S. attitude toward Mr. Nehru and India's attempts to maintain a neutral policy in world affairs, the Canadian leader said:

"I do not think there is any impression in America, that Nehru is unfriendly. I know there is high admiration of Nehru and what he is trying to do."

He replied spiritedly to one correspondent who asked whether he thought the U.S. was not making a mistake in giving arms aid to Pakistan.

"No, I do not," he said.

He rejected suggestions that U.S. aid to Pakistan would be aimed at India, saying: "I am certain that had there been the slightest suspicion it could be directed against India it would not have been approved. Not one per cent of the American people would go along if aid were directed against India."

The Prime Minister was asked what Canada's reaction would be if India, in turn, should seek military assistance from Russia.

"We would be very much concerned if there were an exchange of military aid between India and any nation we looked upon as a potential aggressor," he replied.

"We do not look upon India as a potential aggressor, but we do so regard Russia. I would be sorry to think a great nation like India would think there might be a situation when India and Russia would be fighting together in some part of the world."

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The Prime Minister said that in making an Indo-China cease-fire proposal, India "has done something that will have considerable influence". He personally thought it was practical and Canada "without any doubt" would endorse it.

"Any public appeal by Mr. Nehru must be listened to with attention throughout the world," he said....

Mr. Pearson's Speech At Rollins College, Fla.: Ottawa, Feb. 24 (CP) -- Mr.

Pearson said today there was nothing in his speech at Rollins College, Fla., last Sunday to justify a news report that he was pledging Canada's help to the United States in time of war.

Mr. Coldwell questioned the report in the House of Commons today as Mr. Pearson returned to the Chamber following a week's absence. Mr. Drew had raised a similar question last Monday.

They apparently were referring to an Associated Press despatch from Winter Park, Fla., which said: "External Affairs Minister Pearson of Canada has pledged his nation's help to the United States in the event of war."

Mr. Pearson said:

"I think in reading the text, members will feel as I do that there was nothing in that speech which would justify the interpretation given to it by certain press accounts. To make that quite clear I think possibly I had better put on the record the last paragraph of this statement as so much attention seems to have been devoted to it.

"I said in the statement which I made at Rollins College, Florida: 'You will find Canada no automatic 'yes-man' but a staunch and loyal friend, especially in time of difficulty.'

"I went on to give some evidence of that in peace and war and then I finished my statement as follows:

"'Canada is a young country, crying out for development; a country of vast distances, expensive and difficult to govern and to administer. Her's is not a determining voice when the big international decisions are to be made, nor will her contribution be decisive in the conference room or where the conflict rages. It might therefore be tempting to try to stand aside in any struggle between the giants and excuse that course by arguing that those who call the tune should pay the piper.

"'But that is not the way we feel about it. The conflict today is not between empires, or between one super-power and another, but between freedom and slavery, despotism and democracy, right and wrong. So we range ourselves on the side of freedom, under the leadership of the United States of America, and we will play, I hope, a good part in the long and unending fight for peace and a decent world.'"

Air Agreement With Peru: (Press Release No. 9, Feb. 24) -- The Department of External Affairs announced on February 24 that a Bilateral Air Transport Agreement was signed at Lima, Peru, on February 18 by the Canadian Ambassador, Mr. Emile Vaillancourt, on behalf of Canada, and by the Minister of Foreign Affairs, Dr. Ricardo Rivera Schreiber, on behalf of Peru.

Views On Partial Trade With Russia: Ottawa, Feb. 24 (CP) -- Canada's three leading political parties support trade in non-strategic materials with Russia and other Iron Curtain countries.

The Liberal, Progressive Conservative and CCF parties made this clear in the House of Commons today during debate on a Government bill to expand the operations of the Export Credits Insurance Corporation which insures Canadian exporters against political and credit risks in foreign countries. The Social Credit party did not participate in the debate.

Across Canada: Mr. Howe said yesterday the Government still has hopes of recovering the loan made to the Ming Sung Company for nine Canadian ships seized by the Government of Communist China. . . . The powerful United Automobile Workers of America (CIO-CCL) stormed Parliament Hill yesterday with a 125-man lobby presenting the Government and Commons with a "full employment" programme. . . . L.-Cpl. Paul (Little Black Book) Dugal of Quebec City has been awarded the British Empire Medal by the Queen, the army has announced.



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Vol. 5, No. 40.

Friday, February 26, 1954.

The Prime Minister In India: New Delhi, Feb. 25, (CP) - (By William Stewart) -- Prime Minister St. Laurent's endorsement of an appeal by India's Prime Minister Nehru for a cease-fire in Indo-China was received with much pleasure in Government circles here today.

Indian officials said the Canadian leader's unreserved support of the appeal, given at his press conference Wednesday, was yet another indication of close understanding between India and Canada on international matters.

In a leading article devoted to Prime Minister St. Laurent, the Hindustan Times today said that there is no doubt that by his visit at this juncture and by the sentiments he expressed the Canadian leader has strengthened the ties of friendship binding India and Canada.

"It is because of his great work for peace and the spirit of friendship and goodwill in international affairs which he has sought to promote that the people of this country feel proud to honour him," said the paper.

"Mr. St. Laurent has frankly admitted the need and importance of co-operation between countries which are now more highly developed materially and those which are economically less advanced.

"As one of the root causes of world conflicts is this wide disparity between the two, the lead given by Canada in subscribing to this international concept of common understanding and co-operation for building up friendship and equality between nations by peaceful democratic means is of great value."

Stories and pictures of Mr. St. Laurent's activities have been on the front pages of newspapers here since his arrival at the beginning of the week.

Today, on the last sight-seeing tour of his visit to Northern India, he flew 100 miles southeast of New Delhi to visit the Taj Mahal at Agra.

Tighter Control Of Credit: Ottawa, Feb. 25 (CP) -- The House of Commons today endorsed the principle of a Government bill to give the Bank of Canada tighter control of credit through the chartered banks.

The measure, which Mr. Abbott indicated would be used sparingly as an anti-inflation device, got second reading without objection from Opposition parties.

Major provision in the bill - an amendment to the Bank of Canada Act - would give the Central Bank power to change the ratio of cash reserves which each bank must keep on hand in relation to its deposits.

At present, the minimum now is five per cent of deposits, though the banks in practice maintain around 10 per cent. The bill would make the minimum eight per cent, and would let the Bank of Canada boost this up to 12 per cent, not by more than one percentage point in any month.

Bank deposits now are about \$10,000,000, so a shift of one per cent could make a substantial difference in the flow of credit into the Canadian economy.

Mr. Abbott, explaining his bill, said today that in an inflationary period the present methods "may not always be sufficient to cope with the problems of restraining credit and expansion in an effective and orderly way".

He said this is particularly true of situations where such special factors as an inflow of foreign funds might create a substantial excess

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of cash reserves in the chartered banks.

However, the Minister said he does not expect the practical results of the bill will involve any more "onerous" results on the banks than now.

Financial critics for the three opposing groups took no exception to the legislation, though the CCF and Social Credit groups contended it did not go far enough.

\$58,282,000 To Wheat Farmers: Ottawa, Feb. 25 (CP) -- The Government has decided to close out the 1952-53 wheat pool and has authorized the Canadian Wheat Board to distribute \$58,282,000 to Prairie farmers.

The decision will give farmers - in addition to what they already have received - an average of 10.934 cents a bushel on the 523,000,000 bushels of wheat delivered to the Board in the crop year Aug. 1, 1952, to July 31, 1953.

Mr. Howe made the announcement today in the House of Commons and indicated that farmers participating in the current 1953-54 pool likely will wait some time before receiving their usual mid-year price boost from the Board.

Mr. Howe, replying to Mr. Hazen Argue (CCF, Assiniboia), said there will be no interim payment on deliveries from last fall's crop "at the present time, for the very good reason that we have not sold any wheat from the last crop".

Pro-Communist Publications: Ottawa, Feb. 25 (CP) -- Citizenship Minister Harris says 12 to 14 foreign-language papers published in Canada are attempting to undermine Canadian democratic institutions.

Mr. Harris made the statement today in the House of Commons in commenting on a speech in Montreal by Mr. Alan Boyd, an officer of his Department. Mr. Boyd said the aim of 13 pro-Communist publications in Canada is furtherance of international communism, specifically the sovietization of Canada.

Mr. Michael Starr (PC - Ontario) asked whether Mr. Boyd was correct in stating that the Communist press was subsidized from abroad, was guided by a common board of strategy in Toronto and was aiming its propaganda at new Canadians.

Mr. Harris said there was nothing in the article which was not common knowledge to officials of his Department.

Liaison officers of the Department visited groups of new Canadians to warn them of the evils of the Communist doctrine....

Across Canada: The Senate today approved the principle of a \$5,000 salary increase for Cabinet Ministers, but some Senators suggested a proposed \$10,000 boost for the Prime Minister is not enough. . . . The Veterans Affairs Department is planning a major campaign to locate veterans of the Second World War who have not collected their war service gratuities. . . . President Eisenhower has awarded the Distinguished Flying Cross to Capt. Roland Yelle of Shawinigan Falls, Que., and Quebec City for "skill, courage and devotion to duty" while serving in Korea with the United States Air Force, it was announced. . . . The President of the Canadian Construction Association said yesterday before the Banking Committee there is "very good understanding and co-operation" among manufacturers of some house-building supplies. The speaker, Mr. Raymond Brunet of Hull, Que., said he would not want to use the word "combine" to describe that co-operation.



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Vol. 5, No. 41.

Monday, March 1, 1954.

Mr. St. Laurent In Ceylon: Colombo, Ceylon, Feb. 28 (CP) -- Prime Minister St. Laurent arrived here from India by RCAF airliner at 5 p.m. local time today.

He was received at the airport by Ceylon Prime Minister Sir John Kotelawala. A heavy downpour preceded the Canadian Prime Minister's arrival so that the runways were flooded. Rain ceased just in time to enable the plane to make a comfortable landing.

First to greet him was the Canadian High Commissioner in Ceylon, Mr. J.J. Hurley, who introduced him to Sir John.

He was then led to a guard of honour and took the salute as the band played "O Canada" for the first time in Ceylon. Later he was introduced to members of the Ceylon Cabinet and diplomatic representatives here.

Talking to reporters at the airport, the Canadian leader said: "I have been looking forward to the possibility of visiting our friends of the Commonwealth in Asia and when it was announced in Canada that I would be undertaking this tour it met with unanimous approval.

"I wish to express to our friends how desirous we are to have them realize that our friendship is genuine and that we are keen to earn their friendship. We are all engaged in the endeavour for world peace. In that we have to rely on each other. This has got to be a co-operative undertaking of like-minded people in all ways."

He said his visit to India and Pakistan had been "memorable" and that it had helped him confirm his impressions of those countries.

The Prime Minister, who is Sir John's guest at "Temple Trees" will address a press conference tomorrow.

In a farewell message at Madras before taking off for Colombo, the Prime Minister said he will go back with "admiration, respect and affection for the people of India deepened and strengthened".

"I am pleased to congratulate you for the magnificent results coming out of your co-operative efforts to improve your conditions," he told the Indian people.

Referring to the international situation, the Prime Minister said everyone wanted peace but to have peace we should behave like human beings so that "we can increase the welfare of us all rather than spend time devising new means of destroying our fellow citizens".

The international situation was improving and he hoped for sanity in the world.

Private And Public Investment In Canada - Outlook 1954: Ottawa, Feb. 26

(Dept. of T. & C.) -- Private and public investment outlays for new construction and for machinery and equipment in Canada in 1954, as planned at present, will be 3 per cent greater than the amounts spent in 1953, according to a report tabled in the House of Commons today by Mr. Howe.

The report, entitled "Private and Public Investment in Canada - Outlook 1954", states that capital expenditures in 1954 will probably reach a total of \$5.84 billion, compared with \$5.68 billion in 1953. These estimates are based on a survey of some 17,000 business establishments across Canada and upon surveys of proposed expenditures by governments, institutions and private house builders.

The additional strength in the 1954 capital expenditure programme is expected to occur in those groups engaged in providing services. This follows the pattern in capital spending established in 1953. These

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groups as a whole provide for outlays 8 per cent above those of 1953. Expenditures for institutions, such as schools and hospitals, are expected to increase by 36 per cent; those in the trade, finance and commercial service sector by 14 per cent; and those for utilities by 6 per cent.

It is estimated that outlays for new housing will be slightly higher. With respect to government projects, reduced expenditures on defence construction will tend to offset increases in other categories. Capital outlays by federal, provincial and municipal governments, taken as a group, are expected to be slightly higher.

It is estimated that capital expenditures in commodity-producing industries, considered as a whole, will be 8 per cent below those of 1953.

Mr. Hammarskjöld Urges Western Economic Aid: Ottawa, Feb. 26 (CP) -- Mr. Dag Hammarskjöld, Secretary-General of the United Nations, spoke out strongly for Western economic aid to under-developed countries.

Only such action will solve the West's dollar and marketing problems, he maintained during a press conference.

Western peoples shouldn't complain about money spent for this purpose because they would get it back eventually through expanded trade.

Mr. Hammarskjöld returned to this theme later in the day when Carleton College conferred on him an honorary Doctorate of Laws. It was the first such degree granted by the College since its founding 12 years ago.

During his address, the Swedish-born diplomat said:

"... We are passing through a dramatic stage of transition in the great under-developed part of the world... It is a question of organic growth which can be delayed or accelerated, guided in a constructive direction, or left at the mercy of the strong and chaotic forces at play.

"What we see happening represents an acute challenge to the more highly developed nations with their greater resources... Nothing is of greater importance for a peaceful and constructive development of these lands toward freedom and an equal place in the world than to respect the laws of natural growth, guiding and helping the necessary change without impatience for overnight results."

At another point, speaking of the fight between freedom and tyranny, Mr. Hammarskjöld said:

"An independent man... should never condemn others merely because they may have chosen other ways than his own to achieve freedom, and he should remember that Mephistopheles, speaking our own language and walking around in our midst, is more dangerous than the devil we paint on the wall.

"We can have no success in our fight against outward threats against freedom unless we vanquish tyranny and its good helper, fear, in our own societies."

U.S. Publishing Companies Fined At Cornwall, Ont.: Cornwall, Ont., Feb. 26 (CP)--

Three United States publishing companies, a woman editor and the local distributor of the companies' magazines were convicted today of contempt of court in connection with the murder trial of 2nd Lieut. Peter Balcombe. The magazines recently published stories about the brutal slaying of Marie Anne Carrier, 21-year-old Reserve Army sergeant from Bienville, Que.

Canada Wins Two In World Hockey Tournament: Stockholm, Feb. 28 (CP) -- A pair

of easy victories against admittedly low-rated opponents shot Canada to the top of the standings in the world hockey tournament and caused experts to revise upward Toronto East York's chances of winning. The Canadian club breezed to an 8-0 victory over Norway today as a follow-up to Saturday's 8-1 defeat of Switzerland to join three other favoured teams - Russia, Czechoslovakia and Switzerland - in first place.

Across Canada: The University of Toronto's Institute of Aerophysics will enter the rocket research field shortly. The institute will study the problems of flight at high altitudes.... A spokesman for Canadian cities and towns, Mr. J.O. Asselin, has appealed to the federal Government to help finance construction of sewers, water plants and other urban services to prevent a complete "bog down" of Canada's house construction programme.... Hockey - (Saturday) Montreal 5, New York 0. Toronto 4, Chicago 2. (Sunday) New York 2, Montreal 0. Chicago 2, Toronto 1.



The programme was drafted at a week-end Ottawa meeting of the district council representing the UEW's 25,000 Canadian membership.

A seven-page memorandum circulated among MP groups and individuals said Canada has an "unemployment crisis" and faces "grave danger of economic depression".

One plank in the union's programme called for removal of barriers to trade with Iron Curtain countries such as Russia and China.

Mr. Noseworthy On Seaway: Ottawa, March 1 (CP) -- The House of Commons today heard a suggestion that the Government may have been "only bluffing" when it announced its intention to "go it alone" on the St. Lawrence project.

Canadians were asking whether "these bold statements (were) made simply for consumption of the United States Congress" said Mr. Joseph W. Noseworthy (CCF - York South).

Mr. Noseworthy also raised the possibility that Canada may find itself in the position where in return for U.S. support the waterway may come "under complete or fairly complete control of the United States".

Appointments: Ottawa, March 1 (CP) -- Appointment of Mr. George L. Magann, 52, at present Canadian Ambassador in Greece, as Ambassador to Switzerland was announced today.

He will be succeeded at Athens by Mr. T.W.L. MacDermot, 48, at present Canadian High Commissioner in South Africa.

Mr. Magann, a former Toronto industrialist, will succeed Dr. Victor Doré as Ambassador to Switzerland. Dr. Doré is retiring.

Municipal Electrical Assn. On Seaway: Toronto, March 1 (CP) -- A resolution urging the federal and provincial governments to investigate every possibility of constructing the St. Lawrence Seaway and Power Development entirely within Canada, was passed today by the Ontario Municipal Electrical Association.

The Association, voice of the Province's hydro consumers, said such investigations should be carried out so Canada and Ontario could proceed without United States participation if further delay appears likely.

Appeal Refused Blair Fraser: Ottawa, March 1 (CP) -- The Supreme Court of Canada today refused Mr. Blair Fraser, Ottawa editor of Maclean's Magazine, permission to appeal a case involving a reporter's right to decline to disclose his source of information.

The court gave no reasons for its decision. The application for leave to appeal was heard Feb. 15.

The decision apparently means that Mr. Fraser will have to disclose the source of his information for an article written two years ago dealing with the collapse of the British Columbia Liberal-Progressive Conservative coalition government.

Mr. Gordon Wismer, former Attorney-General of B.C., brought a libel suit against the writer and the magazine following publication of the article. Mr. Wismer's counsel obtained from the B.C. courts an order that the writer be questioned in advance of trial.

Saskatchewan Hospital Services Costs: Regina, March 1 (CP) -- Costs of Saskatchewan's compulsory hospital services plan jumped \$1,054,000 to \$16,137,000 in 1953.

The plan's annual report, tabled in the Legislature today by Health Minister T.J. Bentley, said higher salary costs and increased rates paid hospitals were responsible for the boost. Administration costs were \$603,982, equal to 3.7 of total costs compared with 7.9 when the plan was set up in 1947.

Across Canada: The population jumped 30,000 during December, the Bureau of Statistics estimates. That put the population figure at 15,035,000 on Jan. 1. During the second half of last year the population rose by 214,000 from 14,821,000. The increase in the first half was 172,000 from 14,649,000 on Jan. 1 last year. . . . A shortage of engineers to develop Canada's resources was forecast in an interview at Vancouver by Dr. Austin Wright of Montreal, Secretary of the 16,000-member Engineering Institute of Canada. . . . World Hockey - Canada 8, Sweden 0.



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## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 43.

Wednesday, March 3, 1954.

Mr. St. Laurent In Kandyan Hills: Kandy, Ceylon, March 2 (CP) -- Prime Minister St. Laurent, whose world tour has gone almost four of its six weeks, today enjoyed the peace and quiet of the breezy Kandyan Hills. Staying at King's Pavilion, beautiful summer residence of Governor-General Lord Soulbury, he paid a few brief visits today to places of interest then relaxed. This afternoon he went shopping with his daughter, Mrs. Hugh O'Donnell.

In mid-morning he was shown through the Temple of The Tooth, Buddhist shrine where behind gilded iron bars and beneath six brass covers, is kept a tooth said to be the only relic of Buddha. The tooth is shown to the public only in the afternoon and the Prime Minister was unable to view it. However temple attendants unsealed for him a pile of gem-encrusted brass jewelry donated to the shrine, once the residence of a Singhalese mountain king.

The Prime Minister also was shown through a turret containing the most valuable Buddhist library in Asia. A priest in a yellow robe demonstrated palm leaf writing as it was practiced 800 years ago. While the Prime Minister walked about in stockinged feet, a drummer and a piper kept the temple filled with high-pitched music.

He drove from the temple to the University of Ceylon on which the Government of Ceylon has spent more than \$12,000,000 and plans to spend about \$8,000,000 more and was shown a table model of the university grounds and projected modern buildings by Vice-Chancellor Sir Ivor Jennings, British constitutional authority.

Montreal Move For Film Board Debated: Ottawa, March 2 (CP) -- A CCF member of Parliament tonight attempted to kill the Government's plan to move the National Film Board from Ottawa to Montreal. Mr. Ross Thatcher (CCF - Moose Jaw-Lake Centre) moved a motion to remove an item of \$1,500,000 from the Government's 1954-55 estimates earmarked for construction of the \$5,230,000 NFB building in the Montreal suburb of Ville St. Laurent. Mr. Thatcher said Parliament had been given no logical reason for the transfer.

Works Minister Winters said adoption of the CCF proposal would "destroy the operations of the Film Board". He said the Film Board is being moved to a single building to escape the "inconvenience and inefficiency" of its present operations, spread across Ottawa in various buildings. The move had been recommended twice in 1950 by the Film Board's top officers and again last September, when the Government asked it to reconsider their earlier decision.

The making of pictures needed creative talent from both French and English-speaking people. Montreal had the largest pool of cultural talent of both languages. It also was the centre of a substantial private film-making industry with which the Film Board had dealings. The Montreal location also would put the Film Board beside the centre of the CBC's production of films for television.

Mr. Winters said 15 sites in the Montreal area were examined before the Ville St. Laurent area was chosen and purchased for \$280,000.

Mr. Winters said the Film Board staff has been reduced to about 540 from a post-war total of 750 employees. The Board has been told to assign more of its work to private film-makers. Its role has been to concentrate on quality, setting standards for the Canadian film industry and making no more films than is necessary to achieve that end. The new building is designed to be "essentially a production plant".

(over)

Mr. Thatcher said there is no assurance that films produced in Montreal will not be censored by the Government of Quebec. The people of Saskatchewan would "not look kindly" to such censorship. . . .

Proposes Equal Pay For Sexes: Ottawa, March 2 (CP) -- A woman member of Parliament gets equal pay with men MP's. One woman in the House of Commons, Mrs. Ellen Fairclough, thinks Parliament should pass a law extending this idea to industry and business.

Mrs. Fairclough today proposed such a bill. She urged the federal Government to follow the lead of Ontario, British Columbia and Saskatchewan which have similar legislation for employers under provincial jurisdiction.

Mr. Gregg said he does not believe the problem of pay differences between the sexes is serious enough to warrant a law requiring equality in industries under federal jurisdiction.

New Freight Rate Scale: Ottawa, March 2 (CP) -- A new freight rate scale aimed at levelling off the costs of rail hauls in different parts of Canada was ordered today by the Board of Transport Commissioners. The shakeup in basic rates, longest stride to date in continuing inquiry into freight "equalization" begun in 1948, is to become effective March 1, 1955. It adjusts the ceiling rates under which about one-fifth of Canada's \$1,-000,000,000-a-year freight traffic is carried and to which many other rates are linked indirectly.

Generally, the main effect of the complex adjustments is that freight rate levels in the West and in the East will be brought closer together; the objective is parity. Historically, the Western rates have been higher.

The Board's order - distributed today to the railways and other interested parties - is the first solid step in implementing an "equalization" Order-in-Council by the federal Government in 1948 and parliamentary legislation in 1951.

It is a firm follow-up to a somewhat similar but tentative rate scale issued by the Transport Board in December, 1952. This was to have gone into effect last Jan. 1, but after hearing representatives across the country, the Board later retarded the date to Jan. 1, 1955.

Today it shuffled its original judgment on major points and gave the railways another two months' leeway for putting it into effect. The carriers have said they cannot do the massive job in less than a year.

\$500,000 For U.N. Children's Fund: (Press Release No. 12, March 1) -- The Canadian Government's contribution of \$500,000 to the United Nations Children's Fund for the year 1954, subject to parliamentary approval, will be announced today by Mrs. D.B. Sinclair, Executive Assistant to the Deputy Minister of National Health and Welfare, at the meeting of the Fund's Executive Board which is taking place in New York.

The Canadian Government has already contributed \$8,375,000 to the Fund since its establishment. In addition, voluntary contributions from individuals in Canada of approximately \$1,500,000 have been sent to the Fund.

Across Canada: Canada's new National Gallery is expected to be a simple rectangular building which will weather the changing tastes of time and fashion. This was disclosed yesterday with the announcement that Green, Blankstein, Russell and Associates, Winnipeg architects, have been declared winner of a country-wide competition to select a building design for the proposed gallery, C.P. reported. . . . A justice of the Ontario Supreme Court and a nominee of the Ontario Attorney-General will be called to appear before the Commons-Senate committee studying Canada's criminal code. The committee reached this decision yesterday at its second meeting to decide if and how the code should be amended with regard to hanging, whipping and lotteries. . . . Mr. Abbott gave the House of Commons notice that legislation for the decennial revision of Canada's Bank Act will be introduced next week.



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Vol. 5, No. 44.

Thursday, March 4, 1954.

Security Screening Debated: Ottawa, March 3 (CP) -- The screening of Government workers for security will continue to remain secret in Canada because disclosure of the method would sow the seeds of McCarthyism. Acting Prime Minister Howe made this clear today in the House of Commons in announcing the Government's refusal to reply to two questions dealing with security screening placed on the order paper by Mr. Davie Fulton (PC - Kamloops).

Mr. Fulton asked that the names of the members of the Government's security panel be made public. He also asked for details of the panel's set-up and operations and for figures on the number of civil servants dismissed or transferred as bad security risks.

"It is not in the public interest to answer these questions," Mr. Howe said. "We all abhor McCarthyism, but so far we have been able to do a security job here without resorting to the kind of situation that arises in other countries."

Mr. Howe said the Government's security panel acts anonymously.

"It does not pass out orders, but recommendations to the deputy head (deputy minister), and in my opinion it is not in the public interest to say why people were dismissed from the service, whether it was on security grounds or otherwise."

He asked Mr. Fulton to drop his two questions.

However, Mr. Fulton said he had attempted to frame the questions so the answers would not "be of aid in tracing the name of a person". He asked Mr. Howe to reconsider his position. The questions did not ask for information that would "reveal any security material that it is proper not to disclose".

Mr. Howe replied:

"Whether it would disclose a security matter or not is a matter of opinion. I suppose if only one man has been dismissed from his department and we say that one man was dismissed for security reasons, it is pretty obvious who the one man is. . . ."

Mr. Coldwell said:

"It is not in accordance with our democratic way of doing things to have a board sitting and suggesting certain sentences without anyone knowing about them. The loss of a position is a very serious thing in these days."

Mr. Howe said the board does not order dismissals.

Exports, Imports Off: Ottawa, March 3 (DBS) -- Canada's foreign commodity trade fell off sharply in January, both exports and imports not only declining as usual from December values but dropping substantially below those of January last year, according to preliminary summary figures for the month released by the Dominion Bureau of Statistics. The drop in value of exports exceeded that of imports.

Total exports in the month were valued at \$265,400,000, down from \$361,000,000 in December and \$55,900,000 or 17.4% below the value of \$321,300,000 for January last year. Commodity imports had an estimated value of \$281,900,000 as compared to \$338,800,000 in the previous month and \$327,800,000 a year earlier, making a decline of \$45,900,000 or 14% from January, 1953. The result was an increase in the estimated import surplus to \$16,500,000 as against one of \$6,600,000 last year.

(over)

Exports to the United States in January declined to \$160,100,000 from \$191,700,000 a year ago, accounting for over half of the total decline. Imports from the United States, however, showed a greater drop in value, falling to an estimated \$204,500,000 from \$249,200,000. The import surplus in trade with the United States was thus reduced to \$44,400,000 as compared to \$57,500,000 for January last year.

Commodity sales to the United Kingdom were also down to \$38,100,000 as compared to \$49,500,000 last year, while the estimated value of imports from the United Kingdom showed a smaller decrease to \$28,800,000 as against \$30,500,000, the month's export surplus being practically halved at \$9,300,000 compared to \$18,900,000 last year. Trade with other Commonwealth countries showed a similar trend, exports falling markedly to \$12,100,000 from \$17,300,000 and imports declining slightly to \$9,000,000 from \$9,400,000.

Exports to all remaining countries also fell to \$55,100,000 from \$62,800,000 last year, but imports were up to \$39,600,000 from \$38,700,000.

Commission To Study Criminal Code Provision: Ottawa, March 3 (CP) -- Two judges, two psychiatrists and a businessman have been named as a Royal Commission to study insanity as a legal defence under Canada's criminal law.

Chief Justice J.C. McRuer of the Ontario Supreme Court is chairman of the Commission, whose membership was announced in the House of Commons today by Mr. Garson.

An Ontario woman jurist will take part in the inquiry - Judge Helen Kinnear, county court judge of Haldimand County.

The vice-chairman is a psychiatrist, Dr. Gustave Desrochers of Quebec City.

The other members are Dr. Robert O. Jones, Professor of Psychiatry at Dalhousie University, Halifax, and Mr. Joseph Harris of Winnipeg, President of the Great West Life Assurance Co.

The Commission's inquiry will cover one phase of the Criminal Code, being revised completely by Parliament for the first time in 62 years.

Ontario Law To Prevent Black Marketing Of Babies: Toronto, March 4 (Globe & Mail) -- Legislation designed specifically to prevent black marketing of babies for adoption was presented to the Ontario Legislature yesterday by Welfare Minister Goodfellow.

The legislation, described by Mr. Goodfellow as "the only act in Canada dealing with the buying and selling of human beings," provides for a fine of \$2,000 or three years' imprisonment or both for any one convicted of accepting or giving any reward in consideration of an adoption.

Canada Wins Fifth Straight In World Hockey: Stockholm, March 3 (CP) -- The favourites were unchallenged in today's world hockey championship play and there was a growing sentiment in favour of Canada's chances of taking the title. Currently trailing Russia's Moscow Dynamos by two points with a game in hand, Toronto East York today handed the aggressive West German entry its worst beating of the tournament, 8-1, for their fourth straight victory. The Dynamos won their fifth game without a loss, defeating Switzerland 4-2.

Across Canada: The Defence Department will decide by next month whether to adopt the Belgian .30-calibre Fabrique Nationale rifle for the Canadian Army. Mr. Claxton yesterday told a reporter the decision will not be made until after the rifle has undergone cold-weather tests, C.P. reported. . . . A budget calling for revenues of \$78,415,000 and estimated spending of \$78,119,000 - largest in Saskatchewan's history - was brought in yesterday by Provincial Treasurer C.M. Fines for 1954-55. There were no tax increases or reductions. . . . A new blizzard sweeping north lashed Southwestern Ontario yesterday, dumping nearly eight inches of snow on towns and villages already crippled by a two-day snowfall. . . . The Civil Service Federation of Canada today suspended the Civil Service Association of Ottawa in a dispute over organizing jurisdiction here, C.P. reported.



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Vol. 5, No. 45.

Friday, March 5, 1954.

Mr. St. Laurent In Indonesia: Djakarta, Indonesia, March 4 (CP) -- For the second time in his world tour Prime Minister St. Laurent today was welcomed by a new chief of state who also is an old friend.

Like Pakistan's Mohammed Ali, Prime Minister Ali Sastroamidjojo of Indonesia was his country's Ambassador at Ottawa before taking office.

With his son, Jean-Paul, and daughter, Mrs. Hugh O'Donnell, Mr. St. Laurent arrived here from Colombo, leaving Commonwealth territory for the last time before he returns to Canada March 17. The remainder of the tour takes him to the Philippines, South Korea, Japan and Hawaii.

For his two-day stay in Indonesia the Canadian leader will stay in the State Palace here as the guest of President Soekarno.

Canadian Ambassador G.R. Heasman and his staff and some 20 members of Djakarta's Canadian colony were on hand at the airport to welcome their Prime Minister on his arrival, together with a number of Indonesian Government officials headed by Prime Minister Sastroamidjojo.

Tonight the Canadian party were President Soekarno's guests at a private state dinner attended by the Indonesian Prime Minister, Vice-President Mohammed Hatta, Foreign Minister Sunarjo and their wives.

New Banking Laws: Ottawa, March 4 (CP) -- Canada's new banking law defines, for the first time, the powers of the 11 chartered banks to make loans to the country's booming oil industry. A bill revising the Bank Act, a re-drafting which takes place every 10 years, was introduced today in the House of Commons.

It permits banks to lend money on the security of oil and gas in the ground or in storage, on petroleum mineral rights and production and storage equipment.

Mr. Abbott, introducing the bill, said banks have "taken a very active part in the development of the oil and related industries in Canada".

"The proposed revisions specify the type of loans which may be made to assist this comparatively new but very important part of our economy, and the security which may be taken."

The measure also doubles the minimum amount of capital which new banks must have before going into business. Mr. Abbott said the provision has not been changed since 1890.

The minimum requirement of subscribed capital stock would be increased to \$1,000,000 from \$500,000 and the requirement of paid-up capital to \$500,000 from \$250,000.

Sources Of Press Information: Ottawa, March 4, (CP) -- Acting Prime Minister Howe declined an immediate answer today as to whether the Government will take action to protect a reporter's right to keep secret his sources of information.

Mr. John Diefenbaker, asked if the Government will consider amending the Canada Evidence Act this session "so that the sources of information of press and radio . . . shall be considered confidential and inadmissible" in court cases.

Mr. Howe said he must consult his Cabinet colleagues before answering the question.

Mr. Diefenbaker referred to the refusal Monday of the Supreme Court of Canada to hear an appeal in such a case by Mr. Blair Fraser, Ottawa editor of Maclean's Magazine.

(over)

Veterans' Pension Amendments: Ottawa, March 4 (CP) -- Parliament's authority has become "nothing more than a memory and a fiction," Mr. John Diefenbaker said today in the House of Commons. He said the Commons is being reduced to a sounding board for the Government.

Mr. Diefenbaker was one of several Opposition members criticizing a Government proposal to give Cabinet authority to fix salaries of members of the Canadian Pensions Commission. This now is done by Parliamentary statute.

The salary plan is one of a number of moves proposed in amendments to veterans' pensions legislation placed before the House by Veterans Minister Lapointe. Other provisions in the legislation - the chief one being that adopted children of veterans are eligible for pension benefits - met with general approval.

On the salaries issue, the Progressive Conservatives moved that the proposal be knocked out of Mr. Lapointe's resolution preliminary to his Pensions Act Bill. In an informal vote the motion of Col. A.J. Brooks (PC - Royal) was defeated by 65 to 41.

Cost Of Two Wars \$22,482,036,080: Ottawa, March 14 (BUP) -- Canada's direct costs in the two world wars was \$22,482,036,080, the House of Commons was told today. A return tabled by the Finance and Defence Departments listed Canada's total expenditures from appropriations for war, demobilization and reconversion at \$1,695,958,569 the First World War and \$21,786,077,519 the Second World War.

The figures did not include expenditures attributable to war pensions, treatment of returned veterans or interest on the increased public debt.

In addition, the return listed a total of \$7,033,375,803 in defence expenditures from April 1, 1945 to March 31, 1953. This included \$2,923,795,808 spend on demobilization and reconversion and the rest went into rebuilding Canada's military strength.

Mr. Ausman On U.S. Market Possibilities: Montreal, March 5 (Gazette) -- A Canadian trade official said here yesterday that although there are "difficult and serious" problems to face, Canadian manufacturers should go all-out in their attempts to satisfy the tremendous demand for consumer goods in the U.S.

Addressing the eighth annual meeting of the Canadian Council, International Chamber of Commerce, Mr. L.H. Ausman, Assistant Director, Trade Commissioner Service, Department of Trade and Commerce, said manufacturers were not going after the business "with the same enthusiasm and thoroughness" they have devoted to exports to other parts of the world.

Across Canada: Employment on Jan. 1 was "decidedly downward" in all major industrial groups except finance, insurance and real estate which showed minor gains. Largest declines in employment, the Bureau of Statistics reported today, were in construction, manufacturing, forestry and transportation. The Bureau placed the index on Jan. 1, on the basis of 1949 equals 100, at 110.2. This was 3.4 per cent lower than a month earlier and 2.5 per cent lower than at Jan. 1, 1953, the peak figure for the time of year. . . . Living costs remained unchanged during January for the first time in almost four years. Prices jumped for such things as coffee, pork, hospital rates, soap and taxi fares, but these were balanced by other scattered declines, keeping the consumer price index at the December level of 115.7, the Bureau of Statistics reported. . . . Mr. R.C. Berkinshaw, of Toronto yesterday was elected President of the Canadian Council, International Chamber of Commerce, at their eighth annual meeting in Montreal. . . . Canada warmed up yesterday for the two key games of the World hockey tournament by running up a 20-1 score against Finland, the highest thus far in the 10-day competition.



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Vol. 5, No. 46.

Monday, March 8, 1954.

Mr. St. Laurent In Korea: Seoul, Korea, March 7 (CP) -- Prime Minister St.

Laurent flew into Korea today from Manila after telling reporters there Canada must "sooner or later" recognize Communist China. He was greeted by one of the largest crowds ever to gather at Seoul airport.

A 19-gun salute boomed out as his four-engine RCAF taxied in. Band music blared and South Korea soldiers, sailors and marines stood at attention in an honour guard.

Before leaving for Manila on the last lap of his global tour, Mr. St. Laurent was asked about relations with Communist China.

"We have got to be realistic," he said. "Sooner or later we would be bound to recognize the Government that the people want."

Among those greeting him at the airport were Eighth Army Commander Gen. Maxwell Taylor, U.S. Ambassador Ellis Briggs and South Korean Prime Minister Paik Too Chin, who introduced the members of his Cabinet.

Also greeting him were Brig. J.V. Allard, commander of the Canadian 25th Brigade in Korea, British Minister Walter Graham and Mr. Morley Scott, senior official of the Canadian Embassy in Tokyo, who flew here for the occasion.

When he stepped out of the plane into freezing weather, little Korean girls stepped up with a bouquet of flowers. The Prime Minister bent down low and kissed one of the gaily-dressed tots. Then Mayor Kim Tae Sun presented him with the key to Seoul.

A Korean military band struck up "O Canada" as Mr. St. Laurent stepped from the plane and walked between twin lines of American air police and Canadian honour guards.

The Canadian Prime Minister talked briefly with Canadian missionaries, and left the airport for his quarters in a specially prepared guest house. Other members of his party were billeted at army and diplomatic quarters in Seoul.

Mr. St. Laurent did not talk to newspaper men at the airport but has scheduled a press conference tomorrow.

President Syngman Rhee, who returned to Seoul this afternoon after a two-week vacation at his retreat at Chinhea, will welcome the Canadian visitor at his residence tomorrow morning.

During the next three days, Mr. St. Laurent will be the guest of the Eighth Army and the Canadian 25th Brigade. He will visit the brigade at its position along the front line and will inspect guards of honour and troops in the lines and in Seoul. Short helicopter jaunts will take him point to point along the front lines. He also will go to a forward observation post for a binocular look at Communist territory. A jeep has been specially cushioned for his visit to the post.

(In Tokyo, the Japanese Imperial Household announced tonight that on Thursday Emperor and Empress Hirohito will hold a luncheon reception in honour of the Canadian Prime Minister. He will arrive in Japan on Wednesday. Crown Prince Akihito will also be present).

The Prime Minister spent Saturday night in Manila, the Philippines, en route from Indonesia.

(over)

Housing Legislation Debate: Ottawa, March 5 (CP) -- The House of Commons tonight defeated by 79 to 8 a CCF proposal to allow the Government to ensure loans for the purchase of "existing" homes.

The vote came during study of government housing legislation which permits government-insured loans for the building of new homes or addition of more dwelling units to a house.

The proposal, moved by Mr. Ross Thatcher (CCF - Moose Jaw-Lake Centre) and supported by Mr. Hayden Stanton (PC - Leeds), would allow more people to buy "sound, solid homes" for as little as \$5,000, far below the present cost of new houses.

Mr. Winters said the Government feels that for the present the legislation should concentrate on provisions to encourage new construction, not the purchase of older houses.

C.P.R. To Appeal Freight Rate Decision: Ottawa, March 5 (CP) -- The Canadian Pacific Railway today moved to appeal to the Supreme Court of Canada against a Board of Transport Commissioners' decision shutting off a railway attempt to get higher revenue through a new freight rate system. The company served notice on the court that it wants to appeal the Board decision, and the court set March 12 for argument on the CPR's petition for permission to launch the appeal.

The Railway's notification said it will ask the top court to rule on whether the Board "failed to perform its duty" in turning down a nine-per-cent freight increase and in other aspects of its judgment delivered Feb. 15.

Ottawa Greet Papal Delegate: Ottawa, March 7 (CP) -- The Pope's new personal representative in Canada today pledged himself to the service of Canadian Roman Catholics and told of this country's growing renown in the world.

Most Rev. Giovanni Panico, veteran Vatican diplomat, was greeted in the capital's Notre Dame Basilica by nine arch-bishops and bishops from across the country and some 1,200 Ottawa faithful.

Moscow Dynamos Win World Hockey Tournament: Stockholm, March 7 (CP) -- The smooth-skating Moscow Dynamos crushed Toronto East York 7-2 to win the world hockey tournament for the Soviet Union in her first bid for the international honours.

An off-colour Toronto East York team spotted the Russians two early first-period goals, opened up in an effort to catch the Dynamos and never was able to get back into the game.

The Dynamos, given little chance of victory when they scraped through to a 1-1 tie against Sweden last Thursday and floundered against last-place Switzerland before pulling out a 4-2 victory two days earlier, played almost flawless hockey.

Across Canada: The federal Government this weekend placed a \$24,000,000 order with Canadair, for manufacture of some 80 F-86 Sabre jets, according to the Montreal Gazette. . . . Mr. Wentzel du Plessis, South Africa's new High Commissioner to Canada, arrived in Montreal Saturday by B.O.A.C. and left later in a private car for Ottawa, where he will assume his new post. . . . A left-wing labour union, the International Union of Mine, Mill and Smelter Workers, on Friday claimed Canadian unemployment will be more than 700,000 by mid-March, but Mr. Gregg described the figures as "away off". . . . Jean Filiatrault's original play, Le Roi David, won the Calvert Trophy in the Western Quebec Regional Drama Festival which concluded in Montreal Saturday night with an almost full house. Sleep of Prisoners presented by the Everyman Players was the runner-up. Adjudicator Graham Suter made his judgment of Le Roi David on the spot. . . . N.H.L. Hockey: (Saturday) Boston 3, Montreal 3. Detroit 3, Toronto 1. (Sunday) Montreal 2, Detroit 2, Toronto 4, New York 0. Boston 6, Chicago 0.

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*By Records*

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Vol. 5, No. 47.

Tuesday, March 9, 1954.

Mr. St. Laurent Visits 25th Brigade: With the Canadians in Korea, March 8 (CP) -- Prime Minister St. Laurent travelled by jeep today through three dusty hills, visiting men of the 25th Canadian Brigade in their anchor position along the Korean cease-fire line.

Relaxed and cheerful, Mr. St. Laurent was driven over the winding roads by Brig. Jean Allard, Commander of the Canadian Forces. He told the troops that his visit was one of the "main objectives" of his world tour, now in its fifth week. He said Canada intends to keep its brigade in Korea to "see the job through with our associates in the United Nations Force".

"We are rather hopeful that it won't go on too long," he added.

The Prime Minister flew to the Commonwealth Division area after placing a wreath on a monument at Eighth Army Headquarters in Seoul for 75,000 men who lost their lives fighting under the United Nations flag. He called on Syngman Rhee, President of South Korea, just before setting out for Commonwealth headquarters.

With Brig. Allard at the wheel of the jeep, he called at a recreation centre set in the Korean hills where he was greeted by a composite guard of honour. He unveiled a white stone monument to Canadian dead.

He told cheering troops Canada had sent them to Korea because "we felt it was our moral duty to take part in this demonstration that free men should work together to stop aggression".

Attitude Towards Communist Chinese Government: Ottawa, March 8 (CP) -- The External Affairs Department is trying to get confirmation of Far Eastern press reports of statements by Prime Minister St. Laurent of Canada's attitude towards recognition of the Communist Chinese Government.

Mr. Pearson said today in the House of Commons his Department has been looking into quotations attributed to the Prime Minister, and he said it would be "unwise" to comment on them until the context of his remarks was known.

He said one quotation - from Manila - was "almost the same" as what Mr. St. Laurent said last June, but Mr. Drew said there was a "marked difference" in the two statements.

Mr. Drew asked if the Manila statement - which he interpreted as meaning that sooner or later Canada must recognize the Communist Government - represented "settled Government policy".

The Manila quotation:

"We have got to be realistic. Sooner or later we would be bound to recognize the Government that the people want."

Mr. Pearson said:

"We have been attempting to get confirmation of the report in question and until we receive the context of what the Prime Minister said, I believe it would be unwise to make any further observation."

He added Mr. St. Laurent made almost the same statement last June 12 at a press conference here. The statement then:

"We have got to be realistic on such problems and be prepared to deal with those who represent the nation over which they exercise authority."

(over)

Housing Legislation Passed: Ottawa, March 8 (CP) -- The Government's new housing legislation has passed the Commons. It now goes to the Senate for study.

The legislation today was given third reading on division - without a recorded vote - after the CCF attempted to set a fixed limit on the rate of interest on loans under the bill.

As the measure was called for final approval Mr. Joseph W. Noseworthy (CCF - York South) moved that it be referred back to committee so that a fixed limit could be inserted. His amendment was defeated by 142 to 35.

1,500 Tons Of Cod For U.N. Relief Programme: Press Release No. 14, March 8 -- The Department of External Affairs announced today that the Canadian Government has contributed an additional 1,500 tons of Canadian salted cod valued at \$450,000 to the United Nations Emergency Relief Programme in Korea. This is the second Canadian contribution of Canadian codfish to this Programme, the first having been made in the autumn of 1953 in the amount of 1,000 tons valued at \$300,000.

Would Consider National Ownership Of Banks: Ottawa, March 8 (CP) -- The CCF Party proposes that Canada's 11 chartered banks should be placed under public ownership. The suggestion was made tonight in the House of Commons by Mr. Coldwell during debate on the Government's decennial revision of the Bank Act.

Mr. Low opposed the suggestion on grounds that nationalization of the banks would not be in the best interests of Canadians. Earlier Mr. J.M. Macdonnell said his party does not oppose passage of the legislation.

The bill extends the life of the chartered banks for another 10 years and incorporates a number of minor changes to stream-line the banking system. It complements other bills before Parliament, giving the banks the right to lend money on insured mortgages and giving the Bank of Canada an increased measure of control over bank credit.

Mr. Coldwell's proposal was made in an amendment opposing second reading - approval in principle - of the legislation. The amendment said the House should not give the bill second reading but "that consideration should be given to the national ownership and control of the chartered banks".

N.H.L. Leafs Offer To Tour Russia: Toronto, March 8 (CP) -- Toronto Maple Leafs of the National Hockey League have offered to make a tour of Russia, Managing Director Conn Smythe said today in a telephone interview from Florida, where he is on holidays. Mr. Smythe said that the only condition is "suitable compensation which would include travelling expenses and a small remuneration for the players".

Across Canada: An increase in the sales tax to five per cent to replace premiums in British Columbia's hospital insurance scheme was announced by Premier Bennett. In his Budget address to the Legislature, Mr. Bennett, who is also Finance Minister, said the increase to five per cent from three in the sales or social services tax will give the Government an anticipated \$23,420,000 for the year ending March 31, 1955, C.P. reports. . . . The Navy will open a new "officer college" in September to try to take care of a growing shortage of junior officers. Mr. Claxton said in the House of Commons the new training establishment for navy cadets will be formed at Esquimalt, B.C., and be known as HMCS Venture after a sloop and tern schooner used in former years as training vessels. . . . Legislation providing for retirement of Senators at the age of 75 was introduced today in the House of Commons. Mr. Frank S. Follwell (L - Hastings South), sponsor, said the bill would not apply to present members of the Upper Chamber appointed for life. . . . Frances Hyland of Regina has been signed to appear opposite James Mason in the Stratford, Ont., Shakespearian Festival this summer, it was learned yesterday, C.P. reports from London.



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*In Robert*

## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 48.

Wednesday, March 10, 1954.

Mr. St. Laurent In Tokyo: Tokyo, March 10 (BUP) -- Prime Minister St. Laurent of Canada arrived in Japan today for a three-day visit, the last stop on his 23,000-mile world tour to promote international good will. The RCAF C-5 flying the Prime Minister around the globe left Seoul at 10 a.m. and landed at Tokyo's International Airport at 1 p.m.

A state guest of Japan during his visit here, Mr. St. Laurent was met at the airport by an envoy of the Emperor, officials of the Government and foreign diplomats. During his three days in Japan, Mr. St. Laurent will confer with top Japanese officials, including Emperor Hirohito and Prime Minister Yoshida.

He comes to Japan from two days of visiting Canadian troops in Korea. He leaves for home at 9 a.m., Saturday, completing a six-week trip to England, France, Germany, Pakistan, India, Ceylon, Indonesia and the Philippines.

Mr. Yoshida met Mr. St. Laurent at the airport. Later this afternoon the two conferred privately at Mr. Yoshida's residence. The Japanese Prime Minister was host at a dinner for the Canadian visitors.

Mr. St. Laurent will start off tomorrow with a press conference at the Canadian Embassy. From the conference he will ride in the state coach to the Imperial Palace for an audience and lunch with the Emperor, the Empress and Crown Prince Akihito.

Tomorrow afternoon Mr. St. Laurent will talk privately to Japanese Government, civic and business leaders at the Canadian Embassy. He will be guest of honour at a formal Embassy dinner at night.

On Friday morning Mr. St. Laurent and his party will visit three Canadian warships tied up in Tokyo harbour. The Prime Minister will inspect the destroyers, which came to Tokyo from Korean waters.

The Canada-Japan Society will honour him at luncheon at noon at the Imperial Hotel.

In the afternoon he will attend Kabuki, the classical Japanese theatre, and shake hands with local Canadian residents at an Embassy reception. On Friday night he will be guest of honour at another Embassy banquet.

His plane will leave Tokyo for Hawaii and Canada at 9 a.m., Saturday.

National Bank Proposal Defeated: Ottawa, March 9 (CP) -- The House of Commons tonight defeated by 171 to 21 a CCF proposal to nationalize Canada's 11 chartered banks. All members except the CCF group opposed the motion. The CCF group had proposed setting aside the Government's decennial revision of the Bank Act to consider "national ownership and control of the chartered banks."

Following defeat of the motion the Commons gave second reading to the banking legislation and sent it to the Commons Banking Committee for detailed study.

Mr. Donald Fleming (PC - Toronto, Eglinton) described the CCF proposal "the siren song of socialism" and said it is the surest way "to destroy confidence abroad in the Canadian economy".

"There is not enough wisdom in any Government to operate a banking monopoly in Canada," he said. CCF supporters of the plan were "long-

haired theorists who know little about operation of the banking system".

Foreign investment in Canadian development, on which the country depended, was based on confidence in Canada's economy and her banking system. There was "no surer way to destroy confidence abroad in the Canadian economy" than to propose public ownership of her banks.

Mr. Martin Before Economic Club In New York: New York, March 9 (CP) -- Canada's Health Minister says Canadians are worried about the long-term commercial policies of the United States. Mr. Martin made the statement here today in a speech to the Economic Club of New York.

He also said:

1. Canada's high level of economic activity will continue through 1954 and for some time to come.
2. Canada and the United States will continue to provide for adequate defence of the North American Continent.
3. The free world faces the grim threat of a Third World War which would destroy civilization.
4. Canada will continue to seek establishment of a world order in which all nations can walk together in mutual respect.

Mr. Martin said the prosperity of Canada depends to a considerable extent on foreign trade. As a result "we are somewhat concerned about your (American) long-term commercial policies".

44 Per Cent Increase In Immigration: Ottawa, March 9 (CP) -- More immigrants came to Canada in January than a year ago but they aren't expected to add to unemployment.

The Immigration Department today reported a 44 per cent increase in January arrivals to 8,080 from 5,627 a year ago. However, a Department spokesman said almost half were dependent wives and children and most of the remainder were coming to close relatives or to jobs in industries not seriously affected by unemployment.

If unemployment was more than seasonal, an immigration spokesman said, the Department could quickly cut down the flow of arrivals.

Mr. Winters On Economic Outlook: Montreal, March 9 (CP) -- Works Minister Winters tonight rejected the idea that public works be used specifically to relieve unemployment.

A public project, to be of real value, should carry with it the prospect of contributing to the long-term growth and development of an area, he told the Montreal Amateur Athletic Association.

Mr. Winters said he can't agree that Canada is experiencing a recession: "The major factors of gross national production; foreign trade and retail sales volume; capital investment from both Canadian and outside sources; and the continuing succession of discoveries and development of natural resources do not support the arguments of those who would cry 'ruin'".

Across Canada: Removal of the International Civil Aviation Organization from Montreal, a move discussed and deferred before, will probably be recommended to a meeting of its assembly in May by the Council, on the heels of refusal by the Quebec Government to exempt its employees and representatives from the new provincial income tax, the Montreal Gazette reports. . . . A judge with 21 years experience on the Ontario Supreme Court Bench says it would be "unfortunate" for the administration of justice if the courts could select the punishment for murder. Mr. Justice J.A. Hope said before a committee the responsibility for ruling on the punishment should remain with the people - through Parliament. . . . The economic adviser of the Federal Department of Trade and Commerce said at London, Ont., yesterday more Canadian families now are without homes of their own than either before or immediately after the Second World War. . . . Canadians showed sales resistance to cars and trucks in January and bought 23 per cent fewer motor vehicles than in January last year. Only 23,133 new vehicles, valued at \$59,137,000 retail, were sold. This was a 21-per-cent drop in retail value, the Bureau of Statistics reported.



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Vol. 5, No. 48.

Thursday, March 11, 1954.

The Government Of China: Ottawa, March 10 (CP) -- Mr. Pearson today quoted Prime Minister St. Laurent as saying in the Far East that Canada is not considering immediate recognition of the Red Government of China. Mr. Pearson added that the Canadian Government does not know if the Communist regime is the government that the Chinese people want.

He made the statements in the House of Commons in reply to earlier questions by Mr. Drew, who has been challenging statements concerning Red China recognition attributed to Mr. St. Laurent in recent press conferences during his round-the-world tour.

The Minister, whose department for the last two days has been cabling the Prime Minister's party for his actual words, was questioned again today by Mr. Drew. He gave the House this paraphrase of a Seoul press conference, from notes taken there and from Mr. St. Laurent's recollection:

"The Prime Minister stated . . . that the immediate recognition of the Communist Government of China, as a Government which had been committing aggression against the United Nations, was not under consideration.

"The Prime Minister then stated, however, it was necessary to be realistic in regard to this matter and that no doubt in due course we would have to recognize any Government of China which the Chinese people themselves recognized as their Government, regardless of whether we liked the Government or not.

"He added that if there was to be any solution to problems in which China was directly involved, and which could not be settled without cooperation from the Chinese Government in control of that country, it seemed clear we would have to deal with that Government.

"That, concluded the Prime Minister, was merely common sense and did not mean in any way the acceptance of responsibility for or the giving of endorsement to the actions or views of any particular regime."

Mr. St. Laurent had been quoted in the Far East as making these statements:

Manila: "We have got to be realistic. Sooner or later we would be bound to recognize the Government that the people want."

Seoul: "I do feel that some day we are going to have to be realistic. We are going to have to admit the present Government of China is the Government the people want."

After Mr. Pearson's formal statement on the Seoul press conference, Mr. Drew attacked the Manila quotation that "we would be bound to recognize the Government that the people want".

"Those words are a travesty of the facts," Mr. Drew said.

Mr. Pearson replied he is not questioning the accuracy of the Manila report. But on the point of whether the Chinese people want the present regime, he said:

"Of course, we do not know whether the people of China now have the Government they want, because it is a Communist Government, and a Communist Government, or indeed any totalitarian Government does not give the people an opportunity to express their views freely on the form of Government they have."

Mr. St. Laurent In Japan: Tokyo, March 10 (CP) -- The Prime Ministers of Canada and Japan met today and a Japanese Foreign Office spokesman said the probable topic was the present unbalanced state of Canadian-Japanese trade.

(over)

The Canadian leader's three-day visit to Japan is the last official stop of his round-the-world goodwill tour.

The two Prime Ministers shook hands warmly at the airport this afternoon. A 50-foot red carpet was rolled out to the RCAF C-5 transport after it taxied in at Haneda airport.

Prime Minister Shigeru Yoshida and other dignitaries were on hand to greet the Canadians. Mr. St. Laurent was the first state guest to be met by a Japanese Prime Minister since the war.

The Textile Industry: Ottawa, March 10 (CP) -- Revenue Minister McCann said today he has told a textile union delegation that the Government is not planning any new action now on behalf of Canada's slipping textile industry.

He told the delegation, he said, that the industry became over-expanded during and after the war and now is in the process of a shake-down that he described as "an evolution or revolution".

Dr. McCann, whose own Renfrew South constituency has been hit by closing of textile plants, said he specifically rejected four proposals advanced in a Monday conference here by the Textile Workers' Union of America (CIO - CCL).

These were for the immediate limitation of textile imports, defence orders for depressed textile areas regardless of whether they had the lowest tenders, further strengthening of anti-dumping regulations and delaying action on the proposed Japanese commercial treaty until there is agreement on limiting textile imports.

Dr. McCann said in an interview he told the union its programme is "impracticable".

If trade barriers were set up, he said, other countries could retaliate against Canada. Further, boosting tariffs and putting in quotas could be in violation of the General Agreement on Tariffs and Trade.

"I said I would not support quotas and such controls except in wartime," the Minister said.

As to issuing defence orders, he said, the services now are heavily stockpiled on textile products.

Meanwhile, it was reported that an \$85,000 defence production contract and the jobs of 120 textile workers at Carleton Place have gone by default.

Forbidden Russian Zones: Ottawa, March 10 (CP) -- Canadian diplomatic representatives and other foreigners in Russia are barred from substantial areas of the Soviet Union.

The External Affairs Department today said in a return tabled in the House of Commons the areas include most border zones, much of the Ural industrial area, the western area of the Ukraine and some districts in the immediate vicinity of Moscow.

The return, tabled for Mr. Davie Fulton (PC - Kamloops), said current out-of-bounds areas still are large but are much smaller than prior to June, 1953. The prohibited areas were reduced on that date and foreigners now may visit many parts of the Central Asian republics of the U.S.S.R.

The Department said members of the Canadian Embassy in Moscow are required to notify the Soviet Foreign Ministry in writing of any trip beyond a 40 kilometre radius of Moscow.

Across Canada: Opportunity for young engineers is in Canada now, the Engineering Institute of Canada said yesterday before the Quebec Royal Commission on Constitutional Problems in urging government grants on a regular annual basis to universities to ensure a continuing supply of qualified graduates to keep pace with Quebec's industrial growth. . . . Three Montreal chefs will enter displays at the International Exhibition of Culinary Arts to be held at Berne Switzerland in June, it was announced yesterday. The three, all members of the Societ  des Chefs Cuisiniers et Patisseries de la Province de Qu bec, are Max Rupp, President of the Society; Pierre Demers, chef at the Ritz-Carleton Hotel; and Hector Lahaie, chef of the Sun Life cafeteria. . . . Most Rev. Gabriel Breynat, "Flying Bishop" of the Canadian Arctic is dead. The Roman Catholic prelate, a legendary figure in the North, died near Lyons, France, a spot he picked for retirement after 51 active years in the Arctic.



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Vol. 5, No. 50.

Friday, March 12, 1954.

Mr. St. Laurent In Tokyo: Tokyo, March 11 (CP) -- Prime Minister St. Laurent rode through the streets of Tokyo in a horse-drawn coach today to call at the Imperial Palace and lunch with Emperor Hirohito. Two bay horses driven by a black-caped Japanese coachman with a red whip pulled the big carriage the three-mile distance from the Canadian Embassy on a hilltop down through the heart of the city and into the vast palace grounds. . . .

The Prime Minister went to the Palace just after an appearance in morning clothes at a half-four press conference at the Embassy at which he reiterated goodwill tour views expressed on other occasions. . . .

Before the conference his attention was drawn to a despatch from Seoul quoting the Government-sponsored newspaper Korean Republic as saying his views on eventual recognition of Red China are a "Red-inspired error".

Replying to a question, the Prime Minister said the word recognition should be used carefully since its definition was subject to discussion. The fact remained, he added, the "Government that happens to be representative of the people of China" would have to figure in settlement of problems involving the Chinese people. He was not "stating policy" but giving an opinion, he said.

Questioned about the most important impression of his tour which concludes next Wednesday at Ottawa's Rockcliffe Airport, the Prime Minister said it is that people all over the globe want to better their conditions in a stable peaceful world.

Replying in English and French to questions in both languages, he said the world's outstanding problem is amicable and peaceful settlement of divergent views.

"I do think progress is being made," he said. "I think there is a genuine desire now to keep this world at peace."

He said Canada will encourage moves to bring Japan into the United Nations; declared stability of the world implies commercial as well as other relations between Communist and non-Communist countries; and said it was his opinion that the statesmen of India should be the best judges, whether their policy of neutralism is wise.

The Prime Minister observed that Canada takes a modest view of its influence in world affairs and the purpose of his tour is to get information rather than to meddle in other people's business.

Prime Minister St. Laurent's visit to Japan, which concludes Saturday morning when he starts homeward over the Pacific, got front-page attention from Tokyo's Japanese and English language newspapers.

Formosa: Ottawa, March 11 (CP) -- Mr. Pearson said today there is no "political inference" in the fact that Prime Minister St. Laurent will not visit Formosa during his current world tour.

He was replying in the House of Commons to Mr. John Blackmore (SC - Lethbridge) who asked if it was "an accident or deliberate planning" that Mr. St. Laurent's itinerary did not include Formosa and a visit to Generalissimo Chiang Kai-shek, leader of the Chinese Nationalist Government.

Immunity For Commonwealth Representatives: Ottawa, March 11 (CP) -- The Government gave notice today it will introduce in Parliament an act to provide diplomatic and consular immunities for Commonwealth representatives

in Canada.

A spokesman for the External Affairs Department explained that up to now Commonwealth representatives have not enjoyed immunity from Canadian courts as have the representatives of other foreign countries. The new act is designed to give them that immunity.

Actually, the spokesman said, no situation had ever arisen in Canada, in which a Commonwealth representative had claimed or wanted to claim immunity from Canadian courts.

Fines By Instalments: Ottawa, March 11 (CP) -- The Government tentatively has accepted an Opposition proposal which would give magistrates greater discretion in allowing Canadians to pay fines by instalments.

Mr. Garson accepted the principle of the suggestion as the House of Commons today considered provisions in the revised Criminal Code dealing with punishment for "summary conviction" offences - the minor crimes covered by the code. The maximum penalty for such offences is a \$500 fine or six months in jail or both.

The Return Of Fred Rose: Ottawa, March 11 (CP) -- Justice Minister Garson has declined to discuss what action the Government might take on the return of Fred Rose to Canada from Czechoslovakia.

Mr. J. Wilfrid Dufresne (PC - Quebec West) asked today in the House of Commons whether the Government is taking security measures in connection with Rose's re-entry. Mr. Garson replied that the Government takes security measures at all time concerning such matters.

Ontario Budget: Toronto, March 11 (Gazette) -- Premier Frost, in bringing down his "progressive budget" in the Ontario Legislature today, indicated increased aid to municipalities and no increase in taxes. The Premier also announced the Dominion-provincial tax agreement produced \$134,448,000 for Ontario, an increase of \$3,448,000 over what was expected. The Province expects to realize \$140,000,000 from next year's agreement with Ottawa.

The Premier budgeted for a surplus of \$539,000 for the coming fiscal year, ending March 21, 1955, after reporting a surplus of \$1,009,000 for the year ending March 21, the 11th consecutive surplus since he became Provincial Treasurer in 1943.

Mr. Frost said the Province will pay out \$134,000,000 - more than one-third of its ordinary revenue - in education and other grants to municipalities in the coming year. This will include the first payments of \$12,000,000 in unconditional assistance grants.

Across Canada: Ontario is to have one of the most advanced cancer treatment and research institutes in North America, Premier Frost predicted yesterday. In announcing a special capital payment of \$1,000,000 to the Ontario Cancer Research Foundation for the new Research Institute to be built adjacent to the Wellesley Hospital, Premier Frost said intensive studies have been conducted by both scientific and lay organizations to make the institute the most modern in facilities and practices known to science. . . . The Government proposes to have Parliament set up a \$5,000,000 revolving fund for the replacement of Government property destroyed or damaged by fire. Mr. Abbott gave notice of a Commons resolution preliminary to a bill to establish such a fund. . . . A new "super" fish will soon be introduced to suitable Ontario waters, the Ontario Legislature's lands and forests committee was informed. The fish, a cross between the pike and the muskellunge, will combine the best features of both game fish it was stated.

Daily Airmail Bulletin Vol. 5, No. 48: Please note that Daily Airmail Bulletin Vol. 5, No. 48 for Thursday March 11, should read Vol. 5, No. 49.



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Vol. 5, No. 51.

Monday, March 15, 1954.

Mr. St. Laurent In Honolulu: Honolulu, March 14 (CP) -- Prime Minister St.

Laurent, nearing the end of his round-the-world goodwill tour, arrived here Saturday by RCAF transport from Japan after a brief stop at Midway Islands.

The Prime Minister, who leaves tomorrow for San Francisco and Ottawa, said: "I come back confirmed in my hope that we can manage to keep the world on a more stable footing."

Acting Governor Farrant Turner, Admiral Felix Stump, Commander-in-Chief of the U.S. Pacific Fleet, and other notables met the Canadian leader and his party on arrival here.

Brisk and friendly, the Prime Minister thanked each of the four hula girls who danced as his plane landed.

The Prime Minister spent a quiet day here today.

Session Expected To Last Into Summer: Ottawa, March 14 (CP) -- Parliament is expected to sit into the heat of the summer.

Last June the House of Commons and Senate prorogued May 14 to enable members to attend the June 2 coronation of Queen Elizabeth in London. However, proposed Government business indicates the House will not rise this year until late in June or early July.

Acting Prime Minister Howe indicated Parliament will rise later than mid-May when he announced last week the Government proposed that the Easter recess should be from April 14 to 26. At that time he said most members wanted a long recess because they would be faced with a "fair amount of business" after the holiday.

A wide range of legislation already has been approved during the 69 days of the current session. However, a large number of bills remain to be introduced by the Government with some of them not expected until after the recess.

Even if the House makes good progress between now and April 14, it still will have a heavy schedule when it reconvenes April 26. The work will include study of Finance Minister Abbott's Budget and estimates of Government departments.

There is some speculation that the budget may be brought down before the Easter recess, either April 6 or 13. However, there is little likelihood even in that event that the debate will start until after the recess.

Mr. Howard Green On Employment: Ottawa, March 12 (CP) -- Mr. Howard Green (PC -- Vancouver-Quadra) said today that the idea of a Government shelf of public works projects to ensure employment has become a "will-o'-the-wisp".

He said in the House of Commons there is "no longer any pretence" that the Government has a reserve of projects to maintain employment.

Mr. Green said that Government proposals to the 1945 federal-provincial conference had led Canadians to believe that such a "shelf" would be created. The idea had been maintained through the years.

"Now, with the new Minister, we find that it is a will-o'-the-wisp."

He quoted a report of a speech by Works Minister Winters in Montreal as rejecting the idea of using public works to relieve unemployment.

(over)

Mr. Winters told the House of Commons he is trying to get the Department in shape to take on a larger amount of public works now done by other Departments.

C.P.R. Appeal Decision Reserved: Ottawa, March 12 (CP) -- A Supreme Court of Canada judge today reserved decision on an application of the Canadian Pacific Railway for permission to appeal to the Court against a judgment of the Board of Transport Commissioners denying freight rate increases to the railways.

In a case fought by eight provincial governments, the C.P.R. contended the Board failed in its duty when it ruled Feb. 15 against a C.P.R. proposal for a new basis for setting freight tolls which would have involved hefty rate increases.

Mr. Gillis On Import Of U.S. Gas: Ottawa, March 12 (CP) -- A former Nova Scotia coal miner suggests that a project to import United States natural gas to Toronto may be a "stock promotion" idea and "a method of blackmail".

Mr. Clarie Gillis (CCF - Cape Breton South) questioned today the advisability of allowing Niagara Gas Transmission Limited to build a \$7,000,000 pipeline.

He said in the House of Commons that if the franchise is awarded, Niagara Gas could set its own price and make its own offer in a few years' time to the interests which will build a trans-Canada pipeline.

Emergency Powers Legislation: Ottawa, March 15 (CP) -- International events during the next few months will decide whether the Government will ask Parliament to extend its emergency powers legislation for another year. Mr. Howe said in reply to Mr. Diefenbaker that the Government has made no decision as yet on another extension of the legislation. "It will depend on events between now and the end of the session," Mr. Howe said. The emergency powers, which enable the Government to act in a wide field without consulting Parliament, expire May 31.

Canadian Research Workers Honoured: Toronto, March 15 (Globe & Mail) -- Three Canadian research workers, one on the faculty of medicine, University of Toronto, are among the 25 scholars who have received appointments from the John and Mary R. Markle Foundation, New York City. The fund has appropriated \$750,000 toward the support of these doctors and their research, to be granted at the rate of \$6,000 annually.

The Canadians are Dr. Donald Fraser, Research Associate in Biochemistry and Fellow in Pediatrics, University of Toronto; Dr. John C. Beck, lecturer in medicine at McGill, and Dr. Reuben M. Cherniak, lecturer in physiology, University of Manitoba.

Across Canada: One of the largest drafts of men enlisted in Britain by the Canadian Army is scheduled to arrive at Halifax April 5. The Army said the 32 soldiers, mostly tradesmen, will sail from Southampton March 30.... The interest rate under the Government's new housing legislation will be fixed initially at 5½ per cent, it was reported by C.P. unofficially.... Progressive Conservatives from across Canada will meet in Ottawa through the next three days to choose a new president for their national organization and chart policies for the years ahead.... Hockey: (Saturday) Montreal 4, Chicago 0. Boston 2, Toronto 1. New York 5, Detroit 2. (Sunday) Montreal 6, Chicago 0. New York 2, Detroit 0. Boston 3, Toronto 0.

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Vol. 5, No. 52.

Tuesday, March 16, 1954.

Mr. Pearson On U.S. Defence Policy: Washington, March 15 (CP) -- Canada's External Affairs Minister said today that any reversion to "entrenched continentalism" in United States foreign policy would hold "no great appeal" to his country.

Mr. Pearson, addressing a meeting of the National Press Club, urged the U.S. to anchor its "new look" defence policy to the North Atlantic Treaty Organization, consulting her Allies before launching mass retaliatory action in the event of enemy attack.

Canada does not consider continental isolationism the best way to prevent war or defeat aggression, Mr. Pearson said, adding that this narrower approach, which he was sure the U.S. would not accept, "is not likely to provide a solid basis for good United States-Canadian relations".

The Minister emphasized that agreement among the Western Allies "is, to put it bluntly, necessary if this policy of preventing aggression by the threat of immediate and overwhelming retaliation is to work collectively".

There had been delays in the past in getting various Allies into defensive action. But "next time there will be no gradual and individual wading into the cold waters of total war".

"It is more likely to be, for Allies, a dive in together from the springboard of collective action."

U.S. State Secretary Dulles, in announcing a shift in Washington defence policy based on "a great capacity to retaliate instantly by means and at places of our choosing," made a speech which Mr. Pearson said may turn out to be "one of the most important of our times".

From the point of view of Canada and other North Atlantic Allies, the vital words in the Dulles pronouncement were "instantly," "means" and "our".

The Minister said it is important that the word "our" means those who have agreed in NATO to work together to prevent war or, if that should fail, to win it.

Mr. Pearson was sure that was what the Dulles statement meant. Yet there were the other two words, "instantly" and "means".

Collective action means collective consultation, he said, but this has to be reconciled with the necessity for swift and effective decision. Even within a single government this reconciliation was not easy. It was "even less easy" between governments.

Therefore the new American defence concept made diplomacy not less but more important in attempting to settle differences "with those we rightly fear" and searching for agreements among friends and allies on defence policies, tactics and timing.

Under these agreements "our" choosing would have to mean "an agreed collective decision, without prejudicing speedy and effective action in an emergency".

Later, Mr. Pearson made these points:

1. The Canadian Government would still prefer to have the United States join in building the St. Lawrence Seaway as soon as the U.S. Supreme Court disposes of appeals against New York state participation in the power phase of the project. If joint action is impossible Canada is ready to start on it alone.

2. If an all-Canadian seaway canal is built, there will be "no discrimination" against American shipping.

(over)

3. Canada does not plan immediate recognition of Red China but eventually the whole question will have to be looked into.

Mr. St. Laurent On Way Home: Honolulu, March 15 (CP) -- Prime Minister St. Laurent, the formalities of his world tour behind him, continued today to act as much as possible like an ordinary traveller who will be back home in a couple of days after a long and taxing trip.

His one official function was the placing of a wreath on the rusted hulk of the U.S. battleship Arizona, sunk by Japanese planes in their attack on Pearl Harbour.

Tonight his plane took off for San Francisco, where he will stop overnight before proceeding back to Ottawa where he is scheduled to arrive Wednesday.

In San Francisco the Canadian leader will make no speeches, hold no press conferences and generally will behave like a private citizen.

The Canadian Consulate at San Francisco explained that arrangements for the six-week tour did not call for an official visit to the United States. Consequently, only Consul-General Christopher Eberts and U.S. State Department security officials will be on hand to greet the Prime Minister.

Controls On Strategic Materials: Ottawa, March 15 (CP) -- A Government measure extending controls on the export of strategic materials for three years was introduced today in the House of Commons.

It supersedes - and in some respects modifies - legislation due to expire next July 31. It would run to July 31, 1957.

The measure provides controls over both exports and imports of strategic and other goods.

The original legislation was aimed primarily at controlling the sale abroad of goods scarce in Canada.

Acting Prime Minister Howe, introducing the bill, said the emphasis now has shifted to restricting the export of strategic materials, particularly to Soviet-controlled countries.

Criminal Control Consideration: Ottawa, March 15 (CP) -- A prominent Canadian lawyer has urged that mentally-deficient adults should be treated as children in the eyes of the law.

Mr. John Diefenbaker (PC - Prince Albert) made the recommendation today in the House of Commons during discussion of the proposed new Criminal Code.

He said there are many cases where the mental age of an accused is lower than his physical or chronological age. The law regarded such a person as an adult.

Adults with the mentality of children should be treated under the section of the law dealing with the criminal responsibility of persons between 7 and 14.

The proposed Criminal Code has been amended to prohibit the illegal sale or possession of spring or switch knives.

The step was taken today at the request of Mr. Harold Winch (CCF - Vancouver East) in an effort to prevent the dangerous weapon from being accessible to juvenile delinquents.

Across Canada: The Government parried questions yesterday about a joint Canada-United States economic conference opening in Washington Tuesday. Acting Prime Minister Howe merely replied that a number of subjects will come before the meeting. . . . The Post Office Department is considering issuing a stamp depicting the whooping crane in flight but it probably won't be issued until early next year or in 1956. . . . Air Marshal C. Roy Slemmon, Chief of the Air Staff, will leave today on a 16 day tour of United States Air Force establishments.



## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 53.

Wednesday, March 17, 1954.

Mr. St. Laurent Due Home Today: Ottawa, March 16 (CP) -- Mr. St. Laurent may report to Parliament Thursday on his 11-country world tour. He is scheduled to arrive back in the capital at 9.30 p.m. EST tomorrow in the RCAF C-5 aircraft in which he left for his "bridge-building" mission Feb. 4.

The reception at Rockcliffe Airport will be informal. Mr. Howe, No. 2 man in the Cabinet, is expected back from Washington in time to greet Mr. St. Laurent. Also on hand to welcome him home will be Mrs. St. Laurent, who returned today from their home in Quebec City, other members of the Cabinet, the diplomatic corps, Members of Parliament and other members of Mr. St. Laurent's family. The airport will be open to the general public.

There probably will be a family gathering at the Prime Minister's residence after his arrival. . . .

Mr. John Diefenbaker told a reporter today the tour has enabled the Prime Minister to bring back the benefit of first-hand discussions with other world leaders.

CCF Leader, Mr. M.J. Coldwell, said in an interview that he believes the tour has been "very useful and very successful".

San Francisco Press Conference: San Francisco, March 16 (CP) -- Prime Minister St. Laurent, returning to North America from his six-week world tour, said today he found the people of Asia more concerned with domestic affairs than with the international situation.

In an airport press conference shortly after his RCAF transport plane touched down on its flight from Honolulu, the Prime Minister was asked if the cold war is being won or lost in Asia. He replied:

"I don't think the people of Asia are thinking of anything but their own nationalistic aspirations. They want to run their affairs themselves. I don't think they want to have their affairs run by the Kremlin or any other totalitarian organization.

The Prime Minister said he found a great deal of confidence both in Europe and Asia that "the cold war is not going to be a hot one".

"I think most of the leaders of those countries are more concerned about the solution of their domestic problems than they are about the dangers arising from the international situation," he commented.

Food Surplus Plans "Good" Mr. Howe Reports: Washington, March 16 (CP) -- Mr. Howe said tonight that the United States has agreed to consult with Canada before launching any new surplus food disposal programme.

He said that he and other Canadian Ministers here for important conferences have been given a review of the Eisenhower Administration plans in connection with trade expansion proposals to be presented to the U.S. Congress. These plans are "pretty good," Mr. Howe said.

At a press conference he said that the Administration's proposals to be made public "in a few days" are in line with the recommendations of the Presidential Foreign Trade Advisory Commission headed by U.S. Industrialist Clarence Randall.

The Randall Commission recommended that Congress empower the President to cut tariffs by 15 per cent during the next three years; to simplify U.S. customs red tape and to expand the U.S. Reciprocal Trade Agreements Act which expires June 1.

Mr. Howe said that the Administration's proposals to Congress and the food surplus problem was discussed at the meeting of the Canada-U.S. Joint Economic and Trade Committee which held its first formal

conference today. He said the next conference likely will be held in Ottawa in six months.

In connection with food surpluses he said the U.S. won't make any future moves "without consulting us".

Mr. Abbott, who was also at the press conference, said that the two countries are making sure "that neither country will be hurt" in connection with programmes to dispose of surpluses in Canada and the United States. He said that Canada and the U.S. have decided "that our interests are not conflicting".

U.S. Chairman Hopes To Visit Canada: Washington, March 16 (CP) -- The Chairman of the United States Senate Banking and Currency Committee said today he hopes to visit Canada soon to help eliminate "roadblocks" besetting Canadian-American trade.

Sen. Homer Capehart, Indiana Republican and business man, said in an interview that the 15-man Committee would like to "see our friends in Canada and find out what's wrong".

"We would like to visit heads of the Canadian Government and business men and sit down and talk over the problems to find out what we can do."

Reassuring, Comments Mr. Pearson: Washington, March 16 (CP) -- State Secretary Dulles said today President Eisenhower is free to order instant retaliation against any attack on the United States or its North Atlantic and Latin American allies without waiting for Congressional approval.

The Secretary added, however, that "in most cases" the U.S. Government would consult with its allies before launching retaliatory action.

Mr. Pearson, who strongly urged consultation among the Western Allies as a prelude to action in an address to the National Press Club here Monday, expressed satisfaction following the Secretary's statement at a press conference.

"It is very reassuring to have this confirmation by Mr. Dulles of our feeling that the United States will be anxious to consult with her friends in emergencies of this kind," Mr. Pearson told the Canadian Press.

Assistance To Gold Mines: Ottawa, March 16 (CP) -- The Government hopes Canadian gold mines will not need financial help after this year.

Mr. Prudham made the statement in the House of Commons today in introducing legislation to continue operations of the Emergency Gold Mining Assistance Act through 1954. The act provides assistance to gold mines under a complicated formula to offset high production costs.

The bill was supported by spokesmen for the Progressive Conservatives, CCF and Social Credit Parties.

Mr. Prudham said the Government proposed to continue financial aid to preserve Canadian communities dependent on gold production.

"It is the Government's hope that this extension will enable the gold mines to continue their operations so that eventually they may be able to carry on without this emergency assistance," he said.

Across Canada: Mayor Allan Lamport of Toronto said yesterday he will refuse to extend a civic welcome to Sen. Joseph McCarthy if the U.S. Senator comes to Toronto to make a speech April 20. . . . Sen. John T. Haig yesterday opposed the Government's new housing legislation permitting chartered banks to make loans on real estate. . . . Progressive Conservative Leader Drew told Quebecers his party favours allowing Quebec taxpayers to deduct a provincial income tax for purposes of federal tax returns. . . . Mr. George Hees, 43-year-old Toronto manufacturer, yesterday became President of the Progressive Conservative Association of Canada and pledged himself "to revitalize our organization from coast to coast."



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Vol. 5, No. 54.

Thursday, March 18, 1954.

Canada-U.S. Joint Economic And Trade Committee: Washington, March 17 (CP) --

In a major move to resolve economic differences, Canada and the United States have agreed not to dump surplus foods into each other's markets.

They agreed also to clear the way for making sterling and dollar currencies convertible by pursuing "enlightened" economic policies and pledged continuing support of such world financial and economic agencies as the International Monetary Fund and the General Agreement on Tariffs and Trade.

They made clear, however, in a joint communique issued today that for countries such as Britain which have unconvertible currencies the decision as to when and under what circumstances their currency will be unblocked will be a matter solely for the country concerned.

The communique was released today following the conclusion Tuesday of the first meeting of the Canada-U.S. Joint Economic and Trade Committee. The second meeting will take place in Ottawa, perhaps late this year or early in 1955.

The big issue at Tuesday's meeting was food surplus.

"The Ministers of both countries recognized that if surpluses were to be disposed of without regard to the impact on normal trade, great damage might be done, not only to the commerce of Canada and the U.S., but also to the world economy," the communique said.

"The Ministers reaffirmed that it is the continuing policy of their respective Governments in disposing of agricultural surpluses abroad to consult with interested countries and not to interfere with normal commercial marketing.

"They stated that it is their settled intention that any extraordinary measures that might be adopted to reduce surpluses should result in greater consumption and should augment, and not displace, normal quantities of agricultural products entering into world trade."

Mr. Robert Schaetzel, U.S. committee secretary, said consultation between Canada and the U.S. will be through "diplomatic channels". It will include American exchange of views with Canada before President Eisenhower launches his proposed three-year \$1,000,000,000 food-disposal programme. Details of this programme have not yet been worked out.

He told a press conference the two countries exchanged "general reassurances that the surpluses will not be handled in such a way that they will injure the interests of the two countries".

The Ministers observed that more trade flows between Canada and the U.S. than between any other two countries and agreed it is desirable to avoid any action which would interfere with this business "from which the two countries derive such great benefits".

But the Ministers also agreed there must be a drive for freer trade "on a broad front". Gold and dollar reserves of overseas countries were climbing and some import restrictions had been removed but the free world's trade system had to be made "more flexible" to contribute dynamically to a rise in living standards.

Aiding in this looked-for-advance was the work of the U.S. Foreign Economic Policy Commission headed by industrialist Clarence Randall which had proposed U.S. tariff cuts; the work of the Commonwealth Economic Conference and discussions within the organization for European economic co-operation, the communique said.

(over)

The four Canadian Ministers involved in the discussions, Mr. Howe, Mr. Gardiner, Mr. Pearson and Mr. Abbott, had breakfast on Capitol Hill today with eight U.S. Congressmen, including Sen. Alexander Wiley (Rep. Wis), Chairman of the Senate Foreign Relations Committee, and Rep. C.R. Hope (Rep. Kans.) Chairman of the House Agriculture Committee.

U.S. officials said the group discussed economic problems between the two countries.

The Canadian Ministers left by government plane for Ottawa later in the day.

Mr. St. Laurent Acclaimed On Return Home: Ottawa, March 17 (CP) -- Mr. St. Laurent arrived home safely tonight from his world tour. His aircraft touched down at Rockcliffe Airport at 9.25 p.m. EST after a non-stop flight from San Francisco.

The big plane, silvery in the bright moonlight, came out of the west and circled the field before landing at the end of its nine-hour, 21-minute non-stop flight.

As the aircraft taxied toward the terminal, the large crowd that started to gather an hour before the Prime Minister was due began to cheer and an RCAF band struck up O Canada. . . .

Standing before television cameras and radio microphones for a brief interview, Mr. St. Laurent said he was happier than ever to be a Canadian.

"We have not much to envy about the other nations," he said, speaking in French.

The Prime Minister said he has "more confidence that the cold war is not going to be converted into a hot war".

"I am delighted with the way everything went," he said. He paid tribute to the "magnificent crew" which flew his RCAF C-5.

He said there will be no important changes in Canadian foreign policy as a result of his trip. "I think we've got a pretty good policy now."

Housing Legislation: Ottawa, March 17 (CP) -- Proposed regulations under the Government's new housing legislation will meet part of the chartered banks' objections to acting as mortgage lenders, a Senate committee was told today.

Mr. D.B. Mansur, President of Central Mortgage and Housing Corporation, said the chartered banks will be able to carry a mortgage which falls into arrears and later collect 98 per cent of the amount loaned plus a maximum of 18 months interest owing.

Conservative Formula On Income Taxes: Ottawa, March 17 (Gazette) -- A policy resolution based on a new formula to resolve federal-provincial taxation problems was passed today at the annual meeting of the Progressive Conservative Association.

Under the Conservative formula, all income taxes levied by a province which chose to remain outside the federal-provincial tax rental field would be fully deductible from federal income tax - as long as total deductions in the province did not exceed the amount which the province would have collected by signing a tax rental agreement with the federal Government.

Result of the plan - were it to be adopted by the Liberal Government now in office - would be that Quebec's new provincial income tax (based on 15 per cent of federal income tax collections in the province) would be deductible in its entirety. And there would still be leeway for further provincial tax increases without imposing a heavier tax load on the Quebec public.

Across Canada: Mr. Donald Fleming (PC - Toronto Eglinton) said yesterday the Government should not make it convenient for the U.S. Congress to violate trade agreements. Canada should not impose limitations on its export trade to accommodate Congress, Mr. Fleming said in the House of Commons during debate on a bill extending Government export and import trade controls for another three years. . . . Parliament's Restrictive Trade Practices Commission announced yesterday it plans to hold public hearings on the use of "loss leaders" in retail trade. . . . Mr. Prudham says that Canadian gold mines are not making excessive profits or using federal assistance to mine low grades of ore.



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Vol. 5, No. 55.

Friday, March 19, 1954.

**Mr. St. Laurent Reports On World Tour:** Ottawa, March 18 (CP) -- Mr. St.

Laurent today presented the House of Commons with an 11-country travelogue. He received a standing ovation from all parties in the House as he figuratively retraced his flight around the world. Except in one instance, he did not divulge the nature or content of or impressions from his talks with world leaders.

The exception was Korea. Mr. St. Laurent said he had dinner with President Syngman Rhee of South Korea, "who is not too firmly convinced that the (U.S.) State Department is always right; but I did not get the impression that he was going to do very much about it".

By and large, the Prime Minister confined his hour-long speech to generalities. In the first 20 minutes, he was interrupted 11 times by long applause. He referred several times to the high morale of Canadian servicemen in Europe and Korea. Each man was convinced "that he is a Canadian doing a Canadian job for himself and for his fellow Canadians the joint effort to prove aggression to be unprofitable".

Salient quotations from the Prime Minister's speech:

In West Germany: "The leaders in these days in Germany are looking to a future where gains will not be dependent upon war but where they will be the result of good international relations between that country and all its neighbours."

In Italy: "I met the new Prime Minister, Mr. Scelba, and several of his colleagues who are quite firm in their resistance to Communistic influence in their country and quite confident that that resistance is and will continue to be successful."

In India: "The Prime Minister, Pandit Nehru, devoted a lot of time to me, for which I am very grateful. Our conversations were of course, very frank and very intimate . . . He was at great pains to explain his views to me of the historical development of the political regime and economies and the cultural developments of the East, and the results of the ferments that are now taking place among those hundreds of millions of people."

In Indonesia: "I was quite surprised at the fact that there was quite a lot of accurate information about the development that is going on here, and which they found so astounding and so encouraging."

"I got the impression that these people welcomed the development of this Canadian nation as an element that was going to be of benefit to the whole world in its intercourse in the family of nations."

In Korea: ". . . On neither side are there any evidences of preparations for offensive action being made, but . . . on both sides they are very strongly entrenching their existing lines."

In Japan: "I got the impression that they (Premier Yoshida and members of his Cabinet) do not want or expect to see their country at war again."

Conclusion: "I invite you not to complacency but to a feeling that what is being done at the present time is of sufficient value to make it worthwhile to continue doing it."

(over)

Federal Budget April 6: Finance Minister Abbott announced today to the House of Commons that he will bring down his annual budget at 8 p.m. EST, Tuesday, April 6.

The budget is expected to make provision for raising record peacetime revenues in the fiscal year starting April 1, and for that reason will make no substantial cut in the general level of taxation. However, reshuffles in the tax burden from one field to another are possible, though any changes are being kept secret.

The budget will be the Minister's ninth and probably his last. He has said repeatedly in recent years he wants to leave the onerous Finance Ministry.

Mr. Abbott has stayed on up to now mainly to pilot through Parliament the decennial revision of Canada's banking legislation. When that is completed, he is expected either to move to an easier portfolio, assume a judgeship or go back to his law practice in Montreal. There have been reports that he is headed for the Supreme Court of Canada.

His new budget will lay down the ways in which the Government will raise money to finance a spending programme of more than \$4,500,000,000. This compares with the previous peacetime high estimate in last year's budget of \$4,462,000,000.

The all-time peak of federal spending came in the war year of 1943-44 when the Government spent \$5,322,000,000. . . .

Mr. Drew On Senator McCarthy Visit: Ottawa, March 18 (CP) -- Mr. Drew said today the proposed address of U.S. Senator Joseph McCarthy in Toronto April 20 will be "unfortunate".

He asked in the House of Commons if the Government will consider indicating to the U.S. Government "how unfortunate it would be if a man with an official appointment in the U.S. Congress comes to Canada to discuss U.S. political affairs, as it is proposed Senator McCarthy will do".

Mr. St. Laurent replied he will bring the question to the attention of Mr. Pearson, "and have the matter looked into".

C.N.R. Profit \$244,000: Ottawa, March 18 (CP) -- The C.N.R. has come up with its second annual surplus since Parliament streamlined its financial structure in 1951. The publicly-owned system - largest on the continent - made a small profit of about \$244,000 in 1953, Mr. Chevrier said today in the House of Commons. And he said he views its financial outlook for 1954 as "optimistic".

Pure Gold Holdings Over \$1,000,000,000: Ottawa, March 18 (CP) -- The Government's holdings of pure gold have topped the \$1,000,000,000 mark for the first time.

The Bank of Canada monthly financial summary, issued today, shows that holdings of pure gold rose to \$1,007,800,000 Feb. 28, the highest in history.

The official reserves of both U.S. dollars and gold totalled \$1,853,500,000, up \$19,400,000 from \$1,834,100,000 on Jan. 31, and just \$13,300,000 below the all-time high of \$1,866,800,000 on Jan. 31, 1953.

Across Canada: Canada's largest labour body feels that a national lottery conducted by the federal Government or its agency would meet the wishes of the majority of Canadians. Mr. Leslie Wismer, Research Director of the Trades and Labour Congress of Canada, said before a committee yesterday there is so much risk-taking now in illegal lotteries and raffles that it would seem proper to recognize that fact and make lotteries legal. . . . The Bank of Canada will not struggle against any move to expand bank credit under current conditions, Mr. Graham Towers said yesterday. The Governor of the Central Banking Agency said inflationary forces have been checked and interest rates have been declining. . . . Trade between Canada and the U.S. will become increasingly competitive and less complementary during the coming years, Mr. C.G. Parker, Chairman of the Wisconsin paper firm of Kimberly-Clark Corporation and a member of the U.S. Commission on Foreign Economic Policy, told an Empire Club luncheon in Toronto yesterday.

GOVERNMENT



OF CANADA

#2203

Messrs: Gte, Gen. (Beyberry)

AMERICAN DIVISION

AMB

*[Handwritten signatures]*

# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 56.

Monday, March 22, 1954.

**Impending Debate On External Affairs:** Ottawa, March 21 (Globe & Mail) -- Prime Minister St. Laurent, who reported to the House of Commons on Thursday mostly on the tourist aspects of his around-the-world trip, likely will supplement that this week with observations and explanations from the political viewpoint.

The opportunity for a debate on external affairs will be created on Thursday when the customary motion will be moved to refer the estimates of the department to the Standing Committee on External Affairs.

In his speech last Thursday, the Prime Minister indicated there were a few topics on which he would have more to say later. One was the situation in Korea.

He has already said that both sides have built strong defensive lines, either of which would be costly to crack; that intelligence finds no evidence of the enemy preparing to resume the fight; and that South Korean President Syngman Rhee, while not happy about all decisions which have been made respecting his country, left no impression of contemplating a solitary adventure.

The debate affords a logical occasion for the Prime Minister to make a statement on the question of recognizing Red China. . . .

**Supplementary Estimates \$98,000,000:** Ottawa, March 19 (CP) -- Federal spending in the fiscal year ending March 31 will be almost \$5,000,000,000.

The Government today sought parliamentary authority for the expenditure of \$98,214,350 in addition to estimates of \$4,433,466,000 already approved. Today's supplementary estimates, tabled by Finance Minister Abbott, will be the last of the fiscal year.

They bring to \$4,531,680,000 the amount of Government spending in 1953-54 for which parliamentary authority is needed by way of estimates. Besides, the Government will have disbursed around \$300,000,000 in old age security payments, which are covered by a special tax.

The \$4,531,680,000 figure in itself is a peacetime high. It compares with the all-time peak of \$5,332,000,000 in the 1943-44 war year.

**Housing Legislation Now In Effect:** Ottawa, March 19 (CP) -- The Government today boosted the loans ceiling under its new housing legislation to \$12,800 from \$10,000 for a single house, but raised the maximum interest rate to 5½ per cent from 5¼.

The new legislation, which makes loans more expensive but extends the time to pay and cuts down payments on new homes, goes into operation Monday, about three months after it first began rolling through the Parliamentary mill.

**Decided On Russian Artists' Visit:** Ottawa, March 19 (CP) -- The Government hasn't decided yet whether to allow a group of Russian artists into Canada.

Immigration Minister Harris informed Mr. John Decore (L-Vegreville) today in the Commons that Russia has applied for temporary visas for the musicians, singers and ballet dancers.

As is the custom, the Government has sought further information about the artists. This information hasn't been received yet and until it is the Government cannot make any decision.

(over)

**Strategic Goods Diversion:** Ottawa, March 19 (Gazette) -- Mr. Howe charged in the House of Commons today that an unnamed Canadian importer had arranged for a shipment of strategic goods to be "diverted to Russia."

He made the statement while asking the Commons to approve a change in the Export and Import Permits Act making it possible to prosecute Canadians involved in such transactions. The strategic commodity in the diverted shipment was ball bearings, Mr. Howe said. . . .

**Unfreezing Flow Of Sterling:** Ottawa, (CP) -- Mr. Abbott said he welcomes Britain's move to widen the free use of sterling in the non-dollar area.

He was commenting on one of two British Treasury announcements unfreezing the flow of sterling between sterling and other non-dollar areas with the exception of Iran, Turkey and Hungary.

"I welcome this move as further evidence that exchange restrictions are being relaxed," he said.

Mr. Abbott, however, declined to comment on Britain's other move to re-establish a market for free gold in London.

**Mr. Abbott's Last Budget:** Ottawa, March 19 (CP) -- Mr. Abbott said last night his April 6 budget will be his last - positively.

"I thought the 1953 one was going to be the last, but this one is it," he said in an interview.

Mr. Abbott stayed on as Finance Minister for an extra year mainly to supervise the decennial revision of the Bank Act, now before Parliament.

He did not disclose his future plans, but he has been variously reported as ready to move to a less burdensome cabinet job, to a judgeship or back to his private law practice in Montreal.

**C.P.R. Refused Leave To Appeal:** Ottawa, March 19 (CP) -- A Supreme Court of Canada judge today rejected a Canadian Pacific Railway move to appeal a Board of Transport Commissioners decision against a new freight rate system that would result in higher rates.

Mr. Justice Robert Taschereau refused the company leave to appeal to the full court, throwing out a CPR claim that the board had failed to carry out its duties in the rate case. He ruled the board exercised its discretion properly in Feb. 15 judgment.

**Hockey:** (Saturday) Montreal 6, Detroit 1, New York 5, Toronto 2, (Sunday) Montreal 3, New York 1, Detroit 6, Toronto 1, Boston 9, Chicago 5.

**Across Canada:** Four federal by-elections Monday in central provinces provided the first political test of strength since the general election last Aug. 10. The constituencies are Verdun and Gatineau in Quebec and Peel and Elgin in Ontario . . . . The Government is considering whether it should review the permanent residence permit it has granted to Harold C. Banks, Canadian Director of the Seafarers' International Union (TLC - AFL), the Immigration Department said Friday in a parliamentary return tabled in the Commons for Mrs. Ellen Fairclough . . . . The Canadian Government will not try to prevent Sen. McCarthy from making a scheduled speech in Toronto April 20. Mr. St. Laurent said in the Commons it would be "inappropriate" to make representations to the U.S. government with a view of keeping the Senator from speaking in Canada. . . . Premier Duplessis declared Friday that Quebec's new income tax will be fully deducted from federal income tax as far as provincial employees are concerned. This would avoid any increase in tax deductions at the source for the employees.



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Vol. 5, No. 57

Tuesday, March 23, 1954.

**Emergency Powers Act:** Ottawa, March 22, (CP) -- Mr. St. Laurent today said the Government hopes to do without the Emergency Powers Act after May 31 but has made no formal decision because of possible shifts in international affairs.

He said an Opposition motion, describing as "repugnant" to responsible government the powers given the Government under the Act, is merely an attempt to decide Government business before the Government wants it decided.

Opposition Leader Drew won support for the motion from the CCF and Social Credit parties. He charged that the Government had abused its powers under the Act and that Parliament should make it clear that the Government must not ask that the Act be kept in force beyond May 31, present expiry-date.

Mr. St. Laurent said Parliament will have an opportunity to take a stand on the question if the Government seeks another extension in the bill, first passed in 1951 to meet the emergency of the Korean war. It was extended last year to this May 31.

He said there has been no occasion in the last year to use the wide powers over the economy and other individuals. The Government will be happy if it does not use them. Events may develop that would make the powers unnecessary.

Mr. St. Laurent said the question of extension doesn't need to be decided until shortly before the end of May.

Why, he asked, should a decision be made now when circumstances might require it to be changed before May 31? . . . .

**Mr. Pearson Says UN "a Mirror":** Windsor, Ont., March 22 (CP) -- Despite the fact that it has not fulfilled the high hopes of its founding, the United Nations remains the indispensable agent for settling the problems of the world, Mr. Pearson said in an address today.

Failure of the organization to live up to the high promise it showed at its founding is not the fault of the United Nations but rather the fault of its members, he said.

Mr. Pearson spoke at a joint luncheon of the Rotary Club of Windsor, the United Nations Association Windsor Branch and 14 Windsor and Michigan service clubs.

"The United Nations is not a 'super-state', much less a 'super-court,'" he said. "It is a mirror, and if the picture it reflects is not a particularly happy one, the fault does not lie with the mirror."

**Parties Split By-Election Victories:** Ottawa, March 22 (CP) -- The Liberal and Progressive Conservative parties each retained two constituencies in today's four federal by-elections in Ontario and Quebec.

Verdun and Gatineau in Quebec returned Liberal members to Parliament, as they did in last year's election; Peel and Elgin ridings in Ontario again elected Progressive Conservatives.

The results:

Gatineau was won by Dr. Rodolphe Leduc Liberal, in a four-way contest against Progressive Conservative, CCF and Independent candidates. Dr. Leduc, a dentist, was member of Parliament from 1936-45.

(over)

In Elgin, Mr. James McBain, Progressive Conservative, won a straight fight against Rev. Harry Rodney, Liberal. Mr. McBain, 42, is a farmer and former Elgin County warden. His 39-year-old opponent, a Presbyterian minister in St. Thomas, Ont., conceded at 7.25 p.m.

Peel was won by Progressive Conservative John Pallett, 33-year-old lawyer, running against Liberal A.J.C. O'Marra and CCF Lloyd Gane.

Verdun went to Liberal Yves Leduc, a lawyer, in a seven-man contest.

The by-elections, first tests of political strength since the general election Aug. 10, returned party standings in the 265-seat Commons to their position following that election: Liberals, 173; Progressive Conservatives, 51; CCF, 23; Social Credit, 15; Independents, 3. . . .

**"Operation Alert":** Ottawa, March 23, (Dept. of Health and Welfare)-- Eight Canadian cities and 42 United States targets will be "attacked" by "Enemy" aircraft June 14 and 15 in an exercise designed to test the civil defence preparations of North America. The exercise, labelled "Operation Alert", was announced simultaneously by Canadian and United States civil defence authorities.

During the "attack" aircraft carrying atomic, high explosive and incendiary bombs will try the civil defence organizations of Vancouver, Edmonton, Winnipeg, Toronto, Windsor, Fort Erie, Montreal and Halifax.

To cope with the heavy "damage" and "casualties" expected in the mock attack, a Canadian federal emergency operations control centre will be activated near Ottawa and provincial and municipal civil defence organizations in the target areas will swing into action. Incidents of sabotage, biological and chemical warfare may also be encountered during the trial.

Federal Civil Defence officials stated that the purpose of the international test is to promote increased efficiency of existing civil defence organization, to test communications facilities, to provide training for personnel and to develop interest in civil defence. It is hoped that the exercise will reveal where deficiencies exist in the civil defence pattern and show where improvements may be made. . . .

**Quebec's Income Tax:** Ottawa, March 22 (CP) -- The Federal Government will not yield to Premier Duplessis' demands that Quebec's new income tax be deducted fully from Federal income tax payments, well-informed officials said today. Nor will the Federal Government agree to undertake collection of the new provincial tax, they added.

They said Quebec residents, subject to federal and provincial income taxes, will have to make payments on both. They then may claim a five per cent rebate allowed under Ottawa's tax laws at the end of the tax year.

In the meantime the Quebec division of the Canadian Manufacturers' Association has revealed that it has asked Premier Duplessis to make a formal request to the Federal Government for an agreement that would avoid the "evil of double taxation in the Province of Quebec." . . . .

**Across Canada:** The Federal Government will assume exclusive jurisdiction over Newfoundland fisheries March 31, it was announced yesterday. The announcement by Fisheries Minister Sinclair followed two days of discussion here between Federal and Newfoundland Government representatives. . . . Two labour groups yesterday opposed the influence of international unions on the labour movement in Canada. This view was presented to federal Ministers in briefs from the Amalgamated Unions of Canada and the Canadian Association of Railwaymen, both all-Canadian bodies. . . . The CNR, with all-time record revenues in 1953 ended the year with a tiny surplus. Falling traffic and increasing costs left the publicly-owned system--Canada's biggest corporate business--with a surplus of \$244,017 on a gross of \$696,622,451. President Donald Gordon termed the profit "disappointingly small" in the CNR's annual report tabled yesterday in the Commons.



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INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 58

Wednesday, March 24, 1954.

**February Exports Higher:** Ottawa, March 23 (CP) -- Canada's exports, which dropped sharply in January, recovered in February. But as in the previous month, Canada continued to import more than she exported. Exports edged ahead fractionally to \$279,800,000 in February from \$279,600,000 a year ago, pushing the January-February total to \$545,200,000, the Bureau of Statistics reported today.

This, however, was down by about \$55,000,000 from \$600,900,000 in the similar 1953 period. The drop was caused by the January decline.

Imports decreased during February for the second consecutive month, with Canada's purchase slipping to \$300,300,000 from \$310,100,000 in February last year. January-February imports totalled \$582,200,000, down from \$637,800,000 in the similar 1953 period.

With Canada importing more than she exported, the country had a deficit of \$20,500,000 during that month, down from \$30,500,000 last year. The two-month deficit of \$37,000,000 was virtually unchanged from the \$36,900,000 deficit a year ago.

February's exports to the United States continued to show some weakness, slipping to \$171,900,000 from \$176,800,000 in February, 1953. Shipments to Britain increased to \$44,900,000 from \$36,400,000, but exports to all other Commonwealth countries were cut by half to \$11,900,000 from \$22,400,000. Sales to all other countries rose to \$51,100,000 from \$44,000,000.

Imports from the U.S. declined to \$224,000,000 from \$241,000,000. . . .

**Emergency Powers Act:** Ottawa, March 23 (CP) -- The House of Commons has defeated an Opposition motion describing powers contained in the Government's Emergency Powers Act as "repugnant" to responsible government. The vote was 134 to 68.

The motion was presented to the House yesterday by Mr. Drew who said the government had abused its powers under the legislation. He said Parliament should not be asked to extend the act beyond May 31.

Mr. Clarie Gillis (CCF - Cape Breton South) split with his party and voted with the Liberals against the motion which he described as a "propaganda" move by the Opposition. Other CCF members, the Social Credit group and three Quebec Independents voted with the Opposition.

The Liberals took the view that the motion casts a reflection on an act passed by the last Parliament. They said the Opposition should have introduced a bill to repeal the Emergency Powers Act.

Mr. Garson said the Opposition "is asking that this Parliament in 1954, move a vote of want-of-confidence in itself for what it did in 1953."

The legislation was passed in 1951 to meet the emergency arising out of the war in Korea and the increased Communist threat to Western security. It was renewed last year to May 31, 1954. . . .

**Quebec Income Tax:** Ottawa, March 23 (CP) -- Three Independents and two Progressive Conservative members from Quebec tonight asked the Federal Government to allow full deduction of Quebec's new income tax for purposes of Federal income tax payments. There was no reply from the Government.

Mr. Paul Gagnon, Independent member for Chicoutimi, initiated the debate with a proposal to allow the full deduction. He was supported by Mr. Philippe Picard (Ind-Beauce), Mr. Fernand Girard (Ind-Lapointe), Mr. Leon Balcer (PC-Trois-Rivieres), and Mr. Robert Perron (PC-Dorchester). All spoke in French.

They used the argument that the provincial income tax will bring into Quebec coffers about \$23,000,000, an amount far below the subsidy offered by the Federal Government for rental of direct taxation.

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Mr. Balcer said the Federal Government offered Quebec an annual subsidy of \$123,000,000 if that province would sign a taxation agreement. . . .

Wheat Crop Marketing Difficult: Ottawa, March 23 (CP) -- Mr. Howe said today Canada's grain officials are being "run ragged" trying to market last year's wheat crop. He said the present crop year is "as difficult a year for the Wheat Board and Grain Commissioners as any we have ever had."

Mr. Howe was replying in the House to a request by Mr. Hazen Argue that the Canada Grain Act be given a thorough study by the Commons Agriculture Committee,

The Minister in charge of grain marketing said he would not object to calling the Wheat Board and the Board of Grain Commissioners before the Committee for one or two weeks. But he was not prepared this year to make unusual demands on the time of either Board while they were being "run ragged" in trying to market last year's bumper grain crop. . . .

Would Limit Creation Of Money In Canada: Ottawa, March 23 (CP) -- The Opposition's financial critic urged Parliament today to place a lid on the amount of money that can be created in Canada.

Mr. James Macdonnell told the Banking Committee that currently there is no limit on the amount of money which can be created by the Government. There was the "terrible danger," he said, of some "irresponsible" government getting into power and increasing the money supply indiscriminately as an election incentive. . . .

Stanley Cup Playoffs: Canadiens 2, Boston 0; Detroit 5, Toronto 0.

Across Canada: Mr. Coldwell said last night in a political broadcast that Canada should help arrange a cease-fire in Indo-China, recognize the Chinese Communist Government and take part in an "international war on poverty." . . . Whipping is an unpleasant but necessary form of punishment, a veteran penitentiary official said today. Warden R. M. Allan of Kingston Penitentiary said corporal punishment is "very definitely" a deterrent to crime among prisoners in the 16-24 age group. . . . Appointment of a three-man fact finding committee to study the province's ailing gold industry was announced yesterday by Ontario's Premier Frost.



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Vol. 5, No. 59.

Thursday, March 25, 1954.

Aid For India: (Press Release No. 16, March 25) -- The Department of External Affairs announced on March 25 that at the request of the Indian Government Canada has agreed to allocate \$5 million of the funds which have been appropriated for Colombo Plan purposes to the purchase of copper and aluminum for use in India's economic development programme. It is expected that \$3.5 million of this amount will be spent for the procurement of aluminum rods and bars while the balance of \$1.5 million will be used to supply electrolytic copper.

The provision of these industrial raw materials under the Colombo Plan will assist Indian development in two ways. Firstly, the copper and aluminum will be used for the production of transmission lines and other electrical equipment required for hydro-electric installations under construction in India. Secondly, these materials will be sold to Indian manufacturers, and will thus provide the Indian Government with rupee revenue for its Five-Year Development Plan. . . .

Quebec Income Tax Debate: Ottawa, March 24 (CP) -- The Government will announce its stand on Quebec Province's new income tax in Mr. Abbott's budget statement April 6.

Prime Minister St. Laurent informed the House of Commons today it can expect to learn the Government's position then on the question of whether deduction of the provincial tax will be allowed from Federal income tax payments. He was replying to a question by Mr. Leon Balcer (PC - Three Rivers).

Mr. Balcer was one of five Opposition members from Quebec who urged in a House debate yesterday that the full amount of the new Quebec income tax be deductible from federal income tax payments.

The Quebec tax will amount to about 15 per cent of federal income tax collections in the province. Present federal tax laws permit deductions of only five per cent of the federal payments.

As debate on the question resumed today Mr. Wilfred Lacroix (L - Quebec Montmorency) said he supports the principle of allowing full deduction of Quebec's income tax. . . .

Soviet Asks Shipbuilding Costs Here: Ottawa, March 24 (CP) -- The Soviet Embassy has opened inquiries with a view to ascertaining the price of constructing various types of ships in Canada.

A spokesman for the Canadian Shipbuilding Association said today that an Embassy official made a personal visit to the office and suggested shipyards provide the Embassy with construction costs of four types of vessels: fishing trawlers, fish carriers, tugs and cargo ships.

The Association immediately passed along the request to some 20 shipyard members across the country. Recently Soviet Ambassador Dmitri Chuvahin told a press conference that Russia is interested in promoting trade with Canada and mentioned ships as an example of the type of items Russia would like to buy from Canada.

Canadian Government officials doubted whether Russia would place orders for ships in Canada when she could buy them cheaper overseas.

A Soviet Embassy official reiterated that Russia is in need of ships and is interested in Canadian construction.

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Before Canadian shipyards could export vessels they would have to receive the approval of the Trade Department which maintains a ban on movement of strategic goods to Communist countries.

A Trade Department official said that before Russia could get Canadian ships, consideration would have to be given as to whether such vessels can be converted to war uses.

Unemployment Rise In February: Ottawa, March 24 (CP) -- Unemployment continued to rise during February, the Government reported today.

Labour leaders simultaneously called for federal action to provide jobs and to put more money into the hands of the jobless through increased unemployment insurance benefits.

The Government's figures showed 558,969 persons looking for work through National Employment Service at Feb. 18, compared with the 434,000 in the spring of 1950 that was the post-war high before unemployment set in this winter.

The new total was 35,361 above that of a month earlier and was 157,245 more than at the same time of 1953.

Meanwhile, the Bureau of Statistics - which estimates actual unemployment by "sampling" 30,000 households - calculated there were 312,000 persons out of work for the full week of Feb. 20 and looking for jobs.

This compared with 280,000 a month earlier and with 179,000 in the corresponding week of 1953.

The figures indicated a slowdown in the rate of rise of unemployment.

50 Per Cent Increase In Old Age Pension Urged: Ottawa, March 24 (CP) -- CCF and Social Credit Members of the House of Commons were criticized today by Health Minister Martin for proposing a 50-per-cent increase in the federal old age pension.

Mr. Blackmore urged that \$60 a month be paid to all at the age of 60, instead of the present universal pensions of \$40 at the age of 70.

Mr. Knowles proposed \$60 payments to all starting at 65.

Mr. Martin replied that the suggestions "cannot be taken seriously". They only raised false hopes among Canadians. He said Mr. Blackmore's plan would add \$900,000,000 to the Government's total proposed expenditures of \$5,000,000,000 this year.

Across Canada: The Deputy Minister of Reform Institutions in Ontario says the death penalty for murder should be retained in Canada but recommends an alternate method of execution be investigated. Col. Headley G. Basher supported capital punishment when he appeared as a witness before the Senate-Commons committee on capital and corporal punishment. Hanging is the penalty for murder in Canada, but Col. Basher did not propose any specific alternative. . . . Two members of the five-man tribunal which recommended commutation of the life sentence of German SS Maj.-Gen Kurt Meyer to 14 years were Germans, the Government disclosed today. The information was given in a Parliamentary return tabled in the House of Commons for Mr. Colin Cameron (CCF - Nanaimo), Canadian Press reported. . . . Native Canadian art may soon appear on Canadian postage stamps. Present plans envisage reproductions of photographs as well as artists' drawings of colourful works of art produced by Canadian Indians and Eskimos. The stamps will be in natural colours. Post Office officials say that "serious consideration" is being given to the use of a wide range of native art in the design of stamps.



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Vol. 5, No. 60.

Friday, March 26, 1954.

Mr. St. Laurent On Recognition Of Red China: Ottawa, March 25 (CP) -- Prime Minister St. Laurent said today it would be most unfortunate for Canada to tie itself down to a pledge not to recognize the Chinese Communist Government.

But, he added in an External Affairs debate in the House of Commons, Canada "should not" recognize the Chinese Reds at this time. The Government was not contemplating or considering recognition but it might in the future if conditions changed.

The Prime Minister's statement was largely a reiteration of views expressed in the Far East near the end of his world tour and at a press conference here on his return.

He said he came before the House as a "repentent offender" for his "regrettable transgression" for saying in the Far East that China has the Government the people want. If he had used those words, he had not meant them for no such thought had entered his mind.

He said he had meant that, despite dislike of the Chinese Communist Government, Canada couldn't expect to be able to deal always with governments that it would like to see in power.

"I think it would be most unfortunate to tie ourselves down by declarations and commitments that would make it impossible for us at any time to come to the conclusion that even the diplomatic recognition of China would not be helpful to peace and security in the world. . . .

"The policy of the Canadian Government at the present time is to . . . keep an open mind as to when if ever conditions may be such that it will be in the interest of peace and stability in the world to recognize diplomatically whatever government happens to be in control of the forces of China."

Mr. St. Laurent said it was understood that the presence of Communist China at the Geneva conference to discuss Korea and Indo-China did not imply recognition of the Chinese Reds.

"But it does constitute an admission that that is the Government that is controlling the forces that we have been resisting. . . ."

Mr. John Diefenbaker, Progressive Conservative External Affairs spokesman, contended that Mr. St. Laurent's statement would give encouragement to the Chinese Reds.

It would arouse Communist hopes that China would win recognition despite aggression. Recognition would in turn mean entry of the Chinese Reds into the United Nations with Canadian support.

"No international thug should be able to shoot its way into the United Nations," he said and added that Canadian recognition of Communist China would be a retrograde step.

Canada should make it plain to China at the Geneva conference that there will be no early recognition.

Mr. Coldwell said the Prime Minister had marshalled all the arguments in favour of recognition. The CCF favoured recognition. Though it disagreed with the Communist ideology and its method of obtaining power, the Red Government of China was a fact. Negotiations with the Chinese Reds at Geneva, by inference, would be recognition.

Mr. Pearson led off the debate before a packed diplomatic gallery. Mr. Dmitri Chuvahin, Russian Ambassador to Canada, listened attentively throughout.

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Mr. Pearson did not touch on China, leaving that for the Prime Minister.

He dwelt mainly on the European Defence Community, the Geneva conference, President Eisenhower's proposal on peaceful uses of atomic energy and the United States' "new look" defence policy.

Mr. Pearson gave France and Italy a gentle push toward ratification of E.D.C., which would permit 12 German divisions in a European Army. "Failure to act may be the most dangerous of all possible courses," he said. . . .

Canada Backs President Eisenhower's Proposal for A-Control: Ottawa, March 25, (CP) -- Mr. Pearson said today Canada fully endorses President Eisenhower's "modest" proposal for international control of Atomic energy.

The proposal, made by the United States President last autumn, calls for the establishment of an international body to control atomic energy.

However, Mr. Pearson said, there are many questions about the proposal which must be answered. For example, should this international commission hold an international stockpile of uranium and other fissionable material? If so, where?

Should the commission allow various countries to draw on the stockpile in the proportion to which they contributed? Should the commission construct, own and operate reactors or limit itself to the giving of technical assistance to countries with atomic development programmes? How should the commission be linked with the United Nations? Finance? How should its membership be determined?

Mr. Pearson On U.S. Defence Policy: Ottawa, March 25 (CP) -- Mr. Pearson said today the new United States defence policy makes consultation among western allies "more important than ever before".

He said in the House of Commons that clarifications of the policy statement Jan. 12 by U.S. Secretary of State Dulles have provided "a fairly clear and reassuring idea of what this new strategy and this new planning for defence is".

"The one thing it does make clear in this interpretation . . . is that diplomacy and consultation . . . is under this doctrine not less important than ever before.

"Any decisions must surely be collective whenever that can be done, before action has to be taken."

Investment In Canada Sets Record: Ottawa, March 25 (CP) -- The flow of capital for direct investment in foreign-controlled industries in Canada rose to an all-time high of \$385,000,000 in 1953. Most of it went towards expanding oil and mining developments.

Direct investment is that portion of foreign investment aimed at expansion of Canadian branches and subsidiaries of companies rooted in other lands.

The Bureau of Statistics in an annual survey, estimated that by far the biggest portion of the 1953 total - up from \$332,000,000 in 1952 - came from the U.S. But Britain's share was growing.

Across Canada: Foreign ministers of North Atlantic Treaty countries will meet three days before April 26 opening of the Geneva conference on Far-Eastern problems, Mr. Pearson said yesterday. He said there would be only one item on the agenda - an exchange of views on international affairs. . . . Mr. Coldwell suggested yesterday that Canada ask the United States to cancel plans to explode another hydrogen bomb in the Pacific Ocean. Mr. Coldwell said during the debate on foreign affairs that there had been general alarm over the March 1 hydrogen bomb explosion. . . . Hollywood's sense of history was raised in Parliament yesterday when an RCMP veteran, Maj.-Gen. Pearkes, charged that the film "Saskatchewan" distorts Canadian history and puts the Mounties in a bad light. . . . Stanley Cup Hockey Playoffs: Montreal 8, Boston 1. Toronto 3, Detroit 1.



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Vol. 5, No. 61.

Monday, March 29, 1954.

Mr. Drew On China Policy: Ottawa, March 26 (CP) -- Mr. Drew contended today that Canadian recognition of Communist China would increase the prospects of war. Appeasement did not bring peace, he said. Instead, it was the one sure way to invite a tyrant to start war.

"... By every sign of encouragement offered either to the Kremlin or to their associates . . . we are indeed actually increasing the prospects of war."

Mr. Drew was speaking in a House of Commons external affairs debate started yesterday when Prime Minister St. Laurent said the Government is not contemplating recognition now but that it might in the future.

"We want no compromise with the devil," Mr. Drew said.

"When we talk of recognition of the Government of Communist China, let us remember that we are talking of recognizing a Government whose hands are still red with the blood of young Canadians. . . ."

Mr. Drew, who spoke for almost two hours, said recent statements attributed to Mr. Pearson that Canada might consider recognition if there were no new aggression by China were reminiscent of statements made by former British Prime Minister Neville Chamberlain after Munich.

The Chinese Communists, of course, would promise no new aggression because they would promise anything to gain their ends.

Mr. Drew said he wants to raise his voice "against any possibility of Canada saying at Geneva that there will be recognition only upon the basis of some assurance by Communist China, which has been declared an aggressor by the United Nations".

He said the Geneva conference "can be either a second Munich or it can be a glorious restatement of the principles of Versailles in 1919 and the principles written into the United Nations charter at San Francisco in 1945". . . .

Mr. Colin Cameron, M.P., On Western Policy: Ottawa, March 26 (Gazette) -- A CCF member of Parliament, Mr. Colin Cameron (Nanaimo), rocked the House of Commons today by entering a qualified defence of the conduct of Russia and Red China in the postwar world, by attacking Western policy and by charging that the Western democracies had made "deliberate attempts" to "sabotage" the Berlin conference before it ever took place.

The British Columbia Socialist, serving his first term in Parliament came under the fire of Mr. Drew who described his attitude as "strange and indefensible" and who added that the CCF member had spoken in terms not used in the Commons "since the departure of Mr. Fred Rose".

Mr. Cameron's address, delivered as the Commons foreign policy debate entered its second day, was received in silence punctuated by occasional derisive interjections. . . .

Appointments: (Press Release No. 17), March 29 -- The Secretary of State for External Affairs on March 29 announced the appointment of Mr. C.S.A. Ritchie as Canadian Ambassador to the Federal Republic of Germany and of Mr. E.W.T. Gill as Canadian High Commissioner to the Union of South Africa.

In Bonn Mr. Ritchie, who accompanied the Prime Minister on his around-the-world tour and who up to recently had been Deputy Under-Secretary of State for External Affairs, will succeed Mr. T.C. Davis, who is returning to Canada on home leave. In Pretoria Mr. Gill will

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succeed Mr. T.W.L. MacDermot, who was appointed Canadian Ambassador to Greece in March. Mr. Ritchie will take up his post in May and Mr. Gill in July.

Recalling V-Bonds: Ottawa, March 26 (CP) -- The Government today announced it will redeem almost \$2,000,000,000 worth of Victory bonds this year before maturity.

The Finance Department announcement, which will involve one of the biggest refunding jobs in recent history, gave notice of the redemption of the third and fourth Victory bonds.

The three-per-cent third Victory loan bonds, issued Nov. 1, 1942, to mature Nov. 1, 1956, will be called next June 1. The amount outstanding is \$847,136,050.

Fourth Victory loan bonds, also three per cent, issued May 1, 1943, to mature May 1, 1957, will be redeemed next Oct. 1. The outstanding issue totals \$1,111,261,650. Interest will cease on the day the bonds are called.

Bondholders will be paid \$101.26 for every \$100 bond on the date of redemption.

Re-Appraisal Of Civil Defence Plans: Ottawa, March 26 (CP) -- Recent United States and Russian thermo-nuclear explosions call for a re-appraisal of civil defence preparedness plans, Health Minister Martin said today.

In a statement announcing a two-day federal-provincial civil defence conference opening here Monday, the Minister said the discussions will take on added significance in the light of recent atom blasts.

He mentioned the major tests by the United States at Eniwetok Atoll in November, 1952 and Bikini last March 1. Since the last federal-provincial conference in 1952, he noted, the United Kingdom authorities had conducted their first atomic tests and Soviet scientists exploded a thermo-nuclear device in August, 1953.

"All of these factors, plus the knowledge available to Canadian authorities as a result of these incidents, will necessitate a re-appraisal of provincial and local civil defence preparedness plans," he said.

Mr. Pearson On Consequences Of 3rd World War: Ottawa, March 28 (CP) -- A Third World War accompanied by the "horrible devastation" of new atomic and chemical weapons would destroy civilization, Mr. Pearson said today.

"Should we ever get into World War Three, there probably won't be more than a handful of people left," Mr. Pearson said at a meeting of the Ottawa Catholic Youth Organization.

He referred to the recent explosion of a hydrogen bomb in the South Pacific as "more devastating than all the bombs dropped on Germany and Italy during the last war".

Mr. Pearson said the West's greatest problem is to make sure that Asia marches in the right direction. The development of 800,000,000 Asians would be of great importance "long after Communism, allied to the strength of Russia, is destroyed".

"And it will be destroyed," he added.

Across Canada: The big Algoma Steel Corporation plant here went gradually back into production Friday following an unauthorized walkout by 100 men which forced 3,000 other workers off the job and virtually closed the plant. An Algoma spokesman said, however, that it will take some time for the plant to get back into full production following the almost plant-wide shutdown which lasted two days. . . . Seven new provincial ridings were proposed Friday by the Ontario Legislature's select committee on redistribution. . . . Changed will be made in the dates for commercial and sport fishing for Atlantic salmon in Nova Scotia and Quebec. Generally opening dates will be later this year. . . . The Army announced today it will enrol 500 apprentice soldiers 16 years old this summer. . . . Immigration Minister Harris announced Friday that Citizenship Day will be held this year on Friday, May 21. . . . NHL Playoffs: (Saturday) Detroit 3, Toronto 1. (Detroit leads best-of-seven semi-final 2-1.) (Sunday) Montreal 4, Boston 3. (Montreal leads best-of-seven semi-final 3-0).



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Vol. 5, No. 62.

Tuesday, March 30, 1954.

External Affairs Debate: Ottawa, March 29 (CP) -- A Progressive Conservative asked the Government tonight if it will consult Parliament before committing Canadian soldiers to military action in the event of an attack by Russia or some other aggressor in Europe.

Mr. Davie Fulton, Kamloops, asked his question in the House of Commons as a debate on external affairs which started last Thursday was resumed. He said Parliament is entitled to demand a statement from the Government concerning policy on consultation of Parliament before sending Canadian troops into action.

He said the North Atlantic Treaty stipulates that an attack on a member country is an attack on all and that all shall act "forthwith" in the defence of the attacked country. Yet, Mr. Fulton said, in March 1949, during a debate in the House of Commons Mr. Pearson said Parliament would be consulted on any Government commitments.

Mr. Fulton said the concept of consultation between the Government and Parliament on the question of sending Canadian troops into action is an old established principle.

There also was the question of international consultation among nations. Mr. Fulton cited United States State Secretary Dulles' "mass retaliatory" policy.

He asked what assurance will there be that if the United States acts after attack that Canada will be consulted. He quoted Mr. Pearson as saying Mr. Dulles told him Canada would be consulted.

Mr. Fulton said Mr. Dulles' answer to Mr. Pearson was in effect that the U.S. "as a general rule" will consult Canada "wherever possible". Mr. Fulton asked what sort of assurance is this?

It was pretty fatuous to assume there always would be consultation between the two countries.

Mr. John Blackmore (SC - Lethbridge) said tonight recognition of Red China in effect would be a victory for Russia.

Increased Grants In Lieu Of Taxes: Ottawa, March 29 (CP) -- The Government plans to increase grants paid to municipalities in place of local taxes on federal property. Mr. Abbott told the House of Commons today he hopes to introduce legislation next week to amend the municipal grants act.

He made the statement in reply to a request by Mr. E.G. McCullough (CCF - Moose Mountain) for an increase in the present grants. Municipalities now receive grants if federal property comprises four per cent or more of a community's total assessment. The federal Government assesses the value of the property.

Mr. Abbott told Mr. Stanley Knowles (CCF - Winnipeg North Centre) the Government will continue to make its own valuations.

The question arose as the Commons dealt with supplementary estimates of spending totalling \$98,214,350 for the fiscal year ending Wednesday, March 31.

The House authorized the expenditures, in addition to estimates of \$4,433,466,000 already approved. In addition, the Government has spent about \$300,000,000 in old age security payments during the 1953-54 year, which are covered by a special tax.

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Passage of the supplementary estimates was made during a sitting in which the House of Commons also provided a cash advance of \$530,945,824 for the Government to pay bills during the next two months.

The interim supply bill was cleared through the Commons in a matter of minutes. It will be considered by the Senate tomorrow. The cash advance is needed because Parliament has not yet voted the total of \$4,491,751,000 in main estimates for the coming fiscal year starting April 1.

C.N.R. Revenues Down: Ottawa, March 29 (CP) -- The CNR's revenues are below expectations this year to date, but the company thinks it has spotted a slight upward turn in the last week or so.

President Donald Gordon gave this information to the House of Commons Railway Committee as it launched into its annual survey of the publicly-owned company's 1953 report and its 1954 outlook.

Despite a cut in the company's 1954 budget forecast of revenues from 1953, Mr. Gordon said, revenue up to March 21 was down by about \$6,900,000 from the estimate.

If an upturn does not develop, he said, the CNR may be in for "a very bad year".

"We believe we can detect just a turn in the last week or so," he told the Committee. "We are not sure, but we think that is what it is."

Lost \$69,187,628 In Meat Dealings: Ottawa, March 29 (CP) -- The House of Commons today voted \$37,758,894 to cover the last part of the cost of maintaining beef and pork prices during the 1952 epidemic of foot-and-mouth disease.

Mr. Abbott announced that the Government lost \$69,187,628 in its meat dealings as a result of the disease outbreak.

Today's vote of money was in addition to some \$32,000,000 approved by Parliament last year.

The losses were incurred when the Government stepped in to purchase beef and pork after the outbreak of the disease, when the United States closed its markets to Canadian meat for more than a year.

Mr. Abbott said the Government has no substantial amount of meat remaining on its hands.

Across Canada: Five paintings by European artists will be purchased from a centuries-old art collection for the National Gallery of Canada. The House of Commons yesterday authorized expenditure of \$360,000 for the group purchase from the collection of Prince Franz Joseph II of Liechtenstein. Citizenship Minister Harris said the purchases will be a continuation of a policy of buying representative pictures from the Liechtenstein collection. . . . Toronto's \$50,000,000 subway is to be officially opened today. . . . The Quebec Finance Department has mailed only a limited number of forms for computation by business firms of the new provincial income tax, a Government spokesman said last night. The bulk of them will be mailed "during the first days of April", according to Canadian Press.

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Vol. 5, No. 63.

Wednesday, March 31, 1954.

External Affairs Debate: Ottawa, March 30 (CP) -- The Progressive Conservatives today in the House of Commons renewed their attack on any recognition of the Chinese Communist Government.

Mr. Howard Green (PC - Vancouver-Quadra) said Mr. St. Laurent had been "completely, utterly and absolutely unrealistic" when he had said in the Far East that Canada must be realistic and sooner or later is bound to recognize the Chinese Reds.

Mr. Green said recognition is the top Communist objective and that Communists had spread propaganda "all over the world" that Red China must be recognized. While the Prime Minister had been saying that Canada must be realistic about recognition, the French in Indo-China were engaged in heavy fighting with the Communist rebels. At the same time, Red China was guilty of 40 violations of the Korean truce.

"... In dealing with Communists it is unwise to say that we will have to give, eventually, what they are asking for. To them... that is only appeasement and an invitation to demand more.

"General recognition would constitute a tremendous victory for Communism right across the world.

"We will have in effect Communist beach-heads set up in this country by having a Chinese Communist Ambassador in Canada, a Communist Consul in Vancouver and perhaps in other centres.

"Surely we must remember that Communist promises have no value," Mr. Green said.

He added that he hoped Mr. Pearson, at the Geneva conference on Korea and Indo-China "will not be led down the garden path of Communist promises that they are going to be good boys in the future".

Mr. Elmore Philpott (L - Vancouver South) said the Progressive Conservatives, who prided themselves on Empire ties, were following American policy of non-recognition instead of Commonwealth policy.

Canada's Asian partners in the Commonwealth favoured recognition, not because they agreed with Communism but because they wanted to deal with the Government in control of China.

Mr. Philpott said he hoped that conditions worked out in the next few months so that Canada could take a step toward recognition. To avoid a new world war, the West would have to sit down with its enemies and reach a live-and-let-live agreement.

Mr. H.W. Herridge (CCF - Kootenay West) said the PC's in the Commons held a different view of recognition than the Conservatives in the British House of Commons. The British Conservative Government had taken a common-sense view that it should continue recognition made by the Labour Government in 1949.

Mr. Herridge said it was most dangerous to consider rearmament of Germany because the "same old gang" was assuming power again. He said many veterans in his riding held this view and quoted the late Field Marshal Lord Wavell as saying here in 1949 that a rearmed Germany was the greatest menace to peace in the world.

The main ambition of the German officer corps and many industrialists was to "retrieve their tattered reputations by war".

Mr. Herridge said Mr. John Foster Dulles, U.S. State Secretary, had taken a rather independent attitude toward U.S. consultation with

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its allies. Mr. Dulles apparently was trying to frighten Russia but he was succeeding more in frightening U.S. allies.

Mr. Gordon Churchill (PC - Winnipeg South Centre) said the Progressive Conservatives hadn't said that Communist China should "never" be recognized.

It was in Canada's own self-interest to obtain a settlement in Indo-China because France's difficulties in the North Atlantic Treaty Organization stemmed from her difficulties in Indo-China. And Canada looked upon NATO as the cornerstone of its foreign policy.

Mr. Dulles' New York Speech: Ottawa, March 30 (CP) -- Mr. Pearson says he does not believe that Canada will be affected by State Secretary Dulles' statement that the free world should take united action to prevent Communist conquest of Indo-China and Southeast Asia.

He made the comment today in the House of Commons after Opposition Leader Drew asked whether Canada was informed in advance of the text of Mr. Dulles' speech. Mr. Drew noted that the United Kingdom Foreign Office had been advised of the contents before Mr. Dulles spoke.

Mr. Pearson said the Government was not informed in advance of the speech delivered last night in New York by Mr. Dulles to the Overseas Press Club of America. Canada also was not consulted before the speech was made.

He said it could not be expected that Mr. Dulles would supply Canada with an advance copy of every speech he made.

Hydrogen Bomb Explosions: Ottawa, March 30 (CP) -- Results of United States hydrogen bomb explosions are expected to be made available to Canada.

Mr. Pearson made this statement in the House of Commons today in reply to Mr. Stanley Knowles (CCF - Winnipeg North Centre). Mr. Knowles asked whether the Government had received any information on last Friday's explosion or future tests.

Mr. Pearson said the Government has received no information on last Friday's explosion. However, it knew that another explosion was planned shortly.

There was a qualified Canadian scientific official in Washington. No doubt he would be given the results of the recent explosion and any future tests.

To Market About 600,000,000 Bushels Of Grain: Ottawa, March 30 (CP) -- Mr. Howe today estimated that Canadian farmers will market about 600,000,000 bushels of grain in the 1953-54 crop year.

"If we attain this figure of marketing in 1953-54, the total volume of grain marketed from the bumper-crops of 1951, 1952 and 1953 will amount to nearly 2,200,000,000 bushels," he said in the House of Commons.

"This is a very large record of marketings over a period of 36 months."

He replied to a question by Mr. John Diefenbaker who asked for information on how Canada expects to dispose of its stored wheat before the next crop.

Almost all available wheat storage space is clogged. Some wheat is stored in ships berthed for the winter in the Great Lakes and in Montreal.

Ambassador Of Japan: (Press Release No. 18, March 30) -- His Excellency Koto Matsudaira presented today to His Excellency the Governor-General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Japan to Canada.

Across Canada: Mr. Graham Towers said that final responsibility for any monetary expansion in Canada must rest with the Government. That was his reply to a proposal by Mr. J.M. Macdonnell that Parliament should have some check on the central bank's power to increase the money supply. . . . Spokesmen for Canada's leading Protestant churches said they are opposed to all forms of gambling - including state lotteries, charity raffles and church bazaars. . . . Stanley Cup Playoffs: Montreal 2, Boston 0. (Montreal wins best-of-seven semi-final 4-0). Detroit 2, Toronto 1. (Detroit leads best-of-seven semi-final 3-1).

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Vol. 5, No. 64.

Thursday, April 1, 1954.

Seek Clarification Of Indo-China Statement: Ottawa, March 31 (CP) -- The Government is attempting to obtain the exact meaning of State Secretary Dulles' statement that the free world should take united action to prevent Communist conquest of Indo-China and Southeast Asia.

Mr. Pearson said today in the House of Commons that he cannot comment on the statement until he knows what it means.

"As a Government and as a Parliament we should try to study it and find out what is involved in it before we are asked to commit ourselves to unreserved support or indeed to criticize it," he said. "But I suggest it is not the time when we should be asked to line up behind it, ahead of it or against it, especially until we find out what is meant by the very important words 'united action'."

Steps had been taken to obtain an analysis and explanation of what the statement meant.

Mr. Pearson said, however, there is a real danger in the extension of Communist aggression to Indo-China. There also was danger in not supporting the existing Asian democracies as an obstacle to the extension of Communism in Asia.

He said:

"I suggest that the basis of Asian security today is not only collective action against Communist aggression of the kind that has been indicated, but the basis of such security should be in strengthening Asian democracies and giving them all the support we possibly can."

Mr. Pearson said he denied allegations by Mr. Howard Green (PC - Vancouver-Quadra) that he "pooch-pooched" the importance of Pacific security arrangements. Mr. Pearson previously told the House that Canadian membership in Pacific security pacts was not practical.

The last meeting of the ANZUS Council in Washington Sept. 9 and 10, 1953, issued a statement that to attempt to enlarge membership would not contribute directly and materially to strengthening the defence of the area. . . .

International Security: Ottawa, March 31 (Montreal Gazette) -- Mr. Pearson warned Parliament today that recent developments in the field of thermo-nuclear weapons meant that "there must be some relinquishment of national sovereignty" by Canada and other free nations in order to erect more effective "international establishments". He spoke at the close of a protracted foreign policy debate.

His remarks were made in answer to questions raised during the debate about recent hydrogen bomb explosions and about the meaning of Prime Minister St. Laurent's recent world tour declaration, made at Bonn, that NATO countries might seek the solution to many of their problems in a "closer integration of their national resources and of their machinery of government".

Replying to these questions today, Mr. Pearson declared, in part:

"I think the lesson of the events of the last two or three days drives home that feeling that there is no security for us, except in closer and closer international security and more effective international establishments to protect national security.

"And in bringing this about - this has been said in other Parliaments than ours - there must be some relinquishment of national sovereignty,

(over)

because the world is too small for jealousies about national sovereignty in the circumstances of today. This, as a matter of fact, is not in one sense giving up national sovereignty at all. It consists, as Wendell Wilkie used to say, of making national sovereignty work for us in the interests of national security. . . ."

Cameron Statement Absurd, Says Mr. Pearson: Ottawa, March 31 (CP) -- Mr. Pearson today replied to a CCF member's charge that the West "sabotaged" the recent Berlin conference on unification of Germany. Mr. Pearson said the statement, by Mr. Colin Cameron (CCF - Nanaimo) was unfair and absurd. . . .

Mr. Pearson said the Western proposals were based on free elections and the formation of a united German Government which would have full power to determine its own foreign policy.

"It seems to me to be most unfair, indeed absurd, to talk about a proposal of that kind in contrast to the Soviet proposal on the same subject as sabotaging the Berlin conference," he said.

Trade Agreement With Japan: Ottawa, March 31 (CP) -- Canada, in a move designed to protect her growing Oriental market, agreed today to cut tariffs on Japanese goods. But she reserved the right to impose heavy duties if imports seriously threaten Canadian industry.

Japan, gratified with this concession for which she has been striving for some years, agreed in exercising exchange and import controls to accord Canadian goods treatment equal to that given goods from the United States and other dollar countries.

In addition, Japan will give special financial and import treatment to nine Canadian products, constituting the bulk of Canada's \$119,000,000 exports to Japan last year.

These are: wheat, barley, wood-pulp, flaxseed, primary copper, lead and zinc, synthetic resin and milk powder. On these products Japan will not only accord Canada treatment equal to other dollar area countries but also equal to goods from the sterling area.

Says Far North Bars Land Fighting: Ottawa, March 31 (CP) -- Home from a flight over the North Pole and much of the Canadian Arctic, Mr. Claxton said today armoured or infantry formations will never be able to fight in the Far North.

Any thrust from an enemy across the North, he said at a press conference, would be an aerial one and could not be met by foot soldiers or armoured units.

"It's too rough and too cold," he said.

Across Canada: A further four or five-month delay in start of construction of the St. Lawrence River power project can be expected, the Ontario Legislature was told by Mr. George H. Challies. . . . Business men in many parts of the world want to open branch plants in Canada. The Trade Department, in its annual report, estimated that letters from 445 firms in 30 countries reached the Department last year seeking information on establishing branch plants. . . . Western farmers will have about 300,000,000 bushels of grain on their hands next Aug. 1 if the marketing target for the present crop year is met, Trade Minister Howe estimated. . . . Senator J. Walter Jones, 75, former Premier of Prince Edward Island, died yesterday in his room in the Parliament Buildings.

GOVERNMENT



OF CANADA

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Vol. 5, No. 65.

Friday, April 2, 1954.

Mr. Pearson On Soviet Proposals: Ottawa, April 1 (CP) -- Mr. Pearson warned today that Russia's new proposal for European security may be a "propaganda trap" aimed at delaying Western Europe's defence measures. He suggested that Russia work through the United Nations if it wants to assure world security.

Mr. Pearson gave Canada's views on the new Soviet proposal as he concluded an extended foreign policy debate in the House of Commons.

"We cannot afford to fall into propaganda traps," he said. "Both the timing and the substance of the Soviet proposals suggest that they may be designed chiefly to cause a delay in the ratification and implementation of the treaty to establish the European Defence Community."

The West should not reject without consideration any serious proposal for a settlement put forward by Russia. However, he added, "the West cannot afford to put off decisive acts which are necessary for our self-defence merely in exchange for Soviet words or promises".

Mr. Pearson indicated the proposal will be studied at the North Atlantic Council meeting which starts April 23 as "the appropriate forum for consultation on this matter".

At first sight the Soviet proposal that it join NATO seemed "almost disingenuous". NATO was based on mutual trust between governments.

"It is worth remembering, however, that we and the Soviet Union and all the members of NATO belong to a universal collective security organization in the United Nations.

"If the Soviet Union now is prepared to make this organization effective we should certainly welcome that and the possibilities for co-operation in this field. The universal basis is there and has been there since the United Nations was founded."

Mr. Pearson said he is not saying Russia is completely insincere in professing a desire to join the West in a plan for collective security.

"I do not know . . . but I think one can be pretty sure of this. It would be fatuous to suppose, after the events of the last 10 years, and while millions of people in Europe are held in subjection, that the fears and suspicions which Soviet actions have engendered in the minds of most of us west of the Iron Curtain will be easily or quickly removed by a few diplomatic notes.

"Those fears were indeed engendered not by words but by deeds."

The West would listen, however, to any serious proposal from Soviet rulers if they sincerely desired peace.

"We will persist in our determination to meet any genuine overture to peace halfway, and indeed more than halfway."

No one wanted to reject out of hand any proposal containing a chance of good results.

"In a world of hydrogen weapons, genuine misunderstandings, if they hardened into a belief on either side that sincere negotiations were impossible, could have nothing but tragic consequences for everybody."

The West must make a continued effort to negotiate world problems.

"If this negotiation is to go on, our diplomacy should be characterized by flexibility as well as by strength, and we should not mistake flexibility for weakness or rigidity for strength."

(over)

He took issue with the statement of Opposition Leader Drew that the hope of lasting peace is strengthened by the fact that no country would dare to use the hydrogen bomb.

"Can anyone get any real comfort or assurance of security, or that we are really nearing lasting peace from the prospect of two implacably hostile power groups facing each other in fear and animosity with their hydrogen bombs ready?"

The West should beware of provoking a potential aggressor "by driving him, maddened and hopeless, into a corner".

Urges Crime Comics \$25,000 Fine: Ottawa, April 1 (CP) -- Stiffer penalties for publishers of crime comics - five years in prison or a \$25,000 fine - were proposed in the House of Commons tonight.

Mr. Davie Fulton, Progressive Conservative member for Kamloops who four years ago was instrumental in getting a legal ban on sale, publication and distribution of crime comics, made the proposal.

Justice Minister Garson opposed Mr. Fulton's amendment to the Criminal Code which now is before Parliament for revision.

Says U.S. Action Breach Of Trade Pact: Ottawa, April 1 (CP) -- Mr. Howe said today that the United States decision to curtail rye imports is a breach of an international trade pact. However, Canada would make no "earth-rending" effort to get President Eisenhower to rescind the order.

Mr. Howe was commenting in the House of Commons on the decision announced by the President yesterday that U.S. imports of rye - of which Canada has large quantities - will be cut sharply for the remainder of the current crop year and for all of the next crop year.

The step brought sharp reaction on the Winnipeg Grain Exchange and criticism from men connected with the trade. Rye futures dropped as much as 4 5/8 cents a bushel to new seasonal lows.

Limited German Air Force: Ottawa, April 1 (CP) -- Mr. Claxton said today in the House of Commons he believes the agreement among the occupying powers for limited rearmament of Germany provides for a "limited air force for tactical purposes".

He was replying to Mr. Davie Fulton (PC - Kamloops), who had asked whether the North Atlantic Treaty Organization or the occupying powers in Germany had taken any decision to revive the Luftwaffe or any other form of German air force.

Across Canada: The Department of Education yesterday announced a plan to recruit by September up to 500 United Kingdom teachers to relieve Ontario's growing teacher shortage in elementary schools. Worked out in co-operation with the Ontario Teachers' Federation and the Ontario School Trustees' Council, the plan will assure positions in Ontario Schools for one year for fully qualified applicants selected by a department representative in England. It is understood to be the first plan of its kind attempted in Canada. . . . Mr. John Diefenbaker, the Progressive Conservative Party's foreign policy critic, will visit member countries of the North Atlantic Treaty Organization this month on a trip to Israel. Mr. Diefenbaker, with his wife, will leave Monday for Israel to lecture on freedom and the bill of rights at the Hebrew University in Jerusalem. . . . National Film Board, the Government's movie-producing and distributing agency operated with a \$112,100 surplus during the 1952-53 fiscal year. . . . Detroit defeated Toronto 4 to 3 in overtime in Detroit last night to win the best-of-seven semi-final Stanley Cup series 4 games to 1, and now meets Montreal in the finals.



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Vol. 5, No. 66.

Monday, April 5, 1954.

**Seaway Plan Stands, Says Mr. St. Laurent:** Ottawa, April 2 (CP) -- Mr. St. Laurent said today Canada is still ready to go ahead with all-Canadian construction of the St. Lawrence seaway's navigation phase if the United States Congress delays action.

He also told the House of Commons that the Government has not given up hope of a construction start this year on the \$900,000,000 power-navigation project.

Mr. William Hamilton (PC - Montreal-Notre Dame de Grace) asked him if the Government has given up hope of a 1954 start in view of delays in the U.S.

"The answer is no," Mr. St. Laurent replied.

Mr. Hamilton said indications are the United States will not be in a position to co-operate this year, and he asked if the navigation policy now is for an all-Canadian job.

The Prime Minister said the navigation phase depends on construction of hydro power facilities to be built jointly by Ontario Province and New York State.

While the New York Power Authority had a licence for its work, U.S. opponents could still go to the Supreme Court of the U.S. They had some time -- up to May 24 -- to appeal to the court.

Meanwhile, action on the Wiley bill for U.S. participation on navigation had been delayed in the House of Representatives.

The Canadian Government's information was that, as soon as legal impediments to power were cleared away, that part of the work would be started.

With the power phase launched, construction of the seaway then could be started on either side of the river.

The Canadian Government had authorization to proceed alone with this if, at the time when navigation facilities could be started, there were no provisions for U.S. co-operation.

**Crime Comic Amendment Defeated:** Ottawa, April 2 (CP) -- An attempt by Parliament's chief crusader against corrupt books to impose heavier penalties on publishers of crime comics and obscene literature has been defeated.

The House of Commons today voted 35 to 16 against an amendment to the revised Criminal Code proposed by Mr. Davie Fulton. The amendment would have made publishers of crime comics and obscene literature liable to a five-year prison term or a minimum fine of \$10,000.

**Mr. St. Laurent Lauds NATO On Fifth Anniversary:** Ottawa, April 4 (CP) -- NATO forces in Europe are twice as large and more than twice as effective as in 1951, Mr. St. Laurent said tonight.

"This pooling of defensive resources is unprecedented in peacetime," the Prime Minister said in a broadcast on the fifth anniversary of the signing of the North Atlantic Treaty. "We can be proud of the real progress demonstrated by this co-operative achievement."

Mr. St. Laurent, recognized as one of the original proponents of NATO, spoke in an anniversary broadcast over the Trans-Canada network of the CBC.

The North Atlantic Treaty Organization has become "much more than a mere military alliance," Mr. L. Dana Wilgress, Canada's permanent representative to the North Atlantic Council, said over the CBC.

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CBC Wins Seven First Awards: Columbus, O., April 4 (CP) -- The Canadian Broadcasting Corporation won seven first awards and three honourable mentions in the 18th American Exhibition of Educational Radio and Television Programmes sponsored by Ohio State University.

The awards will be made here in connection with the Annual Institute for Education by Radio-Television April 7 to 10.

The CBC won six firsts and three honourable mentions in group 1, programmes heard nationally by network or transcription.

Trans-Canada Matinee, carried on the CBC trans-Canada network, from CBL Toronto, received first award in class 1, directed to special-interest groups, for "providing women at home with a programme of adult, serious radio fare". . . .

In class 2, cultural drama, CBC Wednesday Night won first award for its "powerful and significant drama, superbly presented".

In class 4, public affairs, Press Conference, originating at CBO Ottawa and carried on the CBC Dominion network, won first award. . . .

Dominion Drama Festival: Hamilton, April 4 (Globe & Mail) -- Eight plays will be presented at the 21st annual Dominion Drama Festival starting here on May 10. The selection of plays, made by the Executive Committee of the Festival, was announced today.

The plays to be presented are: The Players' Guild of Hamilton - Rebecca; The Northcliffe Dramatic Club, Grand Falls, Nfld. - Juno and the Paycock; Trail Little Theatre, Trail, B.C. - For Love of Money; Les Anciens Eleves du College de Saint-Boniface, St. Boniface, Man. - Le Malade Imaginaire; Workshop 14, Calgary - The Lady's Not For Burning; The Playcraftsmen, Toronto - Rose Tattoo; La Nouvelle Equipe-Montreal - Le Roi David; Domino Players, Kingston - The Playboy of the Western World.

The 1954 Festival, being held here for the first time, is expected to be the largest in the event's history.

Across Canada: The value of Canada's 1953 grain and other field production has dropped by about \$300,000,000 from 1952 output, principally because of smaller crops and declining prices. The Bureau of Statistics placed a price tag of \$1,665,000,000 on the 1953 crops. . . . Premier Duplessis reiterated that his stand on provincial income tax is "irrevocable" and accused Liberal Leader Georges Lapalme of giving comfort to the "enemies of Quebec province", according to the Canadian Press from Quebec. . . . Two goals in the third period broke a one-all stalemate and gave the Detroit Red Wings a victory over Canadians at Detroit Sunday, 3-1, in the opening game of the best-of-seven Stanley Cup final series.



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Vol. 5, No. 67.

Tuesday, April 6, 1954.

\$10,107,000 Budget Surplus Estimated: Ottawa, April 5 (CP) -- The federal Government estimated today it had a budget surplus of \$10,107,000 in the fiscal year ended March 31. It would be the eighth straight surplus and the smallest in that time.

Finance Minister Abbott gave the estimate in a White Paper tabled in the House of Commons preliminary to tomorrow night's presentation of his 1954-55 budget forecasting spending and tax policy for the current fiscal year.

The 90-page document, an economic and financial review, showed the value of production, national income and personal income moving to new highs in the calendar year 1953. However, net farm income was down.

The 1953-54 budget surplus, subject to confirmation when the accounts are cleaned up about August, compares with an actual surplus of \$23,547,000 in the previous fiscal year and with a forecast of an \$11,000,000 surplus for 1953-54 in Mr. Abbott's budget of Feb. 19, 1953. The top surplus was \$676,100,000 in 1947-48.

Both revenues and expenditures were down from Mr. Abbott's predictions last year. The 1953-54 revenues reached a peak of \$4,400,086,000. This compared with the 1952-53 high of \$4,360,823,000 and with a budget estimate of \$4,473,000,000.

Expenditures were \$4,389,979,000 compared with the previous year's \$4,337,276,000 and with a forecast of \$4,462,000,000. The record spending was \$5,322,000,000 in the wartime year of 1943-44.

Canada's net debt was cut down at the end of 1953-54 by the amount of the surplus, going to \$11,151,600,000. . . .

The revenue-spending figures do not include a variety of non-budget transactions such as loans and investments and the repayment of such advances made in previous years. On these there was an over-all credit of \$382,700,000.

Of this amount, \$273,000,000 was used to retire unmatured securities in the hands of the public and the remainder went into the Government's cash balance.

Another major item not reflected in the budgetary accounts was payment of \$338,800,000 in old age pensions to those of 70 years and over. . . .

Defence spending continued the largest item in the budget, but it was down from 1952-53. Including defence production, defence expenditures were given as \$1,889,600,000, or 43 per cent of all budget spending. This compared with \$1,971,200,000, or 45 per cent, the year previously.

Dealing with revenue, the White Paper said the most significant point was the way revenues held up despite tax reductions in the 1953 budget.

The total of personal income tax including the two per cent special levy for old age pensions was \$1,280,000,000, up from \$1,225,200,000.

Corporation income taxes - also including the special tax - were \$1,249,000,000, compared with \$1,277,000,000. . . .

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Canadians Earn, Save, Spend More In 1953: Ottawa, April 5 (CP) -- Canadians, other than farmers, earned more, saved more and spent more in 1953 than at any time in history.

A budget White Paper, tabled today in the House of Commons, set personal incomes for the year at \$18,079,000,000 compared with \$17,128,000,000 for 1952. Personal savings totalled \$1,500,000,000 compared with \$1,381,000,000, and personal expenditures \$15,147,000,000 compared with \$14,424,000,000.

Farmers did not share in the general increase. Net income from farm production was down to \$1,667,000,000 from \$1,934,000,000 in 1952. More than half the reduction was traced to a decline in agricultural production.

Despite the drop in farm production, Canada's gross national production hit a record \$24,300,000,000 in 1953, an increase of \$1,100,000,000 over 1952.

Canadians also drew more heavily on foreign production than in 1952. Imports of goods and services exceeded corresponding exports by approximately \$466,000,000. In 1952 the value of exports exceeded that of imports by \$166,000,000.

Labour income, representing the largest component of personal income, joined the record setters in 1953.

Wages and salaries, including military pay and allowances, were estimated at \$11,962,000,000, an increase of \$900,000,000 over 1952.

To Speed Atomic Power Research: Ottawa, April 5 (CP) -- Canadian research into peacetime uses of atomic energy, particularly in industrial power, soon will be accelerated at the atomic energy project at Chalk River.

The speedup will be made possible through a major increase in the power of the NRX reactor, which broke down Dec. 12, 1952, and went back into operation Feb. 17. The rebuilt pile now is operating at a power output of 33 per cent greater than before the accident.

Trade Mission To Spain, Portugal: Ottawa, April 5 (CP) -- Canada will shortly send a special mission to Spain and Portugal in an attempt to work out new bilateral trade pacts with these European markets.

Mr. Howe announced that the Newfoundland Fish Exporters' Association has been invited to name a representative to the mission since Spain and Portugal are two important markets for salted cod.

Criminal Code Revision: Ottawa, April 5 (CP) -- The Government would be less tough with spies in peace time than in war time. Mr. Garson gave the Government's view today in the House of Commons by proposing that the maximum peacetime penalty for spying would be 14 years. In war time, the maximum penalty would be death. At present, the maximum penalty at all times is death.

He proposed amendments to the section on treason in the revised Criminal Code. The section complements the Official Secrets Act by calling it treason to pass to a foreign country military or scientific information for a purpose prejudicial to the safety or defence of Canada.

Across Canada: Living costs slipped to an eight-month low in February as price drops for beef and vegetables outweighed boosts for rents, pork and coffee. Continuing the decline halted temporarily in January, the Consumer Price Index, yardstick for measuring living costs, eased by a fifth of a point in February to 115.5, the Bureau of Statistics reported yesterday. . . . Saskatchewan's north, a wilderness studded with lakes and forests, is the centre of a tourist boom expected to smash all records this season. Mr. Harvey Dryden, director of the Province's tourist branch, said today his office is being "flooded" with requests for information. . . . The CBC Board of Governors has warned broadcasters that it is keeping a critical ear open to radio giveaway shows and may take steps to restrict them. The Board said it has been concerned about the increase of prize giving schemes on radio, it doubts that they constitute good use of broadcasting channels.



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Vol. 5, No. 68.

Wednesday, April 7, 1954.

Highlights Of Budget Speech: Ottawa, April 6 (CP) -- Highlights of FinanceMinister Abbott's budget speech tonight:

No change in personal or corporation income tax.

Special excise tax of 15 per cent repealed for electrical appliances, furs and some other articles, effective immediately.

Special excise tax reduced to 10 per cent on wide range of consumer goods, effective immediately.

Ten per cent sales tax removed from municipally purchased equipment and few other articles, effective immediately.

Maximum deduction from taxable income on superannuation plan payments increased to \$1,500 from \$900 effective on 1954 income.

Quebec Government not justified in claiming its new 15 per cent income tax should be fully deducted from federal tax.

Allowable deduction for Quebec taxpayers will remain at 5 per cent of the federal tax.

No change in taxes on liquor, tobacco, cigarettes, cigars, automobiles, television sets, radios and phonographs.

Existing rates for withholding income tax from salaries and wages continued through 1954.

Tax concessions granted petroleum, natural gas and mining companies for exploration costs extended through 1957.

Tax cuts total \$40,000,000 for a full fiscal year.

Maximum duty-free entry of motor vehicles in settlers' effects raised to \$2,500 from \$1,500, effective immediately.

Import tolls eliminated on equipment for operation of potash and rock salt mines.

Surplus of \$4,000,000 forecast, on revenue of \$4,464,000,000 and expenditure of \$4,460,000,000.

Succession duty legislation to be overhauled later; no change in rates now.

The 15 per cent tariff on uranium suspended until July 1, 1958.

Tariffs eliminated on certain rail equipment, including signal systems equipment and apparatus for testing rail flaws.

Predicts Business Upswing: Ottawa, April 6 (CP) -- Mr. Abbott tonight predicted a slowdown in Canada's economic surge will be righted this year, and he said he does not think drastic government action is needed to step up the pace.

In his Budget Speech to the House of Commons, he said the record national production of 1953 should at least be equalled, with an upswing late in the year more than compensating for current declines in some industries.

Meanwhile, he expressed a government reluctance to boost tariffs for the protection of Canadian industry now and to embark on public works for short-term relief of unemployment.

"I do not feel," he said, "that drastic measures by Government are appropriate to the present economic situation. . . ."

"My general conclusion is that our national product in 1954 will be at least equal to 1953, and probably higher; in other words, I think that an upswing in the second half of the year will more than compensate for the declines that are evident in certain branches of industry at present."

(over)

Mr. Abbott estimated the 1953 gross national product - market value of all goods and services produced in Canada - as \$24,345,000,000. That was \$1,100,000,000 up from 1952.

He expressed some uncertainty about the export trade outlook, though he said grain export prospects are good by normal standards. For other exports much depended on markets in the United States.

Mr. Abbott, in the part of his speech devoted to a general review of Canadian affairs in relation to international matters, said Canada cannot yet afford to relax on defence.

The Free World must "continue to improve its defensive position in order to negotiate from strength".

In world trade, there had been progress towards free trade and payments, but it still fell short of what was needed. Major currencies were still inconvertible and there was widespread use of restrictions and discrimination.

While there was a slackening in the pace of economic expansion at home, Mr. Abbott said, Canadians should not feel unduly concerned about such a slowdown in the rate of advance.

"Indeed," he said, "in the dynamic kind of economy we have in Canada an occasional hesitation in its forward movement may well be one of the consequences of the buoyant character of our economic growth."

"Most of the elements which supported this growth in national product in 1953 are still present, and I believe that the forces of long-term expansion will soon re-assert themselves."

"But some readjustments in production, in costs and in pricing policies are necessary and are indeed going on."

At present, there was more unemployment than the Government would like to see, and there were declines in certain industries. Factors responsible for these included stiffer import and export competition, lower farm prices and smaller farm production.

While imports were higher and exports lower, Mr. Abbott would not agree that Canada is a high-cost producing country. But it was a fact that for several years Canadian business had been travelling along a comparatively easy road.

The recent protection of Canadian industry by way of shortages in other countries now was disappearing as other countries recovered their war-ravaged productive capacities.

"Some of our industries," Mr. Abbott said, "are finding that they have not watched their costs as carefully as they should, that their break-even points are uncomfortably high and that their costs and prices are out of line."

As a result, he said, he had received more requests for tariff increases or other forms of protection in the last few months than in any year since he became Finance Minister eight years ago.

He threw cold water on tariff boosts by saying the Government favours reducing obstacles to trade and must move in this direction if it expects others to do that.

"If we were to meet every breath of competition by increased protection," he said, "we would certainly become a high-cost economy and progressively aggravate our problems."

Generally, he said, he does not believe the current slowing-down of economic expansion will be serious or prolonged. . . .

Quebec Income Tax: Quebec, April 6 (CP) -- Neither Premier Duplessis nor members of the Quebec Cabinet were available for comment tonight on Mr. Abbott's budget announcement that Quebec taxpayers cannot claim full deduction of provincial income tax in their federal tax returns.

But a source close to the Government called the budget announcement "a disappointment" and added Ottawa's stand may be the issue of a provincial general election "perhaps next year".

The source said Quebec would "undoubtedly carry out its already announced plan to deduct the provincial tax in full from federal tax deductions made from the salaries of provincial civil servants".

He said Quebec "was and still is" hoping for a compromise with Ottawa over the tax question. . . .



## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 69.

Thursday, April 8, 1954.

Mr. Pearson Before External Affairs Committee: Ottawa, April 7 (CP) -- Mr.

Pearson said today Britain knew before the U.S. McMahon Act was passed in 1946 the effects the Act would have on the secret Churchill-Roosevelt agreement in 1943 on free exchange of atomic information.

He told the Commons External Affairs Committee effects of the McMahon Act were discussed in Washington by the Combined Policy Committee set up to handle terms of the secret agreement. Britain and the U.S. each had two representatives on the Committee, Canada one.

Mr. Pearson also said this Committee still is functioning "steadily" though possibly limited by the McMahon Act. (The White House said yesterday the secret agreement is no longer in effect.)

Mr. Howard Green (PC - Vancouver Quadra) said Mr. Pearson's statement that effects of the McMahon Act were discussed by the Combined Policy Committee seemed to conflict with Mr. Attlee's statement that he had no previous knowledge of the matter.

"Britain was just as aware of the effects of the McMahon Act as we were, if not more," Mr. Pearson said. He added he did not know the extent of Mr. Attlee's knowledge of the matter.

Mr. Pearson said the Policy Committee on Atomic Energy obviously knew about the McMahon Act because it was public knowledge and went through the U.S. Congress. The Committee had discussed effects of the Act. Mr. Pearson did not say whether substance of this discussion was passed to Mr. Attlee or his advisers.

Mr. Pearson said the McMahon Act cut across the secret agreement. Earlier in the House of Commons, he said Canada did not protest the McMahon Act to the U.S. because Canada was not a party to the secret agreement, though it was represented on the Policy Committee which carried out exchange of atomic information.

Later in Committee, in reply to questions by Mr. Green and CCF Leader Coldwell, Mr. Pearson said the secret agreement was not ratified by the British and U.S. Governments. It obviously could not have been in wartime.

He added that the U.S. was perfectly within its rights in adopting the McMahon Act.

Though Canada had not protested passage of the Act, it had informed Washington "more than once" that it desired the greatest possible exchange of information for peaceful uses of atomic energy.

In the House, Mr. Pearson informed Mr. Coldwell that the secret agreement concerned only atomic weapons. After the war, Canada swung entirely to peaceful uses of atomic energy and was therefore no longer directly concerned with exchange of information on atomic power.

No Military Commitments: Ottawa, April 7 (CP) -- Canada has no military commitments in the Far East except its Korean obligations under the United Nations, Mr. Pearson said today.

He was commenting in the House of Commons on reports that the United States is to seek a multi-power declaration on the Indo-China situation outside the United Nations. Countries mentioned in the reported declaration are the U.S., France, Australia, New Zealand and the Philippines.

Mr. Stanley Knowles asked if it is clear that Canada has no commitment that could involve her in Indo-China action unless the

(over)

United Nations were to take a decision.

Mr. Pearson On Aid To Ceylon: Ottawa, April 7 (CP) -- Mr. Pearson said today he doubts whether Canada should cut off economic aid to Ceylon because that country sells strategic surplus rubber to Communist China. He told the Commons External Affairs Committee that if Ceylon could not sell its goods, there would be more unrest in that country and "China might get it all". . . .

Criminal Code Revisions: Ottawa, April 7 (CP) -- Fair administration of the Riot Act must continue to hinge on the common sense and responsibility of public officials, Justice Minister Garson said today.

That was his reply in the House of Commons to CCF proposals that the law place safeguards around the reading of the Riot Act to suppress public disorders. CCF members listed instances, where, they said, the Riot Act was used to break union strikes or even to provoke violence.

Following a two-hour debate the House approved, after two Government-sponsored amendments, the sections in the revised Criminal Code dealing with unlawful assemblies and riots.

The changes, both reinstating present Criminal Code provisions in the new law, allow 30 minutes for a crowd to disperse after the reading of the Riot Act and permit peace officers to use force only where there is resistance to the dispersal order.

The law provides a maximum penalty of life imprisonment for anyone who does not disperse after the Riot Act is read or who forcibly tries to prevent its reading.

Minesweepers For France: Halifax, April 7 (CP) -- Canada gave four ready-to-fight minesweepers to France today under the mutual aid agreement of the North Atlantic Treaty.

Tears rolled down French Ambassador Hubert Guerin's cheeks as Defence Minister Claxton formally delivered the coastal-type vessels in a stirring quayside ceremony.

Mr. Claxton said he was confident they would be well used for preservation of peace, then pointed at the new \$4,000,000 vessels and said to Mr. Guerin:

"There are your ships."

Honoured By French Government: Quebec, April 7 (CP) -- Dr. Louis-Philippe Roy, editor-in-chief of L'Action Catholique, Quebec City daily, has been awarded a medal by the French Government for "the fidelity and attachment he has shown to the motherland" during and since the Second World War.

The medal of recognition is called the "Medaille de la Reconnaissance et du Souvenir" and bears the image of Jacques Cartier, Canada's discoverer.

Across Canada: Acting within 14 hours of receipt of an application, the Federal Power Commission in Washington yesterday approved temporary export of from 80,000 to 100,000 kilowatts of U.S. power to cope with Ontario Hydro's sudden shortage, the Globe and Mail reports. . . . The 370,000-member Canadian Congress of Labour labelled Mr. Abbott's 1954-55 budget as the "empty budget". . . . The federal Government said yesterday it is implementing proposals for the support of the coal industry made by the 1946 Carroll Royal Commission on coal. The policy of the Government is one of strong financial support for the industry, Mr. Prudham said in a tabled reply to a series of questions.



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Vol. 5, No. 70

Friday, April 9, 1954.

Canada-U.S. Radar System Extended: Ottawa, April 8 (CP) -- North America's radar defences are being extended out to sea, Canada and the United States said today in a joint statement. At the same time, survey work on a new radar defence system in the Canadian North is "already well advanced."

Though the statement did not say so, this referred to the 5,000-mile long McGill Fence to be erected north of the existing radar grid started four years ago.

The fact that the McGill Fence is to be built has been public knowledge for some months. It is cheaper to build and less costly to operate than the Pinetree chain, which will probably be completed this year.

The McGill Fence, on which construction may start this year, will not be located in the Far North or even inside the Arctic Circle. But it will extend across Canada, from coast to coast.

The fact that radar defences are being extended seaward was disclosed in this paragraph of the statement:

"It is obviously just as important to have early warning of aircraft approaching target areas in North America from over the sea as from over Northern Canada. For this reason, the United States Government is extending the early-warning barrier across the north-eastern and north-western seaward approaches to North America. The Alaska radar system is co-ordinated with those in Canada and the Continental United States, and the development of airborne radar is well advanced."

This means that ships and planes equipped with radar will patrol areas outside the range of the ground radar system.

That Canada and the U.S. were thinking of posting radar ships in the North Atlantic and North Pacific was known early last month but this was the first indication that the plan definitely will be undertaken.

Meanwhile, the External Affairs Department said in its annual report to Parliament:

"There is increasing evidence that the North American Continent is faced by the possibility of attack by weapons of great destructive power. As a consequence, Canada and the U.S. are developing on the North American Continent a co-operative program of defensive installations on a larger scale than ever."

The statement did not give the proposed location of the McGill Fence, developed at McGill University. It said merely the fence will be established "generally to the north of the settled territory in Canada."

The two countries said there will be "many difficult problems" to be solved in building the fence. "The system will extend over thousands of miles and its survey will involve the examination of a great number of possible sites. Much of the ground is inaccessible except by tractor train and helicopter. In many areas, extreme temperatures are confronted for several months of the year."

Mr. Campney On Northern Defence: Montebello, Que., April 8 (CP) -- Northern defence cannot be made perfect because the cost would be insupportable, Associate Defence Minister Campney said tonight.

"But we can make our defences as nearly fool-proof and complete as possible, and we intend to do so," he added in a speech prepared for delivery before the National Conference of Business Paper Editors.

Mr. Campney was elaborating on a joint U.S.-Canada statement today that survey work now is under way for a new early-warning radar chain to supplement the existing gridwork built up during the last four years.

"Early warning of pending air attack becomes increasingly important day by day as our potential attacker develops longer-range aircraft and as it

progresses from possession of the atom bomb to the hydrogen bomb and after that to perhaps now undreamed-of methods of destruction. Warning time grows less as the speed of any possible attack grows greater."

Mr. Campney said the new radar chain will be established "north of the settled parts of Canada." It will be more than 5,000 miles long and involve examination of hundreds of possible sites. It is hoped construction will be started this year. . . .

Mr. Rodney Adamson, M.P., and Wife Among 37 Killed In Plane Crash: Moose Jaw, April 8 (CP) -- Death claimed 37 lives today when a westbound Trans-Canada Air Lines plane collided with an air force trainer 6,000 feet above north-eastern Moose Jaw. Thirty-six died in the crashed planes -- Canada's worst airline disaster. One woman was killed on the ground.

There were no survivors of the accident. Mr. Rodney Adamson, 51, Progressive Conservative member of Parliament for York West, and Mr. Pat Reid, 58, famous Northland bush pilot, and their wives were among the dead.

Witnesses said the RCAF Harvard trainer rammed into the airliner, slicing off one of the passenger craft's wings. . . .

Canada-U.K. Air Talks: (Press Release No. 21, April 8) -- The Department of External Affairs announced on April 8 that, at the request of the United Kingdom Government, discussions will be held in Ottawa from April 12 to 14 on the subject of possible modifications to the Canada-United Kingdom Air Transport Agreement.

Across Canada: Mr. Conn Smythe will sail overseas this month in an attempt to arrange an exhibition hockey tour for his Maple Leafs that would include Russia, the Globe & Mail reports. The proposed tour would be made next September as part of the team training program for the NHL season. The Leafs' managing director, in Montreal for last night's Stanley Cup playoff game, told The Globe and Mail he hoped to arrange games in Britain and France, and to see about finalizing a team trip to Moscow. . . . Solicitor-General Rivard said last night the Federal Government has committed "a grave and provocative injustice" by not allowing Quebec taxpayers to deduct entirely from Federal income tax the new provincial income tax. . . . Detroit Red Wings defeated Canadiens 5-2 last night at Montreal to take a 2-1 lead in games in the Stanley Cup final. The Wings scored two goals in the opening period, added one in the second and another two in the last 20 minutes.



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Vol. 5, No. 71.

Monday, April 12, 1954.

Canada Supports Arms Talk Proposal: United Nations, N.Y., April 9 (CP) --

Britain today proposed that the United States, Russia, Britain, France and Canada get together immediately for private talks on world-wide arms reduction.

Obviously referring to the recent U.S. hydrogen bomb tests in the Pacific and the resulting furore around the world, British Delegate Sir Pierson Dixon told the disarmament commission that "there is a new note of urgency in the world today".

Russia's Mr. Andrei Vishinsky said he will study the proposal. Informed delegates said Mr. Vishinsky has told them he was unable to act today because he had no instructions from Moscow.

Canada's delegate, Mr. D.M. Johnson, welcomed the proposal which also received support from Mr. Henry Cabot Lodge, Jr., of the United States and Mr. Henri Hoppenot, of France. Mr. Lodge added that the U.S. is prepared to give careful attention to any proposals the Soviet Union is prepared to make.

The British delegate told the Commission he will turn in a formal written resolution Monday calling for a sub-committee of the five powers.

Mr. Johnson said Canada believes private discussions of the disarmament problem would permit "a freer exploration of every possible approach".

Urges Acceleration Of Trans-Canada Highway Construction: Ottawa, April 9

(CP) -- The federal Government has warned the provinces that the 5,000-mile Trans-Canada Highway will not be completed on schedule unless they accelerate construction programmes.

Mr. Winters also said today in the House of Commons he has reminded the nine provinces which have signed the Trans-Canada Highway Agreement that the Government's authority to participate in highway construction lapses Dec. 9, 1956, the date the Agreement expires.

The Government was doing everything possible to encourage the provinces to speed their construction programmes. Highway construction was underway in all provinces except Quebec, the only province which has not signed the Agreement.

Mr. Winters made the statements in commenting on a plea by Mr. C.W. Hodgson (PC - Victoria, Ont.) for increased Federal participation in the highway. He said it will take 20 years to complete the highway at the present rate of construction.

Budget Debate: Ottawa, April 11 (CP) -- The House of Commons annual study of Government budget policies starts tomorrow. Spokesmen for the three Opposition parties will lead off the budget debate with criticisms of Mr. Abbott's budget speech of last Tuesday.

Mr. J.M. Macdonnell, Progressive Conservative financial critic, CCF Leader Colwell and Social Credit Leader Low are expected to be the first speakers in a debate which usually lasts for several weeks. Opposition Leader Drew will speak later.

(over)

Vancouver To Ottawa In 3 Hours 46 Minutes: Ottawa, April 11 (CP) -- An RCAF test pilot flying a Sabre jet today broke the Vancouver-to-Ottawa air speed record established by the RCAF's Comet jetliner.

Sqdn. Ldr. Robert Christie, 30, of Vancouver, flew from Sea Island Airport at Vancouver to Uplands Airport here in three hours and 46 minutes. The previous record time for the 2,298-mile flight set by the Comet was four hours and 25 minutes.

In setting the new mark, Sqdn. Ldr. Christie also established a new record time for the Winnipeg to Ottawa leg of the flight. He made that part of the trip in one hour and 51 minutes compared with the two hours and 10 minutes taken by the Comet.

Sqdn. Ldr. Christie took off from Vancouver at 10:30 a.m. EST today. He reached Calgary in 38 minutes. His time from Calgary to Winnipeg was one hour and 17 minutes. When the Comet set the Vancouver-Ottawa record last year it made the trip in two hops, Vancouver to Winnipeg to Ottawa.

1953 Set House Construction Record: Ottawa, April 9 (CP) -- More marriages and more immigration stimulated demand for housing that led to a new peak in Canadian home construction during 1953.

Central Mortgage and Housing Corporation, the Government's housing agency, today listed these as among factors leading to last year's record.

Other elements were a higher level of personal income and savings, more mortgage funds from institutional lenders such as insurance companies and a good supply of building materials without much increase in their cost.

In 1953, 106,200 housing units were started and 100,700 units were completed. The completion figure compared with 76,300 in 1952 and was 10 per cent above the record 1950 figure.

Saskatchewan Expects Tourist Boom: Regina, April 11 (CP) -- Saskatchewan's north, a wilderness studded with lakes and forests, is the centre of a tourist boom expected to smash all records this season. Mr. Harvey Dryden, Director of the Province's tourist branch, says his office is being flooded with requests for information.

"They talk about an oil boom and a uranium boom in this Province," he said. "We're also sitting on top of a tourist boom."

Value of the Saskatchewan tourist industry is expected to reach \$15,000,000 this year, three times what it was two years ago, Mr. Dryden said. The branch expects an increase of 10 per cent in American tourists.

Across Canada: Damage estimated at \$1,000,000 was caused Saturday night when fire destroyed a large wooden hangar housing several training planes at the RCAF's flying training school at Penhold, Alta., 100 miles south of Edmonton. A board of inquiry was set up to determine cause of the hour-long fire. No one was injured but all planes, about 10 Harvard trainers, were destroyed. . . . For the second time in six years, Ontario Liberals chose Mr. Farquhar Oliver to lead them in a provincial election. . . . Stanley Cup Playoffs: (Saturday) Detroit 2, Montreal 0. (Sunday) Montreal 1, Detroit 0. Detroit leads best-of-seven final 3-2).

GOVERNMENT



OF CANADA

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Vol. 5, No. 72,

Tuesday, April 13, 1954.

**C.C.F. Motion Defeated In Budget Debate:** Ottawa, April 12 (CP) -- The House of Commons tonight defeated by 125 to 26 a C.C.F. motion of non-confidence in the Government calling for greater tax relief for low-income Canadians.

The motion, presented by Mr. Coldwell during the budget debate, said the Government should have boosted income taxes for corporations and individuals in the higher-income brackets and increased exemptions to benefit those with smaller incomes. Social Credit members supported the C.C.F. motion, which was opposed by Liberals and Progressive Conservatives.

Earlier a Progressive Conservative non-confidence motion called for lower taxes, but it was worded differently. The first item in a six-point motion by Mr. J.M. Macdonnell said the Government has "failed" to reduce taxes "which are an excessive burden on the Canadian people and place our producers under a severe disadvantage in meeting competition from abroad".

Mr. Low, who spoke earlier in the day following Mr. Macdonnell and Mr. Coldwell, said a larger tax reduction should have been made to encourage production and provide more buying power in the domestic market. . . .

The P.C. motion said the Government:

"1. Has failed to reduce taxes which are an excessive burden on the Canadian people and place our producers under a severe disadvantage in meeting competition from abroad.

"2. Has failed to reduce unnecessary expenditures.

"3. Has failed to improve the efficiency of its administration.

"4. Ignores the problem of unemployment.

"5. Has failed to retain and regain markets for our surplus primary products.

"6. Has failed to reach agreement with the provincial Governments in regard to a clearly-defined reallocation of taxing powers so that the provincial Governments and municipal councils may have adequate financial resources to carry out their rapidly-increasing responsibilities."

Mr. Coldwell's motion amended the last point in the P.C. motion to say that the Government has "failed to reconvene the Dominion-provincial conference from time to time so that an effort might have been made" to reach a tax agreement with the provinces.

**Mr. Low On Security:** Ottawa, April 12 (CP) -- Social Credit Leader Low today said an efficient information service is needed to collect and provide to Parliament facts about internal security.

He said during the budget debate that he is convinced Canadians are unaware of the real dangers besetting them. Far removed from Communist imperialism, they still are apathetic.

He said he wants to tell the Government that "there is a pressing need in Canada for an efficient and effective information service to provide the leaders of this nation with the true facts of the internal situation. . . ."

He suggested "some group of well-balanced, intensely loyal people of discernment and unchallengeable integrity, to work in close association with the R.C.M.P. and other sources of information, to sort out and establish the facts, and to make them known within the limits of security considerations to the Government and members of Parliament". . . .

(over)

Mr. Coldwell On Quebec Tax: Ottawa, April 12 (CP) -- Mr. Coldwell says the Liberals are responsible for what he terms a threatening attack on Canada's unity and welfare by the ultra-nationalism of Premier Duplessis of Quebec. Mr. Coldwell, speaking today during the budget debate in the House of Commons, also said Mr. Duplessis' stand that the provinces have priority in the field of direct taxation is a dangerous, insidious and false doctrine. . . .

Report U.K. Seeking Canadian Ports For B.O.A.C.: Ottawa, April 12 (CP) -- Britain is seeking additional landing rights in Canada so that British Overseas Airways Corporation can run a service west around the globe, it was learned today.

Transport Minister Lennox-Boyd of Britain and Transport Minister Chevrier of Canada today opened a series of talks to review the 1949 air agreement between the two countries. The discussions are expected to last until Wednesday.

An official of the British delegation said the group has its eye mainly on B.O.A.C.'s ambition to operate a service west around the globe, traversing Canada. He added B.O.A.C. does not plan trans-Polar flights. Officials declined to elaborate. . . .

Secrecy Of Radar Locations: Ottawa, April 12 (CP) -- Mr. Claxton today said the Government is re-examining the question of the secrecy of the locations of Canada's screen of radar stations. He told the House of Commons in reply to a question that some information about the locations was made public inadvertently by the R.C.A.F. magazine Roundel which published a list of postings or transfers involving radar personnel.

Canada's Progress With Reactors: Montreal, April 13 (Gazette) -- The top scientific advisor of Atomic Energy of Canada said here yesterday that Canada leads the free world in the development of reactors for nuclear energy.

"I haven't seen the reactors in Russia but I understand ours are better," Dr. David A. Keys, Vice-President (scientific) of the National Research Council of Canada, told a luncheon meeting of the Canadian Club. Dr. Keys said important developments have been achieved in the nuclear field and envisioned many other possibilities such as "the production of useful quantities of electricity at possible competitive costs with coal".

Return Tabled On H.C. Banks: Ottawa, April 12 (CP) -- The Immigration Department says the United States court record of Harold C. Banks of Montreal, Canadian Director of the Seafarers' International Union (TLC-AFL), was not investigated prior to the date he was granted permanent residence in Canada.

The information was contained in a return tabled today in the House of Commons for Mrs. Ellen Fairclough (PC - Hamilton West). Mrs. Fairclough questioned the appointment of Mr. Banks as a Canadian labour delegate to a meeting of the International Labour Organization in Geneva, Feb. 15-28 last.

Mr. Abbott On Quebec Income Tax Proposal: Ottawa, April 12 (CP) Mr. Abbott said tonight it is up to the Quebec Government to make any new proposals for a financial agreement between the federal and Quebec Governments.

"I think it's Premier Duplessis' turn to make concrete suggestions; I've been doing it for several years," he said.

Mr. Abbott spoke on the C.B.C.'s weekly "Press Conference", interviewed by members of the Parliamentary Press Gallery.

Across Canada: The C.B.C. newscast this morning announced the death of Premier Macdonald of Nova Scotia. . . . The 1st Canadian Infantry Brigade will leave its base in Soest, Germany, Easter weekend for a month of intensive battle exercises in the Soltau training area, 60 miles north of Hanover. More than 4,000 men will be involved, C.P. reported. . . . Four members of Parliament elected in by-elections March 23 have taken their seats in the House of Commons.



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Vol. 5, No. 73.

Wednesday, April 14, 1954.

Mr. Pearson On World Affairs: Ottawa, April 13 (CP) -- Mr. Pearson said today Canada has not been asked to make any commitment in Indo-China. He reiterated before the Commons External Affairs Committee that Canada could become involved in the Indo-China war only through collective United Nations action.

In reply to Mr. Knowles he said the Government has been kept informed of the talks in London between Mr. John Foster Dulles, U.S. State Secretary and Mr. Anthony Eden, British Foreign Secretary.

Mr. Angus MacInnis asked if France had shipped any war supplies received from Canada under the North Atlantic Alliance mutual aid agreement to Indo-China. Mr. Pearson said such material was for NATO purposes only.

On Korea, he said Canada wants to withdraw its forces there as soon as possible. But no decision to bring home Canadian troops could be made under present circumstances.

In a general review of the world situation, the Minister said there is danger that the world might fall into the pit of war by miscalculation rather than by calculated action.

There had been some easing of international tension in Europe due primarily to the growing strength and unity of NATO. But there were "very grave dangers" in the Far East and the world now knew that if war came, it would be even more terrible than had been thought a year ago.

On Germany, Mr. Pearson said Canada would be glad to accept any alternative to the European Defence Community for rearming Germany but no such alternative had presented itself.

Political implications of the hydrogen bomb were being discussed among the Western powers and the U.S. was outlining its views fully to Canada. This subject would be taken up by the NATO Foreign Ministers at Paris, April 23, three days before the Geneva conference.

Mr. Drew On Quebec Tax Issue: Ottawa, April 13 (CP) -- Mr. Drew today urged the Government to summon a federal-provincial conference on taxation and constitutional issues which he said are weakening Canadian unity.

Mr. Drew, entering the House of Commons Budget debate, said that bitter things have been said in various parts of Canada since Mr. Abbott's Budget last week rejected Quebec's request for full federal deduction of its new 15-per-cent income tax.

He did not argue the Government's decision, but said he regrets that Mr. Abbott used an unnecessarily provocative manner in presenting the Government's decision. Since then, speeches had been made which did not help national unity.

Mr. Drew said Prime Minister St. Laurent should say before the House of Commons adjourns tomorrow for the Easter recess that he will invite provincial Premiers before the end of May to a federal-provincial conference. Mr. St. Laurent was in the Commons but did not make any immediate reply.

It was time for the Government to show the same kind of statesmanship, vision and goodwill shown at Confederation in 1867 so that "we may seek to rebuild that federal structure of which we are all so proud". . . .

Mr. Abbott On Quebec Tax Claim: Ottawa, April 13, (CP) -- Mr. Abbott said tonight there is no basis in fact or law for Quebec's claim to prior

right to levy income tax. He brought up the problem raised by imposition of a 15-per-cent income tax in Quebec during a speech over the C.B.C.

He said:

"Since 1947 the federal income tax law has allowed anyone who had to pay a provincial income tax to deduct up to five per cent from the federal tax to offset the provincial tax.

"Nine of the provinces have entered into five-year agreements renting their rights to impose such taxes and agreeing to accept instead an annual payment from the federal Government.

"The Government of Quebec in imposing the new tax claims that the province has a prior right to levy income tax - a right prior to the right of the federal Government.

"There is no basis in fact for such a claim. Both the provinces and the federal Government have equal rights to impose direct taxes. But if, as has been suggested, any province could have a tax of any amount deducted from federal tax, the right of the federal Government would be worth very little.

"The national Government must maintain its right and duty to raise revenues to pay for the national functions with which it is charged by our federal Constitution. . . ."

Gouzenko Testimony Tabled: Ottawa, April 13 (CP) -- Igor Gouzenko said he had never heard of 27 persons whose names were tossed at him by the U.S. Senate internal security sub-committee.

The transcript of the testimony given the sub-committee in January by Mr. Gouzenko, former Russian code clerk, who disclosed operations of a Soviet spy ring in Canada in 1945, was tabled today in the House of Commons.

Besides not knowing the 27 names, five of which were Russian, Mr. Gouzenko said he had never heard of a Reserve U.S. Army officer mentioned but not identified by the committee and two names deleted from the testimony. Neither had he heard of Fort Tilton, Fort Snowden, Aberdeen Proving Grounds or Springfield Arsenal. . . .

Gouzenko Evidence: Ottawa, April 13 (Montreal Gazette) -- Igor Gouzenko has criticized U.S. security authorities for having allowed a key Soviet agent to slip through their fingers.

This was disclosed today when the Government tabled testimony which the former Soviet Embassy cypher clerk gave at a secret meeting with representatives of the U.S. Senate sub-committee of internal security, headed by Senator William Jenner.

The agent in question, known only by an alias, "Ignacy Witczak", was described by Mr. Gouzenko as "a very important agent and most probably agent resident - in other words an agent around whom a spy network was established". . . .

Four To Accompany Mr. Pearson To Geneva: Ottawa, April 13 (CP) -- Mr. Pearson said today a staff of four will accompany him to the Geneva conference opening April 26. The delegation will leave Monday. The four are: Mr. Chester Ronning, Canadian Minister to Norway, Mr. John W. Holmes, Assistant Under-Secretary in the External Affairs Department, Mr. E. McGaughey, member of the Department's Far East Division, and Mr. J.E. de Lotbiniere of Mr. Pearson's office.

Across Canada: The Government hopes to see a considerable movement of wheat out of Montreal - weather permitting - in about 10 days, Mr. Howe said yesterday. . . . Stanley Cup Playoffs: Montreal 4, Detroit 1. (Best of seven final tied 3-3)



## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 74.

Thursday, April 15, 1954.

Quebec Tax Debated: Ottawa, April 14 (CP) -- Northern Affairs Minister Lesage said today Quebec is attempting to blame the federal Government for its own decision to impose a provincial income tax.

"This double taxation is exclusively due to the decision of the Quebec Government, which now attempts to throw the blame upon the Canadian Government," Mr. Lesage said in the House of Commons.

The situation, he said, "reminds me of the little boy who pulled the cat's tail and replied to his father who had told him to stop: 'I'm not pulling, the cat is.'"

He spoke in the third day of the budget debate which continued through the half-day sitting before the House adjourned for the Easter recess until Monday, April 26.

Mr. Lesage was the first Cabinet Minister to refer in the budget debate to the Quebec taxation issue since Mr. Abbott's budget April 6 rejected Quebec's bid to have its new 15-per-cent income tax fully deductible from federal income tax payments. Federal tax laws allow deduction of five per cent of the provincial tax from federal levies.

A Progressive Conservative motion of non-confidence in the Government, now before the House, criticizes the Government for having "failed" to reach agreement with the provinces on reallocation of taxing powers.

Mr. Lesage said the Quebec Government at no time has entered negotiations seeking full deduction for its new income tax.

Mr. Lesage added, however, that the federal Government stands ready to co-operate in finding a solution to the problem.

"There is no insoluble problem for men of good will, ready to discuss seriously, in all good faith and without fanfare, a question on its merits."

The federal Government was justified in refusing the Quebec requests. If a 15-per-cent deduction was allowed, Ontario, "the richest province," would be tempted to end its taxation agreement with the federal Government. On that basis, Ontario would collect \$60,000,000 more than under the federal-provincial arrangement. . . .

Control of Atomic Energy: Ottawa, April 14 (CP) -- Mr. Pearson says Canada is ready to participate in any renewed efforts by the United Nations to bring about effective international control of atomic energy.

He made the statement today in the House of Commons after Mr. J.W.G. Hunter (L - Toronto Parkdale) asked whether the U.N. Disarmament Commission is taking any action to achieve agreement on the prohibition and control of atomic weapons, including the H-Bomb.

Television Policy: Ottawa, April 14 (CP) -- A former radio news analyst today said the time is rapidly approaching for the Government to permit establishment of more than one television station in any one area.

Mr. Elmore Philpott (L - Vancouver South) said in the House of Commons that Parliament should make up its mind to retain the publicly-owned CBC as the dominant partner of broadcasting development. But it should not be guilty of frustrating the unhampered development of free enterprise broadcasting.

(over)

Mr. Burbridge Takes Post With NATO: Ottawa, April 14 (Journal) -- Mr. Kenneth J. Burbridge, 42, legal adviser to the External Affairs Department since 1949, has been appointed Canadian Deputy Permanent Representative to the North Atlantic Treaty Council in Paris with the rank of Minister-Counsellor. He succeeds Mr. A.F.W. Plumptre who is to take a new post in Ottawa.

Director C.B.C. International Service: Ottawa, April 14 (CP) -- Mr. Charles R. Delafield of Montreal, has been appointed Director of the C.B.C. International Service succeeding Mr. Jean Desy, Canadian Ambassador to France.

Mr. Delafield, Acting Director for the last few months, has been with the C.B.C. since 1938. He joined the International Service, which broadcasts to foreign countries, in 1945 at Montreal after serving with the Programme Division in Toronto.

School Teachers For Overseas: Ottawa, April 14 (CP) -- Mr. Harry Low, Director of Education for children of Canadian servicemen, overseas, said today the Defence Department now is recruiting 100 single teachers, mostly women, to work in schools at seven Canadian bases in France and Germany.

Mr. Low said: "They're being sent over there to teach, mind you. But I dare say they'll spruce up morale - everybody's morale."

Mr. Low has written 30 school boards across Canada asking them to nominate teachers for the posts abroad.

"The response has been very favourable," he said.

The teachers will be on loan for two years from the school boards and receive the same salary they would have got from the boards. They will receive free living quarters overseas and their transportation will be paid there and back. Their superannuation and seniority rights will be maintained.

The Defence Department, which will reimburse the school boards for the teachers' salaries, has made one stipulation, The teachers must be single.

Overseas Cable Rates: Ottawa, April 14 (CP) -- An increase in the rate on trans-Atlantic cables handled by the Government's Canadian Overseas Telecommunication Corporation was forecast today.

In its annual report tabled in the House of Commons, C.O.T.C. said increasing operating costs make it "apparent that some adjustment in rates cannot much longer be deferred".

The Corporation, formed by the Government four years ago, handles all cable business crossing the Atlantic direct from Canada. Some other Canadian traffic is routed by way of cableheads in the United States.

Exchange Of Security Information: Ottawa, April 14 (CP) -- The Australian High Commissioner's office said today there is no doubt that spy information supplied the Australian Government by Vladimir Petrov will be passed on the Canadian authorities.

An official said any information of interest to Canada would be sent to Canadian security officials. This information would not necessarily have to involve Canadians.

It was a "routine process" to exchange such information among Commonwealth countries.

Across Canada: Transport Minister Lemnox-Boyd of Britain and Transport Minister Chevrier of Canada yesterday wound up three days of talks on the United Kingdom's bid for a revised air agreement with Canada. An official of the British delegation said some progress had been made but that discussions were not yet completed. . . . Provincial and federal members, past and present, attended rites Wednesday for Rodney Adamson and his wife, Cynthia, victims of last Thursday's air crash at Moose Jaw. Lorne Scots Regiment rifles fired a salute above the flag-draped caskets in the churchyard of Trinity Church at Port Credit. . . . The Government says there are 19 publications in Canada which are Communist or follow the Communist line. A return tabled yesterday in the House of Commons for Mr. E.G. Hansell (SC - Macleod) says 16 of the publications have their head offices in Toronto. The other three are located in Vancouver, Sudbury and Winnipeg.



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Vol. 5, No. 75.

Tuesday, April 20, 1954.

Geneva Conference: Ottawa, April 19 (CP) -- External Affairs Minister Pearson and four aides today departed for the Geneva conference on Korea and Indo-China. They were pessimistic about its outcome.

The Canadian delegation flew from Ottawa to Montreal in a Transport Department plane, starting out 40 minutes late because Mr. Pearson had left his passport at home. The delegation later took off from Montreal in a Trans-Canada Air Lines plane.

Canadian aim at the Geneva meeting, opening a week from today, is the same as the U.N. objective - a unified Korea where free elections could be held.

But the delegation held out scant hope that Communist China and Russia would agree to convert the Korean armistice into such a peace settlement.

Mr. Pearson's four aides are Mr. Chester Ronning, Canadian Minister to Norway and a long-time China expert; Mr. John W. Holmes, Under-Secretary of State for External Affairs and a specialist on Russia; Mr. C.E. McGaughey of the Department's Far East Division and Mr. E.J. de Lotbiniere of Mr. Pearson's office, who will act as secretary to the delegation.

Soviet Trawlers: St. John's Nfld., April 19 (Globe & Mail) -- Two large Russian fishing trawlers entered port today to take on fresh water and other short supplies.

The ships, the Odessa and the Sebastopol, both just over 1,600 tons, have been fishing on the Grand Banks for the past week or longer - the first time Russian ships have been seen this far West.

In recent weeks Canadian naval vessels tested top-secret equipment in the same area.

One of the ~~weapons~~ tested was a new type of homing torpedo which can be launched from either a ship or an aircraft. No details of it have been released but it is believed to be more accurate than the acoustic type of homing torpedos developed during the last war.

(In Ottawa, a naval headquarters spokesman said that the R.C.N. had not conducted any exercises in the Grand Banks area since the Russian trawlers arrived there. There was no reason to believe that the trawlers were on the Banks to snoop on the navy.)

Canadian Troops in Korea: Korea, April 19 (CP) -- The spring rotation of the 25th Canadian Infantry Brigade, involving more than 8,000 troops, is nearly complete.

During Easter weekend the 4th Battalion, Canadian Guards, replaced the 3rd Battalion, Royal 22nd Regiment, in the Canadian sector along the truce zone.

Late last month, the 2nd Battalion, Queen's Own Rifles of Canada, succeeded the 3rd Battalion, Royal Canadian Regiment. The 2nd Battalion, Black Watch, replaced the 3rd Battalion, P.P.C.L.I., last November, and is not due home until this fall.

First Inland Cargo: Montreal, April 20 (Gazette) -- The first waterborne cargoes to be carried between Montreal and the Great Lakes began to move through the canal system linking the Atlantic with the inland ports yesterday morning.

Meanwhile, Montreal yesterday accommodated 55 ships of all descriptions, according to a harbour board official.

(over)

He broke down the number of ships in port as 34 ocean-going, 17 inland and four coastal.

New Oil Wells: Edmonton, April 19 (CP) -- Fifty new wells, comprising 30 oil producers, one producing natural gas and 19 dry holes, were drilled to completion last week in western Canada, it was reported today.

Soviet Artists: Montreal, April 19 (Gazette) -- Ten Russian artists, travelling in "proletarian" style with 12 pieces of luggage, arrived here by plane Saturday and immediately departed by train for Ottawa.

An official of the Russian Embassy greeted the visitors at Montreal Airport and gave a sketchy outline of their plans for a Canadian concert tour. He said it was the first time the U.S.S.R. has sent such a troupe to Canada.

First performance was planned for Toronto and later appearances were scheduled for this city.

First Ship of Season: Montreal, April 20 (Gazette) -- Less than four months after the port closed for the shortest winter on record, the first new ship of the year slipped down the ways into a basin at the Canadian Vickers plant yesterday afternoon in east end Montreal.

The Hutchcliffe Hall, a 4,200 deadweight ton lake freighter, is the seventh built for Hall Corporation of Canada at the Vickers plant. A sister ship will be launched in another three weeks.

She is a twin-screw ship, powered by two opposed piston diesel engines each of 640 B.H.P.

Her length between perpendiculars measures 253 feet; her breadth, 43 feet, six inches; moulded depth, 20 feet, nine inches; and gross tonnage 2,100 tons.

The Hutchcliffe Hall is among the first canal type ships built in Canada since the thirties. By using diesels instead of steam, and with a compactly designed engine room, cargo capacity has been increased by 400 to 500 tons.

The vessel is all-welded, except for the deck stringer angle. There are two cargo holds with three hatches each, spaced to suit the grain chutes of the elevators at lake ports.

Lead & Zinc Exports: Washington, April 20 (CP) -- The United States likely will ask Canada shortly to curb shipments of lead and zinc into the American market.

The request may take the form of a suggestion that Canada volunteer to reduce exports, just as it agreed earlier this year to reduce shipments of oats, U.S. informants said yesterday.

Canadian exports of lead and zinc to the U.S. totalled almost \$100,000,000 in 1952. The U.S. domestic industry, faced with a declining market, has appealed for some form of tariff protection.

Grain Stocks Peak: Ottawa, April 19 (CP) -- Stocks of the five major Canadian grains reached near-record proportions at the end of the 1953-54 fiscal year, the Bureau of Statistics estimated.

Stocks of Canadian wheat, rye, oats, barley and flaxseed in Canada and the United States totalled 1,281,300,000 bushels. At the end of the 1952-53 fiscal year, stocks totalled 1,175,401,000 bushels.

Across Canada: Thousands of Nova Scotians paid personal tribute to the late Angus L. Macdonald on Sunday while the armed forces prepared a massive state funeral the like of which the city of Halifax has never seen. One hundred members of the navy, army and air force will escort the gun carriage bearing the flower and flag-draped casket of the man who built the Canadian Navy of the Second World War and restored Nova Scotia Liberals to dominance during a 21-year political career. . . . Sudbury Wolves moved to within one game of winning their Eastern Canada Allan Cup final play-off from the Matane Red Rocks by scoring a 5-3 victory in Sudbury last night. . . . Detroit defeated Montreal 2-1 in overtime to win the best of seven Stanley Cup Playoffs.

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Vol. 5, No. 76.

Wednesday, April 21, 1954.

Canada's Capacity For Massive Retaliation: Montreal, April 21 (Gazette) --

Defence Minister Claxton said here yesterday that the most important way to guarantee that the H-bomb doesn't fall on Canada is by having air weapons for "massive retaliation".

At a ceremony marking acceptance of the 1,000th F-86 Sabre jet produced by Canadair for the R.C.A.F., Mr. Claxton said there can be no means of massive retaliation unless the country has the "massive" capacity to produce these air weapons, like the F-86 Sabre jet, the CF-100, all-weather fighter, and radar.

"If we have them they may well prove to be a successful deterrent (to would-be aggressors) for peace," he said.

"We don't like the H-bomb. We may deplore its existence. But once it exists, we must not deplore the fact that one of our closest friends and allies has it.

"It makes aircraft like these more vitally important than ever before because our air-force is geared to air defence."

Describing the occasion as a "milestone in the annals of Canada's aviation industry," Mr. Claxton said it was the first time in Canada, and one of the few times in the world, that one aircraft company has produced 1,000 consecutive front-line planes.

"It is also the first time that Canada, during peaceful years, has had Air Force squadrons based outside the country to guard the ramparts of the free world," he said.

Trade Minister C.D. Howe, who also attended, said the aircraft represented \$250,000,000 of the taxpayers' money spent on one aircraft contract to produce the F-86.

"This doesn't mark the turning point of Canadair," he said. "You have lots of work ahead."

He pointed out the firm had a big job ahead to produce the Maritime Reconnaissance version of the Bristol Britannia and said there was hope that a civil transport might be produced.

"If so a new field lies ahead for you in that direction."

He said the armed forces need have no fear of shortages due to the country's productive facilities.

Mr. Pearson To Paris And Geneva: London, April 20 (CP) -- Mr. L.B. Pearson, Canada's Minister of External Affairs, arrived by air today on his way to Paris and Geneva for international meetings.

The Minister goes to Paris tomorrow for NATO talks opening later this week, and then on to Geneva for the international conference on Korea and Indo-China, starting Monday.

Defence Chiefs To Europe: Ottawa, April 20 (CP) -- Canada's top defence commanders are checking out of Ottawa for European visits.

Vice-Admiral E.R. Mainguy, Chief of Naval Staff, and Air Marshal Roy Slemmon, Chief of Air Staff, left by air today for Europe.

Lt.-Gen. Guy Simonds, Chief of the General Staff, and Dr. O.M. Solandt, Chairman of the Defence Research Board, left last week by sea.

Gen. Charles Foulkes, Chairman of the Joint Chiefs of Staff, will leave Saturday by air, returning May 3.

(over)

All five defence chiefs will attend an exercise of top North Atlantic Alliance Commanders at Supreme Headquarters, Allied Powers in Europe, Fontainbleau, France, April 26 to 30.

Ship For Arctic: Ottawa, April 20 (CP) -- The keel of a new vessel specially designed for charting Arctic waters is expected to be laid this year, it was reported today.

The ship, 285 feet long and built to withstand the pressure of pack ice in northern seas, is planned for the Canadian Hydrographic Service.

It will have a flight deck and hangar for two helicopters and will act as the mother ship for six survey launches used to chart waters too shallow for the larger vessel's 15-foot depth.

Unemployment: Ottawa, April 20 (CP) -- Canadian unemployment hit a postwar peak in March, it was learned today, but indications are it now is on the downgrade.

However, the number of jobless continues higher than at the same time last year.

Government figures to be announced in the next day or two, according to informants, will show that around 570,000 persons were looking for work through National Employment Service in late March.

This is a new high since the Second World War.

Saskatchewan "Cash" Policy: Regina, April 20 (CP) -- Credit buying, once an economic mainspring in this agricultural province, is fast giving way to cash on the barrelhead.

In recent months one after another of Saskatchewan's smaller communities have gone on a strictly-cash basis. More than 100 centres have adopted the policy.

Merchants who placed cash-only signs in their stores report the move has been highly successful.

But their best customer - the farmer who bought on credit in spring and paid in cash after harvest - sometimes finds it pretty tough going.

Merchants changed from credit to cash as a means of financial self-preservation when farmers couldn't sell grain and started to run up heavy bills.

The farmer now has to dig deep to raise cash. Some are reported selling their livestock out of season to pay their bills. Others claim they haven't enough money to put in their 1954 crop.

Provincial Autonomy: Quebec, April 20 (CP) -- Premier Duplessis of Quebec says that his whole political life has been consecrated to a fight for provincial autonomy.

The Premier made the statement in a birthday interview. He was 64 today.

"Never since 1890," said Mr. Duplessis, "has the province been exposed to such grave dangers as those arising out of the current centralist policies of the federal Government."

Across Canada: President George Slater of the Quebec Hockey League said today he is notifying referee-in-chief George Gravel to instruct referees to be more strict and "bear down at the start" in games of the current QHL final. "The game can be just an enjoyable without all the rough stuff. Some people seem to think it is not necessary in playoffs to rule by the book". . . . Des Archer, Saskatchewan's newly crowned light-middle-weight champion, will head a team of nine boxers from that Prairie Province to the British Empire Games trials which will be held at Toronto's Varsity Arena, May 13-15. . . . After 30,000 miles of travel covering 15 countries, the Seagram Collection of Cities of Canada paintings has returned to Canada to start an 18-month tour of the cities it depicts.



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Vol. 5, No. 77.

Thursday, April 22, 1954.

Passport Charge: Ottawa, April 21 (CP) -- A former United States Communist today identified Raymond Arthur Davies, Montreal writer, as Rudolph Shohan, a major figure in the U.S. Communist movement in 1929-30.

The testimony was given by William O. Nowell of Detroit at the trial of Mr. Davies on a charge of giving false information to obtain a Canadian passport.

Mr. Nowell, who said he broke with the party in 1936 after seven years, testified that Mr. Davies was known to him as Shohan, a leader of the U.S. Young Communist League.

Mr. Davies, who was arrested in June, 1952, and committed for trial here in October of that year, went on trial today.

The Crown claims Mr. Davies is Rudolph Shohan, that he was born in Russia and came to the United States in 1921. He is charged with stating in a 1936 application for a Canadian passport that he was Raymond Arthur Davies, a British subject born in Montreal and with no other nationality.

Canadian Chairman: United Nations, N.Y. April 21 (Gazette) -- Mr. David M. Johnson, Chief of Canada's permanent delegation to the United Nations, was widely mentioned today as the choice for the first chairman of the newly created U.N. Disarmament Sub-committee.

Mr. Johnson is expected to be chosen Friday at the first private meeting of the sub-committee made up of delegates of Canada, France, the United States, the Soviet Union and Britain.

Jet Crash: North Bay, Ont., April 21 (CP) -- An Air Force CF-100 jet fighter crashed and exploded in landing on a training flight here, killing its pilot and navigator.

Victims of the crash were identified as PO Donald Freckleton, 22, of Tuft's Cove, N.S., and Navigator Joseph Marcelle Turpin, 23, a native of Sturgeon Falls, Ont., whose parents live in Ottawa.

Canadian-Dominican Diplomatic Exchange: Ottawa, April 22 (Press Release No. 23) -- The Department of External Affairs announced today that the Governments of Canada and the Dominican Republic have agreed to exchange diplomatic missions.

A Consulate General of the Dominican Republic was established in Montreal in 1914, and another Consulate General was opened in Ottawa in 1945. A non-resident Canadian Government Trade Commissioner was accredited to the Dominican Republic in 1921, and in 1952, a Canadian Government Trade Commissioner's Office was opened in Ciudad Trujillo.

Canadian relations with the Dominican Republic have become of increasing importance in recent years, and it is now intended to establish before the end of 1954, an Embassy of Canada at Ciudad Trujillo, and an Embassy of the Dominican Republic at Ottawa.

(over)

Unemployment Peak: Ottawa, April 21 (CP) -- Unemployment among Canadians reached a post-war top in March, it was announced today, and immediately the major labour congresses called for federal action to ease its effects.

At the same time, by an apparent anomaly, Government figures also showed employment on the rise as the spring pickup set in after several months of decline.

The official March unemployment figures, released by the Government, were said by informants to be the top for the 1953-54 winter. They said that later but preliminary figures received by the Government indicate unemployment started to slide down in early March.

The post-war peak of those looking for jobs through National Employment Service was 569,898 at March 18. It represented a slowed-down rise of about 10,000 from a month earlier and compared with 408,000 a year before.

U.S. Consulate General: Montreal, April 22 (Gazette) -- The new premises of the Consulate General of the United States in Montreal, the largest office in Canada and one of the largest in the world, were officially opened here yesterday by Hon. R. Douglas Stuart, U.S. Ambassador to Canada.

"This is proof of the faith in the future of this fast-growing cosmopolitan metropolis," the Consul General's office said in a statement.

Research Grants: Montreal, April 22 (Gazette) -- The federal Government is pumping a further \$55,000 into medical research in Montreal under the National Health Programme, Mr. Paul Martin, the Minister of National Health and Welfare, announced yesterday.

The biggest grant, \$44,720, will support research at McGill University on the causes of hyper-sensitivity. Mr. Martin said the McGill project, already under-way, promises to provide valuable information on non-tuberculous allergic chest diseases.

Across Canada: A spring storm that dumped up to seven inches of wet snow on Southern Manitoba yesterday halted serious soil drifting and brightened prospects for the grain crop. . . . Culture took a back seat to athletics at a Toronto Board of Control meeting yesterday, as members voted \$3,500 for the British Empire Games in Vancouver this summer, but turned a deaf ear to a request from the Canadian Ballet Festival Association for \$2,500. . . . The Air Transport Board's refusal to allow BOAC to take off from Malton on its international runs drew the fire of members of Toronto's Board of Control yesterday.



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Friday, April 23, 1954.

Defence Minister's Tour: Ottawa, April 22 (CP) -- Defence Minister Claxton will leave by air Sunday for a week-long tour of military establishments in Western Canada.

He will visit service posts at Camp Shilo and Rivers in Manitoba; Grenville, Sask.; Vegreville, Cold Lake, the new RCAF weapons range, and the Suffield experimental station in Alberta; and Esquimalt, B.C.

Seven Islands Airport: Seven Islands, April 22 (CP) -- Transport Minister Chevrier and two of his departmental assistants today visited Seven Islands to decide on work projects to be undertaken at the airport here this year.

Mr. Chevrier said \$300,000 would be spent for an administration building at the airport and another \$35,000 would be spent for a maritime station for the signal service.

Seven Islands, 450 miles east of Quebec City, is the shipping point for Labrador iron ore.

Ambassador of Indonesia: Ottawa, April 22 (Press Release No. 24) -- His Excellency Usman Sastroamidjoyo presented today to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Indonesia to Canada. The ceremony of presentation took place at Government House.

Crash Victim: Claresholm, Alta., April 22 (CP) -- An RCAF student pilot was killed last night in the crash of a Harvard training plane near the air force station here.

RCAF officials said today the victim was Flight Cadet Donald Frederick Boswell, 19, of Cobourg.

National Conservation Plan: Ottawa, April 22 (CP) -- Establishment of a national conservation council was urged today at a conference called to discuss the broad future of Canada's natural resources.

The conference, first of its kind held in Canada since 1906, opened a two-day general session attended by delegates from more than 50 organizations with panel discussions on forestry, soil and water resources.

The conference, said Dr. W.J. Parker, President of Manitoba Pool Elevators, should form a council from its delegates "with a view to submitting to the Government of Canada and our provincial Governments, in due time, recommendations for a national programme of conservation".

Main bodies which would comprise the council's membership would be the Agricultural Institute of Canada, the Canadian Federation of Agriculture, the Canadian Institute of Forestry, the Canadian Forestry Association, the Engineering Institute of Canada, and other interested groups.

Fire Fighting: Ottawa, April 22 (CP) -- Use of the armed forces in forest protection was urged today by two delegates to an unofficial national conference on Canada's resources.

Mr. Vernon E. Johnson, of Montreal, President of the Canadian International Paper Company, suggested that RCAF training flights be

co-ordinated with a forest protection programme.

Military planes, he said, could report on fire conditions, particularly during periods when the fire menace was greatest.

Exports Up: Ottawa, April 22 (CP) -- Canada's export trade improved in March after a slump at the start of the year.

However, preliminary figures issued today by the Bureau of Statistics showed exports for the first quarter of the year were down from the same period of 1953. Imports continued higher than exports.

Ballet Festival: Toronto, April 22 (CP) -- Ballet companies from five cities ranging from Halifax to Vancouver will be in Toronto the week of May 3, for the Sixth Annual Canadian Ballet Festival.

In addition new Canadian folk dances will be presented by Finnish, Danish, French Canadian, Czechoslovak and German groups.

The Festival has been a showcase for Canadian dance activities in the past. It led to the formation of the Canadian Dance Teachers' Association and was a stepping stone in establishment of the National Ballet, Eastern Canada's professional ballet group.

Soviet Artists: Toronto, April 23 (Globe & Mail) -- Six artists of the Soviet

Union presented a concert at Massey Hall last night and gave a capacity audience an opportunity to hear and see a group of soloists, unknown even by reputation. The event proved always interesting and, at times, highly enjoyable.

The performers were Leonid Kogan, violin, Professor Pavel Serebryakov, piano, Elizaveta Chavdar, soprano, Arturs Frindbergs, tenor, and Sophia Golovkina and Leonid Zhdanov, ballet dancers. Their Canadian tour is sponsored by the Canadian-Soviet Friendship Society.

Netherlands Scholarship: Ottawa, April 22 (CP) -- The Netherlands is offering a scholarship of 2,000 guilders, roughly \$500, to a Canadian citizen who may want to study in that country. The Netherlands Embassy announced tonight.

The scholarship is open to university students, research workers and students in the creative arts. It is tenable for nine months in The Netherlands and provides an exemption of university fees of 325 guilders.

Across Canada: Raymond Arthur Davies, described as a Montreal leftwing writer, yesterday was sentenced to two years in penitentiary for passport frauds.

The black-hulled sealer Terra Nova, only Newfoundland vessel to survive this year's seal fishery, slipped into port at St. John's yesterday. Her skipper said the hunt was "terrible". . . . Mr. Justice J.V. Clyne today fined the Vancouver Province \$2,500 and costs for contempt of court, arising out of an article by columnist Eric Nicol condemning capital punishment. Mr. Nicol himself was fined \$250. . . .

A premature birth saved the life of a Hamilton baby who was given a complete transfusion in which all his blood was drained off and new blood substituted. . . . Canada is sending an official cricket team to England

this summer for the first time in history. The Canadians will play 17 games during their stay from July 20 to September 3. . . . Farmers' cash income dropped last year to three per cent below the peak established the previous year, the Bureau of Statistics estimated on April 22.



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Vol. 5, No. 79.

Monday, April 26, 1954.

Geneva Conference: Geneva, April 25 (CP) -- External Affairs Minister Pearson, leader of the Canadian delegation to the Geneva Far Eastern conference opening tomorrow, said tonight that the meeting is "one of the most difficult and complicated" of post-war years.

But, he added, "given good will, it may be possible that something constructive will arise from it".

The Canadian delegation will not sit in on the part of the conference dealing with Indo-China.

Budget Debate: Ottawa, April 25 (CP) -- The House of Commons will resume consideration of Finance Minister Abbott's budget Monday providing members do not take advantage of House rules to bring grievances to the Government's attention.

Parliament has been adjourned since April 14 for an 11-day Easter recess, the last holiday members will enjoy before prorogation of the session this summer.

When the House opens the Government will submit a motion to permit introduction of estimates concerning four departments. If it is approved the budget debate will be resumed. However, a motion of this type enables members to debate problems they think the Government should consider.

On Thursday and Friday the estimates of the Departments of Public Works and Northern Affairs will be considered.

Prior Consultation: Paris, April 23 (Globe & Mail) -- At Canada's instance the 14 nations that form the North Atlantic Alliance today pledged themselves to prior consultation before the use of armed force by any of them.

The resolution moved by Mr. Pearson enlisted the full support of Secretary of State John Foster Dulles.

In endorsing the resolution Mr. Dulles was seen as making a conciliatory gesture toward those sections of public opinion in other NATO nations that have been alarmed by some of the seemingly belligerent policy statements emanating from high U.S. officials including Mr. Dulles.

Mr. Pearson's motion was officially entitled A Resolution on Political Consultation. It was couched in the most general terms but significance was attached to the fact that it was approved at all and moreover that its full text was made public as a separate communique from the ministerial meeting. Usually the texts of such motions are not released.

Detonator Inventor: Ottawa, April 25 (Globe & Mail) -- Mr. A.J. Langley, an Ottawa inventor, finally has received official recognition for his invention of a pencil-shaped detonator used by Allied saboteurs during the Second World War.

Mr. Langley, former commander in the Royal Navy, has been notified that the United Kingdom Royal Commission of Awards to Inventors has recommended that he receive £700 for his invention.

About 15,500,000 of the detonators were used during the war. They enabled saboteurs to set explosions to go off hours after they left the scene, and were parachuted in large numbers to resistance groups in

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occupied countries.

Butter Surplus: Ottawa, April 25 (CP) -- The Government is expected to announce soon that it will sell current stocks of price-support butter at 56 cents a pound, two cents below the purchase price.

This would be the first time since 1951 that the Government has decided to sell butter to the trade at a small loss. The action would enable the Government to replace 1953 production now in storage with surplus butter produced this year.

The Government at present buys surplus butter in the summer months at a support price of 58 cents a pound. The butter is stored and offered to the trade during the low-producing winter months at 61 cents a pound wholesale. Heavier production in the summer more than meets the consumer demand.

The surplus on hand May 1 may range between 30,000,000 and 35,000,000 pounds. The previous high was 20,000,000 pounds in 1949 and last year's figure was 19,000,000 pounds.

Battle Tactics: Soltau, Germany, April 25 (CP) -- Infantrymen and tankmen of the 1st Canadian Infantry Brigade are learning battle co-operation in this former Wehrmacht training area in the British zone of Germany.

A troop of four Centurion tanks from "D" Squadron, Lord Strathcona's Horse, a company of infantrymen from the 2nd Battalion, Royal Canadian Regiment, this week held the first of a series of field exercises to be undertaken by the brigade during the next month.

Before exercises began, a communications network had to be set up. More than 50 miles of cable was laid and a number of signal centres established.

Mining Convention: Montreal, April 25 (CP) -- More than 1,000 delegates are expected to attend the 56th annual convention of the Canadian Institute of Mining and Metallurgy, beginning three-day sessions here tomorrow.

Programmes have been arranged for the Institute's six divisions. Geologists will study the modern devices for locating ore bodies beneath the surface. Another group of specialists will deal with industrial minerals that comprise such essential materials as salt, cement, brick and stone. Metallurgists have a full programme of highly technical papers.

The theme of the meetings - The Stature, Scope and Importance of Canada's Mineral Industry - will be outlined by Mr. R.E. Stavert, President of Consolidated Smelters Limited.

Uranium will come in for full attention, with arrangements being made for a talk by Dr. John Convey, Director of the Mines Branch, Ottawa.

Mr. R.J. MacNeill, Chief Geologist with the Newfoundland and Labrador Corporation, will present a review of that Province's recent large developments.

Across Canada: Crude oil production in Alberta averaged 172,993 barrels a day for the week ended April 19, the Alberta Petroleum and Natural Gas Conservation Board announced. This was a drop of 26,641 barrels a day from the previous week. . . . The fourth Canadian textile seminar will take place at Queen's University, Kingston, Sept. 9, 10 and 11. Held every other year, it is sponsored by the Textile Technical Federation of Canada and attracts textile scientists and technicians from all parts of Canada as well as from the United States, England and other countries. More than 400 delegates attended the last seminar. . . . Chile and Canada will likely play their first round North American Zone Davis Cup tie July 15, 16 and 17 it was announced yesterday by Mr. Harry Marpole, Canadian Lawn Tennis Association President. . . . For the R.C.M.P. spring has officially arrived on Parliament Hill. The Mounties who stand guard outside the Parliament Buildings shed their cool-weather brown jackets yesterday and for the first time this year appeared in the force's famed scarlet tunic. . . . The Japanese Skating Club, sponsors of the recent 10-game tour of Japan by Kenora Thistles, is reported to have lost about \$5,000 on the venture, a member of the Thistles executive said Saturday.

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INFORMATION DIVISION  
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OTTAWA - CANADA

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Vol. 5, No. 80.

Tuesday, April 27, 1954.

**War In Indo-China:** Ottawa, April 26 (CP) -- Prime Minister St. Laurent said today the Government is concerned with latest developments in Indo-China but has no plans at present to involve Canada in the Indo-Chinese war.

He also told the House of Commons that Canada is not participating in the talks on Indo-China at the Geneva Conference because this country is not directly involved in the fighting.

"I would not like to commit the Government to making any recommendation to Parliament at this time to become directly involved in what is taking place in Indo-China," Mr. St. Laurent said.

"There have been statements made in this House that our obligations which might involve military action in the East were limited to what we were doing under the aegis of the United Nations. Now, there might arise a situation where it would be felt that we should go beyond that, but the Government will have to give that very serious consideration before definitely committing Canada to action which might involve the participation of military forces. The Government will certainly bring its recommendation to Parliament."

**Dominion-Provincial Conference:** Ottawa, April 26 (CP) -- Opposition Leader Drew today proposed resumption of the 1950 federal-provincial conference on the constitution and said it would be thrown open to discuss all federal-provincial problems.

His motion to that effect in the House of Commons, however, was ruled out of order and later withdrawn.

Mr. Drew criticized the Government for not heeding requests from every province for a conference on taxation and constitutional issues.

The Opposition Leader urged Prime Minister St. Laurent to summon the provinces to such a conference.

**Trade Union Tax:** Ottawa, April 26 (CP) -- A Quebec Liberal said tonight the Government should consider levying a tax on profits trade unions make on investment of union dues.

Mr. Romuald Bourque, Montreal Outremont-St. Jean, said dues collected by trade unions are tax free. Some larger unions built huge reserve funds, part of which they invested.

Mr. Bourque said in the budget debate the returns on such investment profits are taxable in the case of individuals and corporations.

**Quebec Tax Agreement:** Ottawa, April 26 (CP) -- A suggestion for ironing out current taxation problems between Quebec and the federal Government was placed before the House of Commons today.

Mr. Bona Arsenault (L - Bonaventure) suggested that the two Governments might agree to Quebec leasing its provincial income tax field to the federal Government if it retained its right to levy corporation income taxes and succession duties.

The proposal would eliminate Quebec's new 15-per-cent personal income tax.

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European Visit By HMCS Quebec: Ottawa, April 26 (CP) -- The training cruiser Quebec will sail from Halifax April 30 on a five-week spring training cruise to European waters, the RCN announced today.

During the cruise the Quebec, commanded by Capt. E.W. Finch-Noyes of Oakville, Ont., is scheduled to visit the Portuguese island of Madeira, May 7-11; Portugal, May 13-15; Copenhagen, May 20-25 and Brest, France, May 28-30, returning to Halifax June 6.

Members of the directing staff and current course of the National Defence College at Kingston who are touring Europe, will return on the ship from Brest.

\$50,000 Gift To McGill: Montreal, April 27 (Gazette) -- Cleveland Industrialist Cyrus Eaton and his sister, Mrs. Florence Eaton Kaye, of Victoria, B.C., have given \$50,000 to McGill's endowments "in recognition of the university's efforts to discover and develop the resources of Canada's northern empire," it was learned yesterday.

The gift recognizes the interest which various McGill divisions - including the geography, geology, botany, zoology, and genetics departments have shown in northern research in fields of economic and strategic importance.

Every summer staff and students of the geography department leave for field work in widely separated northern areas, and the geology department annually sends out an army of students and professors to search for ores.

New Stamps: Ottawa, April 26 (CP) -- New stamps bearing the portrait of the Queen which is shown on the new five-cent stamp will go on sale June 10.

The Post Office Department announced today that the stamps will be in denominations of one, two, three, four and six cents. Colours will be the same as those denominations in current use - brown, green, red, purple and orange respectively.

"Effective Occupation" Of Arctic: Ottawa, April 26 (CP) -- Canada is maintaining "effective occupation" over her northern islands and there is no likelihood of their being claimed by the United States, a Northern Affairs Department spokesman said today.

He was commenting on a Winnipeg despatch quoting Rt. Rev. D.B. Marsh of Toronto, Anglican Bishop of the Arctic, as saying some of the Canadian islands, occupied by U.S. weather-station personnel, may eventually become American because no Canadian has ever lived there.

Bishop Marsh said the Americans after some years might simply announce that some island is not longer a Canadian possession since no Canadian has ever occupied it.

The spokesman, in reply, said Canada, maintains occupation by having police officers patrol the area, by having Canadian Eskimos in that locality and by having the RCAF fly through the area on operational work.

International Inspection: Ottawa, April 26 (CP) -- CCF Leader Coldwell said today the only real defence against the hydrogen bomb is settlement of international disagreements and a general reduction in armaments.

He said in the House of Commons Canada should press for international control of atomic and thermonuclear weapons under an organization which would have unrestricted right of inspection.

Across Canada: Montreal, often described as having more steeples and night clubs than any other city in Canada, was given a new title yesterday. According to the city's No. 1 citizen, Mayor Houde, it should more appropriately be called "the city with a soul". . . . The arrival of immigrants in Ontario this year will at least equal last year's number and may approach the record set in 1951, immigration officials indicated today. . . . Food and medical supplies were dropped Sunday by an RCAF Dakota to an Eskimo community on the Belcher Islands in Hudson Bay where 10 have died in recent weeks of influenza or serious colds. . . . A committee to study means for the preservation of the Niagara Peninsula fruit lands as such against the encroachment of industry and housing developments, was organized at Hamilton yesterday.

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Vol. 5, No. 81.

Wednesday, April 28, 1954.

**Tax Dispute:** Ottawa, April 27 (CP) -- The tax dispute between the federal and Quebec Governments tonight was described as a contest between Quebec's National Union Government and the unity of Canada.

Mr. Roch Pinard, Parliamentary Assistant to External Affairs Minister Pearson, criticized Premier Duplessis of Quebec for not consulting Ottawa on his intention to impose the Province's new 15-per-cent income tax.

Mr. Pinard, who represents Chambly-Rouville constituency, said Quebec should not refuse to negotiate with the federal Government lest it isolate itself from other provinces.

He said the Government should stop considering Quebec "as the illegitimate child of Confederation".

He urged Defence Minister Claxton and Finance Minister Abbott to get together and find a solution for members of the armed services posted to Quebec establishments from other provinces who would be penalized by having to pay a double income tax.

**Western Troops in Asia:** Ottawa, April 27 (CP) -- A former United States army general said today that Asiatic troops on Formosa or in South Korea should be sent to assist French and Viet Nam forces in Indo-China.

Lt.-Gen. Albert C. Wedemeyer, former Deputy Chief of Staff of the U.S. Army, told a press conference here that he does not believe that American, Canadian or other Western soldiers should be used any longer as ground forces in the Far East.

**Social Credit Proposal:** Ottawa, April 27 (CP) -- Alberta today proposed that the federal Government pour a huge new supply of money into the circulation stream to allow consumers to buy all the shoes and other essential goods they require.

The proposal received a cool reception from skeptical members of the Commons Banking Committee.

The plan, as outlined by Provincial Attorney-General Maynard, was that the federal Government would borrow hundreds of millions of dollars from the Bank of Canada, without paying interest and put these new dollars into circulation through various ways.

The Government could declare "consumer dividends" to enable consumers to buy all available goods and services. It could boost social benefits such as old age pensions and family allowances, or it could provide subsidies to reduce consumer prices.

Mr. Maynard agreed that Alberta's plan constitutes a "considerable departure from the existing concept of a central bank".

**Belgian Automatic Rifle:** Ottawa, April 27 (CP) -- Canada has agreed to convert production drawings for the Belgian FN automatic rifle to the inch system as a step toward a standard American-Canadian-British weapon.

**Non-Confidence Motion:** Ottawa, April 27 (CP) -- The House of Commons tonight defeated 121 to 40 a Progressive Conservative non-confidence motion based on a six-point criticism of the Government.

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The motion, made at the start of the budget debate by Mr. J.M. MacDonnell, PC financial critic, said the House of Commons regrets that the Government:

- Failed to reduce taxes.
- Failed to reduce unnecessary expenditure.
- Failed to improve efficiency of administration.
- Ignored unemployment.
- Failed to retain and regain markets for surplus primary products.
- Failed to reach agreement with provincial Governments in regard to a clearly-defined re-allocation of taxing powers.

**Capital Punishment:** Ottawa, April 27 (CP) -- Canada's police chiefs said today that the death penalty is a definite deterrent to murder and urged that it be retained in the Criminal Code.

Removal of the death penalty would put police officers in greater danger in arresting criminals, the Chief Constables Association of Canada said in a brief to a Parliamentary committee.

The Association also said courts should retain the power to order whipping in crimes of violence but suggested that other methods than the lash may be more effective in controlling such crimes.

**Farm Immigrants Wanted:** Montreal, April 28 (Gazette) -- Col. Laval Fortier, Deputy Minister of the Department of Citizenship and Immigration, said here yesterday that the Canadian farm industry needs immigrants to offset the movement of farmers and their sons to urban centres. He told the Agricultural Institute of Canada, Montreal Branch, the best estimate he could obtain disclosed that this group had been leaving the farms for urban centres at the rate of about 60,000 each year since 1948.

Col. Fortier said since the Second World War there have been 125,000 immigrants gone to farm, almost one out of every four of the workers brought to this country.

**Soviet Artists:** Quebec, April 27 (CP) -- Solicitor-General Rivard said today he does not know why touring Russian artists are unable to rent auditoriums in Quebec province.

"The Government has not been approached in connection with this tour," Mr. Rivard said, "and certainly no threats were made to anyone." In Winnipeg last night Mr. John Boyd, of Toronto, Canadian manager of the tour, said May 3 and 4 had been allotted for Quebec but no hall could be rented "because of what (Premier) Duplessis might do".

Mr. Boyd was reported as saying Premier Duplessis could close any auditorium or revoke its licence if the owner rented it for a performance by the Russians.

Mr. Rivard said licensing of auditoriums comes under municipal jurisdiction in Quebec province. The only way the provincial Government could step in would be if a hall was used to spread subversive propaganda. Establishments used for distribution of Communist propaganda may be closed under Quebec's Padlock Act.

**Across Canada:** Tomorrow morning the world's largest inland ship, Canada Steamship Lines' T.R. McLagan, will pass through Welland Canal, en route to Hamilton with a cargo of ore. Not only will she be the largest ship able to navigate the Canal but her cargo will be larger than any other ever carried by a lakeboat. . . . Henry Martell, Canadian Professional Golf Association champion from Edmonton, has been named captain of the seven-man Canadian squad which will meet top American Professional Golf Association pros in the third annual Hopkins Trophy Matches. . . . Alberta and Saskatchewan continue to freeze today under Spring's winter hangover. Heavy snow spread through the two provinces while the weather office in Edmonton reported record low maximum temperatures were set at most meteorological stations.



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Vol. 5, No. 82.

Thursday, April 29, 1954.

Role Of Asia In World Affairs: Toronto, April 28 (CP) -- Prime Minister St. Laurent said tonight there is no "short and easy way" to keep peace in the world.

Mr. St. Laurent said the Western world must continue to build up its strength to deter aggression and turn with generosity and understanding to 445,000,000 people in Southern Asia struggling to improve their conditions.

Unless security is world-wide, "we are not apt to have it for ourselves", he told the Canadian Press annual meeting dinner.

"I am convinced we must in a true spirit of equality and co-operation join in a world-wide concerted effort to help the peoples of Asia obtain greater material advantages and the hope of a better future for themselves."

The Prime Minister devoted most of his 3,000-word address to the problems of Southern Asia where he spent 2½ weeks on his recent 26,000-mile world tour.

He said his tour demonstrated there is an "abundance of goodwill" for Canada which has a special opportunity to help in the problem of achieving understanding between Eastern and Western peoples.

"It is important for us to realize," said Mr. St. Laurent, "that the peoples of Southern Asia, because they have had so little direct experience of Russian imperialism, Communist or otherwise, are not inoculated as we are against the false ideals and illusory promises of Communist propaganda.

"On the other hand, they are apt to associate the whole Western world with the former imperialism they resented so deeply and unless we can show them we really want to be their friends and to treat them as equals, we can hardly expect to enjoy their sympathy and enlist their support for the kind of peaceful world we are seeking to achieve."

The nations of Southern Asia were bound to play an increasingly important part in world affairs. Every opportunity to improve goodwill and understanding should be seized.

"Canada has a special opportunity because, like these nations, we, too, have emerged from a colonial status to a status of equality in the Commonwealth and that common experience is itself a basis for mutual understanding."

He said an aspect of Asian affairs the "West can neglect only at our peril" is the desire of Asians for national independence and their "new sense of the dignity of the individual and the equality of all men, regardless of origin or colour".

Defence Needs Prevent Tax Change: Edmonton, April 28 (CP) -- Defence Minister Claxton indicated today that there will be little, if any, change in taxes for years to come.

He told the Canadian Club that despite existence of the hydrogen and atomic bombs, the need for conventional weapons is just as great.

"The H-bomb has not lessened the magnitude of the defence operation. There still is a need for a navy, army and air force of about the present size as the minimum force necessary to enable us to do our job.

Government TV Policy: Ottawa, April 28 (CP) -- The Government plans to retain its policy of one television station in any one area which includes a single bilingual station for the Ottawa-Hull area, it was learned authoritatively today.

Retention of this policy means that applications from private broadcasters to build television stations in areas reserved by Government policy to the publicly-owned CBC - Halifax, Montreal, Ottawa, Toronto, Winnipeg and Vancouver - will not be accepted.

It also means that private broadcasters will have exclusive use of all other centres of populations.

Federal-Provincial Highways Formula: Ottawa, April 28 (CP) -- A formula for giving the provinces control of all highway traffic was worked out today at the federal-provincial highway conference.

It involves an unusual federal-to-provinces switch of jurisdiction over road transport crossing interprovincial and international boundaries. The federal Government now owns - but does not exercise - this control.

The 2½-day conference finished by completing a draft federal bill that would affect the shift of authority on trans-border traffic. This is the only highway business not under provincial control.

Revocation of Citizenship: Ottawa, April 28 (CP) -- Russian-born Sam Carr swore allegiance to Canada six months before the Canadian Government heard that he was a ringleader of a Russian spy ring.

A return tabled today in the House of Commons for Mr. Davie Fulton (PC - Kamloops) said Mr. Carr, sentenced to six years in 1949 for espionage, swore allegiance to Canada March 1, 1945, the date he obtained a second certificate of naturalization. The first was revoked in 1932 when he was sent to prison.

The Royal Commission which investigated the espionage ring said that Mr. Carr was head of a group of agents in Ottawa and Toronto before June of 1943.

Mr. Fulton asked if Mr. Carr's certificate of naturalization has been revoked on grounds that it was obtained by false representations. The Citizenship Department said that the certificate has not been revoked.

Toronto Choir In New York: New York, April 28 (CP) -- Toronto's Mendelssohn Choir, which under the direction of Sir Ernest MacMillan Tuesday night made its first New York appearance in 30 years, was lauded today for its performance of Handel's Messiah.

The New York Times critic today says: "It is evident by their performance that they are entirely secure and authoritative in the technique of Handel's resplendant work."

The Herald Tribune says the choristers' knowledge of the Messiah was evident "but this was not accompanied by the sense of routine, of taking the score for granted, which sometimes marks the performance of familiar music".

Across Canada: Canada's mineral industry can look forward to "a rosy future" and, with new mineral discoveries, can expect a record year in 1954, Dean A.E. Flynn, of Halifax, told the concluding session of the Canadian Institute of Mining and Metallurgy annual meeting yesterday in Montreal. . . . Mr. R.J. Rankin, Managing Editor of the Halifax Chronicle-Herald and Mail-Star, yesterday was elected President of the Canadian Press, Canada's co-operative news service. He succeeds Mr. Roy Thomson, President for the last two years. . . . From out of the skies yesterday came the Maple Leafs and the Havana Sugar Kings. Their game today will be the first in this country between baseball teams representing Canada and the island republic of Cuba. . . . Suburban Toronto's Lakeview Golf Club has been dropped as the site of the annual A.V. Roe (Canada) Ltd. golf tournament planned for next Saturday because it barred a Negro employee of the company from its course.



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Vol. 5, No. 183: Issued on Friday, April 30, 1954.

**Emergency Powers Act:** Ottawa, April 29 (CP) -- The Emergency Powers Act will not be extended beyond its expiry date on May 31, Mr. St. Laurent announced today.

He told the House of Commons that the Government will not "at this session" ask Parliament to extend the time of the Act.

The Act - giving the Cabinet wide powers over the economy of Canada - was passed after the outbreak of the Korean War in the summer of 1950.

The world situation is still pretty explosive, Mr. St. Laurent said. But the Government hopes the situation will not require anything more than normal powers of governing through order-in-council.

With the Emergency Powers Act gone, the Government would resort to the War Measures Act if extreme powers were required.

"I sincerely hope that that won't be necessary while I'm a member of the Government," the Prime Minister said.

The Act with its Government control over nearly every sector of national life, has been criticized by all Opposition parties, especially the Progressive Conservatives.

Five weeks ago a P.C. motion describing the power as repugnant to a responsible government was defeated 134 to 68.

**Canada At Geneva:** Ottawa, April 29 (CP) -- Canada will be kept abreast at the Geneva Conference of discussions concerning the war in Indo-China.

Prime Minister St. Laurent made this statement today in the House of Commons in reply to questions by Opposition Leader Drew. Mr. Drew suggested that the Canadian delegation at Geneva should make an effort to take part in the talks.

Mr. St. Laurent said he is convinced that Canada will be given as full information on what is taking place as if Canadian representatives were participating in the talks.

**Tax Policy:** Ottawa, April 29 (CP) -- Prime Minister St. Laurent said today it is a matter of opinion whether a policy of maintaining the present size of Canada's forces will mean little, if any, tax changes for years to come.

He added: "There has been no Government policy determined with respect to taxes for future years."

The Prime Minister was asked in the House of Commons by Mr. J.M. Macdonnell (PC - Toronto Greenwood) about a report by the Canadian Press of a speech yesterday in Edmonton by Defence Minister Claxton.

The story noted that defence expenditures are at least 40 per cent of the National budget and said Mr. Claxton's speech indicated there will be little, if any, change in taxes for years to come.

Mr. Macdonnell asked whether that represented Government policy.

Mr. St. Laurent replied:

"That seems to have been the impression made upon those who heard the speech, that there was not likely to be a change in taxes for years to come.

"There seems to have been no such statement made by the Minister, and it may or may not be an accurate conclusion to draw from the statement of the Minister that the situation seemed to require the maintenance of as large forces as we have at the present time. . . ."

(over)

The statement on taxes appeared to have been a conclusion drawn by the reporter.

"Whether or not that is an inaccurate conclusion to draw from the assertion of that fact is a matter of opinion."

**Trans-Canada Highway:** Ottawa, April 29 (CP) -- The Government today placed on the provinces the responsibility for completing the 5,000-mile Trans-Canada highway on schedule.

Works Minister Winters repeated in the House of Commons that it is up to the provinces to decide what work will be done and that the federal government will pay half the cost.

He said during Commons study of his Department's estimates that he thinks the provinces of Alberta and Saskatchewan will complete their sections of the highway by Dec. 9, 1956, when a federal-provincial agreement expires.

As for the other provinces, he could only hope that the highway would be completed. However, the provinces had their own provincial road-building programmes and it was up to them to decide what money they could allocate for the Trans-Canada highway.

All provinces except Quebec have signed the agreement.

**Construction of Embassies:** Ottawa, April 29 (CP) -- The Public Works Department soon may assume responsibility for construction of Canadian Embassies and other buildings in foreign countries.

Works Minister Winters says that construction of Canadian buildings abroad is now the responsibility of the External Affairs Department.

Talks are in progress between the Public Works and External Affairs Departments and it is hoped that responsibility for construction would be transferred to Public Works.

**Visit To Sub-Arctic:** Ottawa, April 28 (National Defence Press Release AFN 16-54) -- At the invitation of the Minister of National Defence, a party of 55 Senators and Members of the House of Commons will visit the National Defence sub-Arctic proving grounds at Fort Churchill this weekend.

The group will leave Rockcliffe Air Station at 9.30 a.m. Saturday in two RCAF North Star aircraft.

Their schedule includes a tour of the defence and research establishments in the area and a trip to the "Barren Lands" in over-snow vehicles on Sunday morning.

The party will leave Fort Churchill to return to Ottawa by air Sunday afternoon.

**Across Canada:** Mayor Houde welcomed the Seagram Collection of Cities of Canada paintings to Montreal at opening ceremonies in the ballroom of the Sheraton-Mount Royal Hotel, attended by more than 1,600 civic, business and social leaders of the city. From Montreal, the 51 paintings and sketches depicting 22 Canadian cities, will start an 18-month tour of the cities represented by the paintings of leading Canadian artists. . . . Canadian Pacific Airlines last season showed traffic increases of nearly 400 per cent to such popular resorts as Hawaii and Acapulco, according to traffic officials. . . . Lt.-Gen. Sir Dudley Ward, KBE, CB, DSO, Deputy Chief of the Imperial General Staff (British Army) will visit Eastern Canada May 2 to 10, Army Headquarters announced on Wednesday. . . . The Junior Chamber of Commerce of Canada will launch a country-wide counter-assault on the May Day propaganda tactics of the Communists tomorrow. Under the slogan May Day - Pray Day, Canadian Jaycees will join similar organizations in the United States, Mexico, the Philippines and other countries in a drive to make May 1 an international day of prayer for world peace.



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Vol. 5, No. 84

Monday, May 3, 1954.

**Geneva Conference:** Geneva, May 2, (CP)— Mr. Alan Watt, Australian Commissioner in Malaya, tonight visited Canada's External Affairs Minister Pearson to brief him on today's Anzus pact discussions.

Mr. Watt is No. 2 man in the Australian delegation and will take over leadership when his chief, External Affairs Minister Richard Casey, leaves for home. Australia's position here has been complicated by the May 29 general elections.

Mr. Pearson also lunched today with the ministers of Commonwealth countries attending the conference -- Britain, Australia and New Zealand. Consultation among the Commonwealth partners at the meetings here has been extremely close.

**Committee on Criminal Code:** Ottawa, May 2, (CP) -- A special Commons-Senate committee studying three controversial segments of Canada's criminal law plans enough work to keep members busy for months, perhaps years.

The committee of 10 senators and 17 commoners was appointed last February to determine whether the criminal code's sections on capital and corporal punishment and lotteries should be amended.

Don Brown (L-Essex West), co-chairman of the committee with Senator Salter Hayden (L-Ontario) figures it will be a long pull to sift through the evidence the committee wants to gather.

Mr. Brown, chairman of a Commons committee which prepared the final draft of Canada's revised criminal code last year, says the committee probably will not complete work this session.

**Federal-Provincial Conference:** M. Gazette, May 3, -- A federal-provincial conference to deal with fiscal problems and unemployment was asked for yesterday by the Quebec Federation of Industrial Unions (CIO-CCL). It charged both Finance Minister Abbott and Premier Duplessis were "playing party politics at the expense of the Quebec taxpayer".

After having deliberately sabotaged previous federal-provincial conferences, Mr. Duplessis now invokes his constitutional rights to tax Quebec residents already staggering under an existing tax burden", said Roger Mathew, federation secretary.

"On the other hand, Mr. Abbott is content to flatly say 'no' to the suggestion that the Quebec income tax be fully deductible from federal taxes.

"It is unreasonable that the Quebec Government impose this income tax before the Tremblay Commission has reported on fiscal matters. There is reason to believe this tax might influence the report this commission is to bring in and also interfere with the objectivity of its recommendations.

.(over)

Psychology Congress: M. Gazette - May 3, -- The International Congress of Psychology will meet in Montreal from June 7 to 12 and will bring together some of the world's leading psychologists from 35 countries. They will present scientific papers outlining recent findings in man's search for more facts on mental makeup.

The announcement was made Saturday by congress officers, Rev. Noel Mailoux, of the University of Montreal, and Prof. George A. Ferguson, of McGill University.

The city and Provincial and Federal Governments will extend official welcome to the delegates at the opening plenary session of the 14th Congress at the University of Montreal, June 7. Dr. Henri Pieron, of the College of Paris will preside.

The scientific program is in charge of Prof. Robert B. MacLeod, a McGill-trained man who now heads the department of psychology at Cornell University. Chairman of the local committee on arrangements is Prof. D.O. Hebb, of McGill.

3 Film Awards: Ottawa, May 2, (CP) -- Canadian motion pictures won three of the top 10 awards for educational films given by a New York publication, Scholastic Teachers' Magazine, it was announced here today.

The 10 awards, not ranked in any order, were made from among more than 500 films in the contest.

Two of the Canadian films, Adolescent Development and The Frustrating Fours and The Fascinating Fives, were produced by Crawley Films Limited of Ottawa.

The third, Shyness, was produced by the National Film Board.

Building Loans: M. Gazette, May 3, -- Jean Marchand, general secretary of the Canadian and Catholic Confederation of Labor, Saturday criticized Premier Duplessis' decision to withhold provincial aid from persons building homes with loans guaranteed by the Federal Government.

At his weekly press conference in Quebec Friday, Mr. Duplessis reiterated an earlier announcement that his government will pay nothing to anyone obtaining a loan from any source under the Federal housing plan.

Under the Provincial Housing Act, firms authorized by the Government may loan up to 60 per cent of the value of a house. Limit on interest firms may charge is six per cent. The Quebec Government pays three per cent of the interest rate.

Mr. Marchand said recent amendments to the Federal legislation made it easier for persons to obtain loans, guaranteed by the Federal Government, Mr. Duplessis' action would destroy the advantages of the Federal legislation.

The Premier, said Mr. Marchand, apparently wished to take reprisals against the Federal Government because of its refusal to make a new Quebec income tax fully deductible from the Federal income tax.

"It is not the Federal Government that Mr. Duplessis will punish but a considerable number of fathers of families in urgent need of decent housing", said Mr. Marchand.

Across Canada: Calgary Stampeders won the Western Hockey League championship at Calgary Saturday night ~~beating~~ Vancouver Canucks 3-1. They now will meet Quebec Aces, Quebec Hockey League Champions, in a best-of-seven post-season series for the new Duke of Edinburg Trophy and the Canadian minor professional hockey championship. The Canadian National Ballet Festival, an all-amateur exhibit, which gets underway tonight at Hart House, offers a quick easy survey on the work being done in this field all across Canada.

## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 85

Tuesday, May 4, 1954

**Dominion-Provincial Conference:** Ottawa, May 3 (CP) -- Prime Minister St. Laurent today rejected Opposition proposals for an immediate federal-provincial conference on taxation and constitutional issues.

He also informed the Commons that his Government's door is open for Premier Duplessis of Quebec to discuss a solution to the problem of that province's new 15-per-cent income tax.

Mr. St. Laurent, entering the budget debate for the first time, repeated his Government's decision against allowing full deduction of the provincial tax from federal tax payments. Federal laws permit a deduction of five per cent.

The only solution to double taxation was in some kind of agreement between the Federal and Quebec governments.

He said he knows of no alternative solution except the federal-provincial tax agreements, which have been signed by all provinces except Quebec.

The Federal Government was ready to discuss any Quebec proposal for an alternative to a tax agreement, provided it respected federal and provincial rights, could be offered to other provinces in lieu of their present agreements and gave the Federal Government the finances to carry out its obligations.

If such a plan was found, he said, he would not hesitate to call a conference with the other provinces.

He added:

"I do not think that under any other condition, the holding of a federal-provincial conference would be desirable or apt to be helpful."

Mr. St. Laurent said he hopes Quebec will not feel there can be no agreement with the Federal Government because of the Quebec Government's attitude toward provincial autonomy.

But there was no reason for other provinces to take part in any discussions toward solving the problem with Quebec.

The other provinces had signed federal tax agreements in good faith, and these had about three years to run. The Federal Government would not suggest changes in them because of Quebec's action.

"I think Canada has got to live up to them unless they are modified by mutual consent."

There could be no preferential treatment for any one province.

Mr. St. Laurent said the clash in federal-provincial relations is not something new. The present resurgence was not due to any action by the Federal Government, but to Quebec's decision to levy an income tax.

The Federal Government had tried at two conferences, in 1945 and 1950, to reach a working agreement with the provinces concerning the joint rights to corporation and personal income taxes.

The 1950 federal-provincial conference on ways to amend the Constitution had not met since because it was agreed at that time the conference should be suspended until agreement was reached on the taxation problem.

**Exchange of Atomic Information:** Ottawa, May 3 (CP) -- Trade Minister Howe repeated today that Canada does not exchange information with the United Kingdom on the

(over)

manufacture of atomic or hydrogen bombs. Donald Fleming (PC-Toronto Eglinton) asked Mr. Howe in the Commons whether it is the practice of the United Kingdom to provide Canada with information on the two weapons. He said his question was prompted by reports that British scientists have developed cheaper and more effective bombs than the United States. Mr. Howe said there is complete exchange of information on atomic developments which concern Canada. Canada was not manufacturing bombs and did not give or receive information on their development. Canada's atomic energy program at Chalk River, Ont., is devoted to peace-time application of atomic energy.

**Acadian Anniversary:** Ottawa, May 3 (CP) -- An Acadian today asked the Government to declare a legal holiday to mark observance of the 200th anniversary of the dispersal of the Acadians.

Hervé Michaud (L-Kent, N.B.) said Acadians in the Maritimes are appealing to people of Acadian descent everywhere to join the celebrations in September, 1955, in Grand Pré, N.S.

The Acadians-French-language Nova Scotians - were dispersed from their Annapolis Valley homes by the British in 1755. Some later returned, others settled elsewhere in the Maritimes, in Quebec, New England, Louisiana, Ontario and Western Canada.

**Lakeshore Expressway:** Toronto, May 3 (Globe & Mail) -- Canada's first cross-city expressway will cost an estimated \$5,240,000 a mile.

Known as the Lakeshore Expressway, it will travel 9.5 miles across the waterfront of Metropolitan Toronto from the Humber River on the west to Coxwell Ave., on the east. Total cost has been set at \$49,804,000.

The proposed Lakeshore Expressway is routed most of the way over open land. Almost one-third is elevated on a structure over a densely built-up area.

**Earthquake Relief:** Ottawa, May 3 (CP) -- The Unitarian Service Committee of Canada has launched an appeal for funds to help victims of the disastrous earthquake which hit Central Europe last week.

The USC also is appealing for blankets, clothing and light equipment to help those hardest hit by the earthquake.

**Canadian Unity:** Ottawa, May 3 (CP) -- A Montreal English-language Member of Parliament said today few Canadians realize what is in the minds and hearts of most French-Canadians in Quebec.

William Hamilton (PC-Montreal Notre-Dame-de-Grace) said in the Commons that French-language Canadians in Quebec are not isolationists and do not want to impose their ideas on other Canadians.

There was a time when the majority of the people of Quebec opposed Canada's entry into foreign wars. Many catastrophes occurred as a result of that feeling.

Referring to conscription, which has long been a controversial issue in Quebec, he said:

"Just recently I read in the newspaper that the question of conscription, so long almost a fighting word in that province, was no longer a fighting word; that the people of Quebec were coming more and more to be prepared to play their part, as they have always done when the glove was actually down, in all phases of international affairs."

He said his travels across Canada have shown that Canadians in other provinces believe that French-language Canadians want to live completely unto themselves.

"They do not realize that the French-Canadian views himself as the first Canadian, as the one who is proudest not only of his own little portion of Canada but of Canada as a whole," he said.

"He views himself as having made, and as continuing to make a tremendous contribution to the development of this country. Within that framework, however, he does not feel that he should be anglicized or that he should have certain pressures exerted on him which would change his culture, that culture that has contributed so much to this country of ours."

**Across Canada:** Conn Smythe, general manager of the Toronto Maple Leafs, today talked over with Canadian High Commissioner Norman Robertson the procedure involved in making a formal hockey challenge to Russia.

*U.N. Div.*  
**DAILY AIRMAIL BULLETIN**

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Vol. 5, No. 86

Wednesday, May 5, 1954

Governor General's Washington Visit: Washington, May (GP) -- On the fundamental issues they pursue, there is no difference between the United States and Canada, Governor-General Massey told an applauding Congress today.

"We may differ now and then on the 'hows' but never on the 'whys'," he told a joint session of the Senate and the House of Representatives with members of the Supreme Court and the Eisenhower cabinet and Washington diplomats as additional listeners.

The address was the highlight of the Governor-General's visit to Washington, returning the visit of President Eisenhower to Ottawa last November.

So far as could be learned, it was the first time a native Canadian had been invited to address a joint session and the first time a governor-general of Canada had that honor.

The Governor-General was given a standing ovation at the beginning and end of his address and was interrupted eight times by applause.

Mr. Pearson's Geneva Address: Geneva, May 4 (GP) -- Canada's Lester B. Pearson today coupled a defence of United States foreign policy with a warning that failure of Indo-China peace talks might force the West to consider further collective security measures.

In his country's first contribution to the Far Eastern debate at the Geneva conference, the External Affairs Minister devoted most of his speech to Korean issues. But he also referred to the interest expressed by Asian countries, which have just met at Colombo, in ensuring peace in Indo-China, and added:

"If these peaceful purposes are not achieved by a just, honorable and negotiated settlement, the consequences will be bad, and probably far-reaching.

"Failure here may well necessitate further collective consideration by those who, as a result of such failure, will feel increasingly threatened, of further ways and means to meet that threat. This in its turn, may harden and make more dangerous the great and tragic division in the world."

Dealing with Korea, Pearson replied to Communist charges that the United States had been guilty of "aggressive imperialism." Canada's experience as the neighbour of the most powerful country in the world indicated that it was neither aggressive nor imperialist.

The war in Korea, Pearson said, had not been a war of "intervention," as charged by Communist Chinese Premier Chou En-Lai. The U.S. had withdrawn its forces from the country in 1949 and its troops had returned under the UN banner the following year "to repel the aggression launched on the Republic of Korea from across the 38th parallel."

Discussing the Communist proposals for peace in Korea, Mr. Pearson rejected the proposal of an all-Korean commission on the grounds that its insistence on "mutual agreement" by both sides would give veto power to North Korean spokesmen, representing a minority of the population.

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Population Increase: Ottawa, May 4 (CP) -- Canada will have a population of about 23,000,000 in 1974, Citizenship Minister Harris predicted tonight.

Mr. Harris, in charge of citizenship and immigration, said in an address over the political free time series of the CBC:

"If I may ... peer into the future, it would be to say that in 20 years we shall have about 23,000,000 people instead of 15,000,000 people; that we shall be consuming then nearly all the beef, pork and similar farm products that we produce and paying our farmers a good price for them; that our workmen will have a higher ... standard of living, and that our exports will not be subject to the fluctuations of one or two specialized markets."

Parliamentary Control of Currency: Ottawa, May 4 (CP) -- Finance Minister Abbott today rejected an Opposition proposal that Parliament be given control over the country's money supply.

He said he considers it neither desirable nor feasible to spell out legislation fixing the amount of money which should be distributed.

Currently, control over currency production and distribution is vested in the Government and its agency, the Bank of Canada.

Mr. Abbott said he does not know of any legislation which would prevent an irresponsible government from doing what it wanted to do. If such an administration gained power, the governor of the Bank of Canada could give the country a warning signal of some dangerous monetary changes by resigning.

But the real remedy was with the electorate in making certain that such an irresponsible government did not win at the polls.

Replying to other questions, Mr. Abbott said:

1. As believer in a "free economy," he would be reluctant to see restrictions imposed on the movement of capital into Canada.
2. He is not in favor of a reduction in the maximum rate of six per cent on bank loans.

Dog Team/Plane Mercy Mission: Prince Albert, Sask., May 4 (CP) -- The Resources Department today disclosed details of a weekend mercy mission in which a dog team, plane and car combined to save the life of a badly-burned child.

Four-year-old Ida Montgrande of Garson Lake, 400 miles northwest of Prince Albert, was reported in fair condition in hospital here.

The girl was burned after she allegedly played with matches in her parents' cabin in Saskatchewan's far north country.

She was taken by dog team to the nearest communication outlet, Portage La Loche, 30 miles from Garson Lake. An ambulance plane piloted by Donald Fraser of Saskatchewan Government Airway picked her up Saturday.

She was flown to Prince Albert but the ski-equipped plane couldn't land at the airport. Instead, it landed on a lake, 35 miles north of the city.

Maritimes and Resources: Ottawa, May 4 (CP) -- Parliament today heard a suggestion that the northern sections of the central and western provinces belong as much to the Maritimes as to the other provinces.

A.J. Brooks (PC-Royal), said in the Commons that the Maritimes should receive compensation now that Northern Quebec and Ontario and the Western provinces are deriving tremendous wealth from development of natural resources.

The Maritimes had contributed to the purchase of these domains from the Hudson's Bay Company at the time of Confederation in 1867.

In 1908, he said, Manitoba and Saskatchewan were carved out of lands purchased at Confederation and in 1912 the boundaries of Manitoba, Ontario and Quebec were extended to include the northern sections of these provinces.

In view of the fact that New Brunswick, Nova Scotia - two of the original provinces of Confederation with Ontario and Quebec - and Prince Edward Island cannot be extended territorially, they should receive some compensation.

"Since Confederation the Maritimes have been getting a rabbit and the other provinces have been getting a horse," he added.

The matter should be discussed at a Federal-provincial conference. Many would agree that the Maritimes have not received their due.

Across Canada: Three Eastern Canada golfers, three from the West and an honorary member of the Canadian Professional Golfers' Association from South Africa, will form the Canadian team which will meet a United States PGA team for the Hopkins trophy....Brian Cullen, brilliant centre of St. Catharines' junior Teepees, became Maple Leaf hockey property yesterday.



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Vol. 5, No. 87

Thursday, May 6, 1954

**Soviet Oppose Nomination:** Geneva, May 5 (CP) -- Russia's Andrei Gromyko has rejected suggestions that External Affairs Minister L.B. Pearson act as Chairman of the Geneva Conference sessions (on the war in Indo-China, it was learned tonight.

Mr. Pearson's name was advanced by French Foreign Minister Georges Bidault, Britain and the United States strongly supported the idea.

**St. Lawrence Seaway:** Washington, May 5 (CP) -- There were growing signs today that the House of Representatives will give approval to U.S. participation in the seaway phase of the St. Lawrence River-Great Lakes development when the issue comes up for a showdown vote tomorrow.

The legislation, debated in the House for the first time in half a century today and already approved by the Senate, would authorize the U.S. Government to join with Canada in building the 27-foot-deep waterway.

As the debate neared its conclusion signs were that opposition had faded sufficiently to produce an approving vote. The House presented a picture of comparative indifference. Scarcely more than 50 of the 435 members were in their seats as the debate droned through the afternoon.

The key vote is expected to develop over an amendment to be proposed by Representative Charles Brownson (Rep., Ind.) which calls for sale of revenue bonds, providing \$105,000,000 in construction funds for the U.S. share of the waterway cost, to the public rather than to the Treasury Department as proposed in the Bill.

**\$3 Billion for RCAF:** Ottawa, May 5 (CP) -- The Defence Department plans to spend \$3,180,000,000 in the next seven years for aircraft.

This amount will represent roughly 25 per cent of the total defence budget for the years 1954 to 1961, officials said tonight, and will reflect Canadian concern with continental defence.

The CF-105, successor to the CF-100 all-weather, long-range jet fighter, now is on the drawing boards and the RCAF is searching for a successor to the Sabre jet for its air division in Europe. The prototype of the CF-105 is not expected to fly until about 1960.

The air force takes delivery of about 800 planes a year from Canadian manufacturers, including all types. So far, A.V. Roe Company of Malton, Ont., has delivered more than 100 Mark III and Mark IV CF-100s, enough to equip at least four squadrons.

The RCAF, with a current strength of 45,000, has trained 7,000 aircrew in the last four years, including more than 2,500 from other North Atlantic Treaty countries.

With aircraft consuming 25 per cent of defence costs and personnel for all forces taking up roughly half, only 25 per cent is left for construction and other equipment. If the armed forces are maintained at their present strength, defence is going to continue to cost Canada about \$2,000,000,000 a year for a long time to come.

As a comparison of air and ground defence costs, the RCAF's 12 squadrons in Europe cost \$600,000,000 a year, the army's brigade in Europe \$60,000,000 a year.

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Air Crash Investigation: Ottawa, May 5 (CP) -- The Federal Government has launched a joint civilian-military examination of air regulations as the result of the April 8 air crash over Moose Jaw, that took 37 lives.

Trade Minister Howe made the announcement to the Commons today in a statement dealing with three-way investigations into the collision of a Trans-Canada Air Lines plane and an RCAF trainer.

The Minister's statement indicated the reports showed the TCA liner with 35 persons aboard had the right-of-way at the time of the crash but added neither of the pilots involved was relieved of the responsibility of keeping a lookout for approaching planes.

The three-way inquiry - still in progress - has been conducted by the Transport Department, the RCAF and TCA, for which Mr. Howe reports to Parliament.

Citizenship Return: Ottawa, May 5 (CP) -- A former French National accused of being an inspector in Hitler's storm troops, has been granted Canadian citizenship.

The information was contained in a return tabled today in the House of Commons by Citizenship Minister Harris for Alistair Stewart (CCF-Winnipeg North).

The return said Canadian citizenship has been granted to Dr. Michel Seigneur, convicted by a French court of collaborating with the Germans and sentenced to death in absentia.

Dr. Seigneur entered Canada as a non-immigrant December 1, 1946, and was granted legal landing by order-in-council June 29, 1948.

Budget Debate Division: Ottawa, May 5 (CP) -- A Liberal Member of Parliament today voted against the Government on the Quebec income tax issue.

Wilfrid Lacroix (L-Quebec Montmorency) sided with the Opposition as the Commons voted 136 to 70 to approve the Government's 1954-55 budget.

He was the only Liberal to criticize the budget decision against granting Quebec's request that the province's new 15-per-cent personal income tax be fully deductible from federal tax payments.

Also voting against the budget were the three opposition parties and three independent members from Quebec, Paul Gagnon, Chicoutimi; Raoul Poulin, Beauce and Fernand Girard, Lapointe.

The vote, in effect one of confidence in the Government's financial policies, was on a formal Government motion that the House consider a series of resolutions giving legislative effect to tax changes in the April 6 budget. Study of the resolutions began immediately.

The division ended a nine-day budget debate in which the actual tax changes were almost ignored. Most of the speeches centred on the budget announcement that the Quebec tax would not be deductible.

Mr. Lacroix was met with cat-calls from Liberal benches when he voted.

Surplus Butter Sale: Ottawa, May 5 (CP) -- The Government is offering its 33,000,000 pound butter stockpile to the trade at 55½ cents a pound - 2½ cents below what it paid for it.

This reduction - along with handling charges - may mean a loss to the Federal Treasury of more than \$1,000,000.

Agriculture Minister Gardiner today announced the sharply reduced selling price - compared to about 61 cents a pound last year - as a move to dispose of the Government's 1953 surplus.

Meanwhile, the Government will continue to buy 1954 butter from producers at the support price of 58 cents a pound. And if pastures are good the Government may be buying more butter this year than it did a year ago.

Mr. Gardiner estimated that the Government "may buy a somewhat larger proportion of the total current make butter because 1953 make butter will be moving into consumption."

This is the first time since 1950 that the Government has cut prices below cost. At that time it unloaded about 20,000,000 pounds.

Across Canada: England hopes to send a team of between 24 and 30 men, and between seven and nine women to the Empire Games at Vancouver this summer, Jack Crump, Secretary of the British Amateur Athletics Board, said yesterday....The Showcase of Canadian non-professional drama, the Dominion Drama Festival, gets under way in Hamilton, Monday with a week-long showing of eight plays to be presented by dramatic groups from coast to coast. Governor-General Vincent Massey is expected to open the festival Monday night.

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Vol. 5 No. 88

Friday, May 7, 1954

St. Lawrence Seaway: Ottawa, May 6 (CP) -- Prime Minister St. Laurent said tonight the Canadian Government is still ready to undertake construction of the St. Lawrence Seaway alone but will discuss any "specific proposal" made by the United States in the light of seaway legislation passed today at Washington.

The Prime Minister's statement, before the House of Commons, was a clear indication that the Canadian Government has not given up the idea of a so-called "All-Canadian seaway" that would have main navigation channels on the north side of the International Rapids in the St. Lawrence River.

He was commenting on the passage at Washington, in the House of Representatives, of legislation that would call for joint Canadian-U.S. participation in the \$300,000,000 navigation part of the hydro-waterway project.

Mr. St. Laurent's statement underlined a two-year stand of the Canadian Government that it is prepared to build the navigation facilities alone while Ontario and New York State undertake jointly the \$600,000,000 concurrent hydro-electric construction.

He outlined the current government position this way:

"The Undertaking of the Canadian Government in 1951, to construct the whole seaway, was given Parliamentary sanction...."

"The Government's position has not changed since then, and we are still prepared to undertake alone the construction of the seaway.

"However, as I stated....Jan. 9, 1953, to the Ambassador of the United States to Canada, the Government was, and it still is, willing to discuss any specific proposal the United States Government might wish to put forward once an entity is designated and authorized to proceed with construction of the U.S. share of the power works, and provided that such discussions do not delay either the power or the seaway project."

Visit of Mr. Howe and Mr. Abbott: Ottawa, May 6 (CP) -- Trade Minister Howe and Finance Minister Abbott left by plane today for Hot Springs, Va., to attend meetings of the Business Advisory Council of the United States Department of Commerce.

Mr. Abbott will lead a discussion tomorrow on the Canadian economy and Mr. Howe will speak at a dinner tomorrow night. They plan to return next Monday.

Canada's Trade Position: Halifax, May 6 (CP) -- President Wilfred J. Borrie of the Canadian Chamber of Commerce said today Canada's position as the world's No. 3 trading nation may be endangered if her business abroad is not increased.

Mr. Borrie, of Vancouver, told the Halifax Junior Board of Trade that Canadian export shows a decline and industrial production has slowed. Also on the debit side was the slow movement of wheat surpluses, spotty unemployment, fewer unfilled orders and a 10-per cent drop in car-loadings.

There was reason however, to be optimistic about the economy generally; trade with South America and Japan was stronger and a strengthening pound sterling opened new avenues of trade with the sterling block.

Mr. Borrie is completing a 60,000-mile tour of Canada.

(OVER)

CCF Support Government: Ottawa, May 6 (CP) -- CCF Leader Mr. Goldwell said today his party is thoroughly in support of the Government's stand on the Quebec income tax issue.

He said in the House of Commons that the vote by CCF members yesterday against the Government's 1954-55 budget has been misconstrued.

"We voted against the budget because of the criticisms we made here," he said. "Contrary to reports, we are thoroughly in support of the Government's stand on the Quebec tax issue."

Newfoundland National Park: Ottawa, May 6 (CP) -- Northern Affairs Minister, Mr. Lesage, indicated today that Newfoundland will get its first national park as soon as certain timber-cutting rights are settled in the area.

He informed the House of Commons that the Provincial Government has to free the land of any timber claims before the Federal Government will take it over as a national park.

Mr. Lesage, replying to questions during study of his department's estimates, noted that Prime Minister St. Laurent has mentioned the possibility of legislation this session to establish the park.

He said the Newfoundland Government has offered a certain area which his department feels is suitable for park purposes. The Provincial Government now was negotiating with holders of timber rights to clear the land of all encumbrances.

The proposed site is on the east coast of Newfoundland on Newman Sound, and stretches along the Terranova River.

New Citizens: Ottawa, May 6 (CP) -- Two senators today suggested different methods to enhance the value of Canadian citizenship in the eyes of new citizens.

Senator John T. Haig, Progressive Conservative leader in the Upper Chamber, said in the Senate that one way would be for the Government to encourage more than it now does the practice of holding a formal ceremony at which citizenship papers are given.

Solicitor-General, Mr. Macdonald, Government Leader in the Upper Chamber, said he will bring this to the attention of Citizenship Minister Harris.

The second suggestion came from Senator Thomas Reid (L-British Columbia) who said that Canada must not go too far and issue citizenship certificates too lightly. It did not add to the pride of the new citizen to make it too easy to obtain citizenship.

The ideas were advanced during debate on a Government measure which Senator Macdonald said drops the requirement that notice must be given at least one year in advance by persons planning to take out citizenship papers.

He said that as the law now stands a person must give notice of intention to apply for citizenship not more than five years or less than one year before the application is heard.

Canadians in Korea: Korea, May 6 (CP) -- Summer dress and mosquito netting are back in fashion in the 25th Canadian Infantry Brigade in Korea.

Bush jackets have been discarded in favor of light shirts as the 6,000 troops settle down for five months of Korean heat and dust.

All excess clothing and footwear is going back into storage. Any left exposed to the Korean summer soon turns to a mouldy mass and even leather boots and shoes fall apart.

In June and July, the rains will come, raising the level of the Imjin River at much as 38 feet within 24 hours. Roads and training areas then become quagmires and deep drainage ditches have to be dug and tents and light equipment tied down so they won't float away.

Missing "Avenger": Halifax, May 6 (CP) -- The Navy announced tonight an Avenger aircraft carrying four persons is "officially overdue and presumed missing" 70 miles off Yarmouth, N.S. Three of the four men aboard were identified. They were: Sub. Lt. James D. Holden, 27, of Minnedosa, Man., whose wife and family live in Halifax; Sub. Lt. Robert H. Jones, 24, of Regina, whose wife lives in Dartmouth, N.S. and Petty Officer John E. White of Summerside, P.E.I. Name of the other man was withheld pending notification of next-of kin.

Across Canada: Mr. Derry V. Ellis, Montreal scientist, left Edmonton, by air, yesterday for Coppermine, about 100 miles inside the Arctic Circle, to spend 18 months in the Arctic collecting marine biology specimens, plants and animals.



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Vol. 5, No. 89.

Monday, May 10, 1954.

Possible Cabinet Shuffle: Ottawa, May 9 (CP) -- St. Lawrence Seaway developments may speed up a forthcoming shuffle of the federal Cabinet.

One has been in prospect for some time, and the possibility that Transport Minister Chevrier will move into the Government's top seaway job could bring it on earlier than expected.

It has been persistently reported here for months - without denial - that Mr. Chevrier will become chairman of the St. Lawrence Seaway authority, a three-man body created by Parliament in 1951 to handle the Canadian end of building and operating the navigation works of the project.

None of the board's personnel has been named pending United States action on the seaway. This now seems to be getting close as the result of last week's congressional adoption of a bill providing for joint Canada-U.S. participation in the canals.

Chairmanship of the authority likely will be the No. 2 job in the Canadian civil service, topped only by the governorship of the Bank of Canada. It is expected to carry a salary of \$25,000 a year or more.

The authority will have the responsibility of spending some \$300,000,000 as Canada's share in the navigation works.

It will join with a similar U.S. body in handling the construction and operation of the waterway including the setting of tolls on shipping.

Both as Minister of Transport and representative of a constituency abutting on the seaway area, Mr. Chevrier has been close to the project for many years. In recent years, he has been working for it unceasingly.

The possibility of his shift to the job opens the prospect of two Cabinet vacancies.

Finance Minister Abbott has announced that the budget of April 6 was his last, and he is staying on only long enough to steer through Parliament the decennial revision of Canada's bank act.

However, it has not been established whether he will quit politics entirely or move to a less burdensome portfolio after seven strenuous years in finance.

Geneva Role Lauded: London, May 9 (CP) -- An independent London newspaper today pays tribute to the part played at the Geneva conference by Canadian External Affairs Minister Pearson.

The Observer says that with the U.S. delegation cramped by domestic political considerations, including the possibility of investigation by the U.S. Congress, it has been left to the Commonwealth team to save the west from an appearance of "cold defensiveness".

"Mr. Pearson of Canada could not look impassive, withdrawn and hostile if he tried, and in fact he has tried to look his ordinary, cheerful, friendly self. In the private conferences, he has played his usual invaluable role. . . ."

St. Lawrence Seaway Approved: Montreal Gazette, May 8 -- The U.S. Senate late yesterday completed Congressional action on the St. Lawrence Seaway bill, sending it to President Eisenhower.

By voice vote, the Senate accepted changes made by the House of Representatives in the measure the Senate had passed earlier. The House approved the amended bill 241 to 158.

(over)

The House changes were described as only minor, technical alterations of the original Senate bill which authorizes United States participation with Canada in the multi-million dollar project.

The huge power-navigation project will likely get into construction some time this year.

The power development - by Ontario and New York State - awaits final approval from the U.S. Supreme Court, expected late this month.

Revenue Decline: Montreal, May 9 (Globe & Mail) -- Canada's two major railways informed the federal Department of Labour tonight that because of a continuing decline in their traffic and earnings they are unable to grant any of the requests of their non-operating employees for fringe benefits and additional overtime premiums.

In a letter to Mr. M.M. MacLean, Director of Industrial Relations, Ottawa the Canadian Pacific and Canadian National Railways, report a drop of more than \$32,000,000 in their combined gross revenues for the first four months of 1954 and add that the trend of both carloadings and earnings is continuing to worsen.

Subsidy Requested: Westville, N.S., May 9 (CP) -- A five-member delegation left here today for Ottawa to ask the federal Government to subsidize the cost of delivering 36,000 tons of Drummond Colliery coal to the Canadian National Railways.

Members of the delegation said the mine will close permanently unless it gets subvention concessions. Subventions currently are not paid on shipments of coal used in the Maritimes as the bulk of the C.N.R. order would be.

Tanker Launched: Lauzon, Que., May 9 (CP) -- A flag-bedecked, 28,000-ton oil tanker, the Andros Fortune, twin of the largest ship ever built in Canada, slid down the ways here yesterday at the Davie Shipbuilding Co. yards.

The vessel can carry 240,400 barrels of crude oil in her 30 compartments.

Film Award: Ottawa, May 10 (Gazette) -- Canada has won another top film award in the United States. Crawley Films Limited has won a Golden Reel at the first annual American Film Assembly, sponsored by the Film Council of America. Over four hundred films from 225 companies were entered in the competition.

Crawley's award, first prize in the Home and Family category, was for The Frustrating Fours and Fascinating Fives, sponsored by the Department of National Health and Welfare.

Fellowship Winner: Ottawa, May 9 (CP) -- William French, reporter for the Toronto Globe and Mail, has been awarded the fourth annual Canadian Association Nieman Fellowship. The announcement was made here by the Canadian Nieman committee.

The fellowship is open to journalists across Canada and provides an academic year of residence and study at Harvard University for the purposes of broadening professional background.

Across Canada: Players of the Glasgow Rangers Football Club embarked at Greenock, Scotland Saturday for Canada where they will play a series of games across the country at the invitation of the Canadian Football Association. . . . Calgary Stampeders squeezed past Quebec Aces 6-5 in a spine-tingling battle in Edmonton Saturday night to take a 2-1 lead in their best-of-nine Canadian professional hockey playoff for the Duke of Edinburgh Trophy. . . . A goalless tie was the result in the National Soccer League opener at Fred Hamilton Park yesterday afternoon between St. Andrew's and Canadians. . . . The International Olympic Committee in Athens, Greece, received its first bid for the 1960 Olympiad Saturday. Canada submitted the first formal bid for the 1960 games as the IOC began its annual meeting.



## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 90.

Tuesday, May 11, 1954.

No Slackening In Defence Build-Up: Ottawa, May 10 (CP) -- The crisis in Indo-China re-emphasizes for Canada that there can be no slackening in the defence build-up. During his Western inspection tour two weeks ago, Mr. Claxton stressed constantly that Canada can't afford to lower its guard.

The need for defence expenditures, he said, must continue at around their present level - some \$2,000,000,000 annually - for possibly years to come. If the defence effort faltered, "We'd be sitting ducks".

The fall of Dien Bien Phu merely adds more weight to Mr. Claxton's argument, defence officials said today. Communist aims for world domination have not changed.

In 1950, the North Atlantic Treaty Organization decided on a "crash" defence programme on the supposition that Russia would attack the West by mid-1954. A "crash" programme meant big and rapid defence build-ups in NATO countries. Russia had a number of opportunities to start a major war in the early years of NATO, but didn't.

So last December, NATO reasoned that the immediate threat was less urgent and decided on a defence policy known as the "long pull". This will mean maintenance of present strength and a gradual increase in the quality of that strength over a long period of time - and without wrecking the economies of some NATO members.

When Canada launched its "crash" programme four years ago, the cost was estimated at \$5,000,000,000. This amount plus more millions have been spent and expenditures are continuing at about the same rate.

Construction of airfields and other military installations and stockpiling of many goods are over the hump but money saved from decreased activity in this field is being channelled into other defence spheres, chiefly new aircraft.

The armed forces, now numbering 112,000, are nearing their planned strength, though recruiting must of course continue to replace those leaving the services.

The Navy has 17,000, wants another 4,000 men. RCAF strength is 45,000 with a target of 50,000. There is no Army ceiling but it is unlikely that its strength will increase much beyond the present 50,000.

Veterans' Allowances Debated: Ottawa, May 10 (CP) -- The Government was accused today of letting politics enter into veterans legislation.

Mr. Clarie Gillis (CCF - Cape Breton South) made the charge in the House of Commons as he and other Opposition Members urged that war veterans' allowances legislation be reopened for study by a 31-member Commons committee.

Mr. Gillis, a wounded veteran of the First World War, said the Government is forcing committee members to take political sides by letting it study only such measures as are chosen by the Government. He spoke in an extended debate on a government motion to set up a select committee to study two bills dealing with war service grants and servicemen's benefits.

Lt.-Col. A.J. Brooks (PC - Royal) proposed an amendment to the government motion, to allow the committee to consider the War Veterans Allowances Act as well, but his amendment was ruled out of order by

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Speaker René Beaudoin.

Also ruled out of order was an amendment by Rev. E.G. Hansell (SC - Macleod) which in effect would have allowed the committee to decide what matters it wished to study.

The war veterans' allowances, a chief topic in the debate, are paid to "burned out" veterans - those whose earning ability has been lessened by war service. Single veterans receive a maximum of \$50 a month and married veterans \$90.

A Parliamentary return tabled today reported 30,650 veterans receiving the allowances as of last March 31. A total of 29,436 served outside Canada and 1,214 in Canada.

Mr. Gillis, Col. Brooks and Mr. Ray Thomas (SC - Wetaskiwin) all urged the Government to establish a permanent Commons committee on veterans' affairs with power to review all veterans' problems.

Germans Lead Immigrants: Ottawa, May 10 (Globe & Mail) -- For the third year in succession, Canada admitted more Germans than any other national group as immigrants in the calendar year 1953.

The 34,193 Germans were about one-fifth of the 168,868 immigrants of all nationalities. In 1952 Canada admitted 164,868 immigrants and the year before 194,391.

A Parliamentary return tabled today in the House of Commons also revealed that 91,133 persons of those admitted were gainfully employed. Most of the rest were dependent wives and children.

Laud Defenders Of Dien Bien Phu: Ottawa, May 10 (CP) -- Prime Minister St. Laurent and Opposition Leader Drew today paid tribute to the defenders of Dien Bien Phu, the French fortress of Indo-China which fell to Communists last week after a gallant stand.

Prime Minister St. Laurent said, in part, in the House of Commons:

"Saturday, our Ambassador in Paris was asked to convey a message to Premier Laniel to express on behalf of the Prime Minister and Canadian Government to the French Government and people sincere and heartfelt tribute of Canadians for the matchless heroism of the soldiers of France and Viet Nam.

"With all free men, Canadians, while lamenting the tragic ending of the legendary conflict at Dien Bien Phu, will salute with pride and honour, the heroic defenders of the fortress. . . ."

Dominion Drama Festival Opens: Hamilton, May 10 (CP) -- The Dominion Drama Festival opened here tonight with traditional pomp and ceremony. Governor-General Massey was in the vice-regal box for the first night performance of Rebecca and welcomed the eight contending amateur theatrical groups for the festival.

For the first time television will widen the theatre audience. Opening ceremonies and several scenes from Rebecca will be televised tonight. Closing night presentation of awards at festival-end Saturday will also go before the cameras.

Across Canada: A new issue of \$850,000,000 government bonds will be offered immediately to investors through investment dealers and banks, the Finance Department has announced. The issue is to provide funds for redemption of \$855,000,000 Third Victory Loan bonds issued Nov. 1, 1942. They are redeemable June 1. . . . The 3rd Regiment, Royal Canadian Horse Artillery, has arrived in Korea, the Army announced on May 10. . . . The National Board of Directors of the Social Credit Association will meet in Winnipeg May 21 to deal with national organization matters it was announced May 10,

GOVERNMENT



OF CANADA

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Vol. 5, No. 91. Wednesday, May 12, 1954.

New Railways To Open Up Mineral, Timber Wealth: Ottawa, May 11 (CP) -- Both sides of the House of Commons today welcomed the prospect of opening up mineral and timber wealth in Northern Quebec and Ontario through two branch lines of the Canadian National Railways.

Mr. Chevrier met no opposition as he introduced a bill authorizing the Government to guarantee up to \$44,562,500 in CNR bonds for the two branch lines.

The largest branch line, 294 miles long, will be built into Quebec's new Chibougamau mining area some 250 miles northwest of Quebec City. . . .

The second line will run 27 miles into the rich new Manitouwadge mining district in Northern Ontario. It will be built south from Hillsport, on the CNR main line about 200 miles northwest of the Lakehead.

Estimated construction costs are \$35,000,000 for the Quebec line and \$3,750,000 for the one in Ontario.

Unemployment Problems Studied: Ottawa, May 11 (Montreal Gazette) -- A national employment committee report - now receiving Government consideration - outlines a comprehensive programme for alleviating seasonal unemployment which each year adds hundreds of thousands of Canadian workers to the unemployed lists.

Recommendations submitted would require implementation by federal, provincial and municipal Governments, by private industry, by Canadian consumers and by organized labour.

The committee, which operates under the federal Government's Unemployment Insurance Commission, launched its study of the seasonal unemployment problem at the request of the National Advisory Council on Manpower in December, 1952. The Council was established by the federal Government and contains representatives of labour and management.

The national employment committee reported that its study has indicated that a number of techniques might be used to combat seasonal unemployment.

"Such techniques," the committee said, "include the diversification of products, stockpiling of raw materials and finished goods, the levelling of seasonal consumer spending habits, the scheduling of repairs and alterations in the off-season, the transfer of employees between departments of affected businesses, the training of workers for jobs available at different seasons and the taking of vacations in a slack season. . . ."

New Post For Tax Rental Studies: Ottawa, May 11 (CP) -- The Finance Department has opened a new government post to deal with financial relations between the federal and provincial Governments.

The Department announced today that the post will be named July 1 by Mr. Ronald M. Burns, 44, of Victoria, at present Assistant Deputy Finance Minister in the British Columbia Government.

One of his major jobs will be studies of the tax-rental agreements between the federal Government and all provinces except Quebec. . . .

The announcement said Mr. Burns will work with provincial Finance Ministers and keep under review the federal grants made to provinces for specific purposes.

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Canada, Haiti, To Exchange Diplomatic Missions: Ottawa, May 12 (Press Release No. 27) -- The Department of External Affairs announced today that the Government of Canada and the Government of Haiti have agreed to exchange diplomatic missions.

Trans-Border Traffic Control: Ottawa, May 11 (CP) -- Five provincial governments so far have accepted a formula for switching authority over trans-border highway traffic from the federal Government to the provinces.

Informants said today those assenting to date are Ontario, New Brunswick, Prince Edward Island, Saskatchewan and Alberta.

On the acceptance of the provinces depends the introduction of legislation at this session of Parliament to effect the change in control. The federal Government has not yet indicated how much unanimity it wants before making the move.

Across Canada: Mr. J.W. Murphy (PC - Lambton West) last night criticized the Government for what he described as lack of initiative in the development of industrial research and proposed a select committee of Parliament to study methods to accelerate present activities. . . . Legislation to give all federal civil servants equal rights to rewards for inventions was introduced in the House of Commons by State Secretary Fickersgill.

. . . Mr. T.H. Atkinson, President of the Canadian Bankers' Association, said before the Banking Committee that some Canadians will be denied bank loans if the maximum six-percent lending rate is reduced.

. . . British Columbia's hopes for a new gas industry got a jolt yesterday and so-called Peace River gas shares were hit by losses ranging up to \$1 a share, Canadian Press reported. A flood of selling orders followed word from Washington that U.S. Federal Power Commission attorneys have recommended a rejection of all natural gas pipeline applications from the West Coast Transmission Pipe Line Co. and the Pacific Northwest Pipeline Corporation of Texas.



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Vol. 5, No. 92.

Thursday, May 13, 1954.

**Trade Pact With Japan Passed Unanimously:** Ottawa, May 12 (CP) -- With all three Opposition parties pledging support, the House of Commons today approved a tariff-cutting trade agreement with Japan following a three-hour debate. The Progressive Conservatives warned, however, they will keep careful watch to make sure the Government carries out responsibilities to prevent dumping of Japanese goods in Canada.

Mr. Donald Felming (PC - Toronto Eglinton) said safeguards against dumping, written into the pact, can be a mere jumble of words unless the Government is resolutely determined to make them effective. . . .

C.C.F. Leader Coldwell said he believes the treaty, under which Canada will reduce tariffs on Japanese goods, provides ample protection for Canadian industry against the possibility of unfair competition from Japanese exporters.

He hoped the treaty will lead to peace and that the world will not again see the Second World War enemy country rearmed and led by militarists to become another threat to world peace.

Social Credit Leader Low also said he believes the pact contains ample protection for Canadian industry. Canada had to adopt a live-and-let-live policy in foreign trade.

Mr. Howe, who introduced a resolution seeking Commons approval of pact ratification, said he expects Japan will boost sales under the agreement. But the pact also would help provide employment and income for Canadian agriculture and industry.

Canada in 1953 sold Japan \$119,000,000 worth of goods and purchased only \$13,600,000. Canada could not long hope to maintain her markets in Japan if she did not grant Japan the right to import tolls similar to those granted other member countries of the General Agreement on Tariffs and Trade.

**Cut In Immigration Urged By Labour:** Ottawa, May 12 (CP) -- Canada may cut down on immigration for the remainder of 1954 as the result of unemployment.

The Government will be conducting its half-yearly survey of the immigration outlook this month, and informants today said the 1954 programme could be affected by unemployment that reached a post-war peak a few weeks ago.

The question the Cabinet will consider, it was stated, is whether Canada can continue to take in immigrants at the current rate when there is more unemployment than normal in the country.

The Unemployment - which reached a top of 570,000 job-seekers in late March - today led the executive council of the 580,000-member Trades and Labour Congress of Canada to call on the Government to cut off immigration altogether for at least the remainder of this year.

The council - governing body of the T.L.C. between annual conventions - said thousands of workers are unemployed while immigrants are coming in and "it now must be recognized that many unemployed workers may not be re-employed even during the peak employment season this year".

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Protests U.S. Import Restrictions: Ottawa, May 12 (CP) -- The Government has protested in vigorous terms the possibility of United States import restrictions on Canadian lead, zinc and groundfish fillets.

Mr. St. Laurent said today in the House of Commons Canada expressed its concern in the diplomatic notes to the U.S. State Department, pointing out the effect of such restrictions.

Peace River Gas Pipeline: Ottawa, May 12 (CP) -- Mr. Howe said today there is no reason to become either depressed or elated about an unfavourable Washington report on a natural gas pipeline from the Peace River area to the U.S. through Vancouver.

He said in the House of Commons that the report - from a lawyer of the U.S. Federal Commission - is normal procedure.

Commons External Affairs Committee: Ottawa, May 12 (CP) -- Gen. A.G.L. McNaughton, Canadian Chairman of the International Joint Commission, said today the United States is abandoning what he called its "ostrich-head-in-the-sand attitude" to downstream benefits for Canada from Columbia River power.

He also told the Commons External Affairs Committee that the \$425,000,000 Mica Creek Dam project on the British Columbia section of the Columbia could be cleared for construction within a year.

Gen. McNaughton said intense rivalry is developing between B.C. and the Northwest U.S. concerning who is going to receive the benefits of Columbia River power.

Long Term Credit Overseas Proposed: Ottawa, May 12 (CP) -- Canada's elder statesmen reacted coolly today to a proposal by exporters that the Government provide long-term credit to overseas countries as a trade-expansion move.

Senator G.P. Burchill (L - New Brunswick) said he is opposed to such a plan. Canada's major problem in trade is to get high prices down to meet foreign competition. Granting of long-term credit, said the Maritime lumber merchant, will only confound the situation.

Defence Research Board Appointments: Ottawa, May 12 (CP) -- One of Canada's top scientists and a leading Canadian industrialist have been appointed members of the Defence Research Board.

The Board announced today that Dr. C.J. Mackenzie of Ottawa and Mr. Randolphe William Diamond of Trail, B.C., Vice President and General Manager of Consolidated Mining and Smelting Company, have accepted appointments as members.

Engineering Institute Annual: Quebec, May 12 (CP) -- Two Canadian scientists said today little gadgets the size of a man's thumb are going to replace vacuum tubes familiar to all radio set owners.

Mr. E.L.R. Webb, in charge of electronic equipment for Canada's Air Defence Group, and Mr. P.A. Redhead, in charge of electronic tube development at the National Research Council, described applications of these "mighty midgets" of the electronics industry in a paper presented to the 68th annual meeting of the Engineering Institute of Canada.

Across Canada: Mr. Jean-Paul Drolet, Chief of Technical Information in the Quebec Mines Department said in Quebec it took 50 years for Quebec's mineral production to reach the \$250,000,000 mark but that "in a small fraction of that time" production will reach \$500,000,000. . . . The Public Works Department is to assume responsibility for maintaining and operating the Alaska Highway because the Defence Department is anxious to be relieved of the job. This was disclosed, according to C.P., in a Works Department statement announcing the appointment of Mr. Jean P. Carriere, of Hull, Que., as Chief Engineer of the Development Engineering Branch, effective June 15. . . . A tough price-cutting war is in prospect - if it has not already broken out quietly - between Canada's railways and truckers. The railways have been slashing rates in many directions in an attempt to hold their slipping \$1,000,000,000-a-year freight business, and today a truckers' spokesman warned against a "destructive" rate fight that he said could put competitors into the red. Fear of such a war was expressed in a statement issued by Mr. G.M. Parke of Toronto, President of Canadian Trucking Association.



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Vol. 5, No. 93.

Friday, May 14, 1954.

Mr. Pearson At Geneva: Geneva, May 13 (CP) -- Canada intervened forcefully today in a 16-nation debate on Korea which showed that many smaller countries are exasperated at what apparently are delaying tactics by South Korea. The speaker was Mr. Pearson.

He took the floor at a family gathering of the United Nation countries which fought in Korea and made a direct plea to South Korea to agree to the more reasonable proposals for reunification of the peninsula.

In effect, he is understood to have told the meeting that since the Communist plan for Korea is completely unacceptable, it is up to the non-Communist side to make its own position plain and reasonable so that if a deadlock results world opinion will know where the blame lies. He said it is in South Korea's own interest to agree to such proposals.

Mr. Pearson then left the meeting and boarded an R.C.A.F. plane for London where he made a second speech in the afternoon - this time on atomic energy. . . .

Reject Bank Control Over Credit: Ottawa, May 13 (CP) -- The House of Commons Banking Committee today rejected a Social Credit move to arm the Bank of Canada with almost unlimited control over bank credit.

In making the proposal, Mr. Victor Quelch (SC - Acadia) drew support from the Committee's C.C.F. member and a single Liberal, Mr. Walter Tucker of Rosthern, Saskatchewan.

The controversial issue developed as the Committee studied a Government bill allowing the central bank to alter bank cash reserves within a fixed range of liabilities, running from a minimum of 8 per cent to a maximum of 12 per cent.

The current law calls for a minimum cash reserve equivalent to 5 per cent of deposit liabilities, though in practice banks hold about 10 per cent in cash. . . .

Committee On Capital Punishment: Ottawa, May 13 (CP) -- The Commons-Senate Committee on Capital Punishment has decided to arrange a hearing with the official hangman of Quebec Province on his own terms.

The decision, despite protests from three members of the Committee, was reached today, following consideration of an offer to appear by the only executioner in Canada.

A sub-committee has considered the matter of a hearing behind closed doors, but the final decision as to whether the hangman wishes the hearing to be private or public will rest with him.

Quebec Grants McGill \$1,500,000 Total: Montreal, May 14 (Gazette) -- McGill University received \$1,500,000 from the Quebec Government yesterday - a \$750,000 grant each for the last and the current academic years. The two grants are more than McGill would have received under the Federal aid-to-universities scheme, and "amply cover" the university's operating deficits for the last two years, McGill announced.

In a joint statement Chancellor B.C. Gardner and Dr. F. Cyril James, Principal and Vice-Chancellor, said the grants evoked a "deep feeling of appreciation, shared by every member of McGill".

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In Quebec, Laval University yesterday received two \$500,000 cheques, covering the 1952-53 and 1954-55 academic years - a figure previously announced by Premier Duplessis.

The University of Montreal and Bishop's University, Lennoxville, reported they had received no word about prospective grants from Quebec.

Canada's Public Relations Arms: Montreal, May 14 (Gazette) -- Canada's three official public relations arms abroad are trying to create a "friendly climate" in which the nation's representatives can achieve their objectives.

Not a Canada boastful of its high standard of living, but a Canada ready to lend its know-how was the picture painted by C.B.C.'s International Service and the External Affairs and Trade and Commerce Departments, the Canadian Public Relations Society was told here yesterday.

"We try to create a warm, friendly feeling towards Canada, not one of envy by boasting of our wealth, achievements and standard of living," said Mr. Glen Bannerman, Director of the Canadian International Trade Fair.

"For people to understand you, you either have to invite them to your home or go to their home," he declared.

The Trade Fair last year brought more than 9,000 people from 60 countries to Canada and, in the two to three weeks they spent here, they had a first hand opportunity to learn about Canadians, he said.

The International Service of the C.B.C. was described by its Director, Mr. Charles Delafield, as "entirely public relations".

He said 4,000,000 people listen to the service's programmes once or twice a week and 15,000,000 listen occasionally, in some cases despite foreign government opposition.

Mr. Paul Malone, of the Information Division of the External Affairs Department, said his job was to balance and correct the many varied impressions people abroad get of Canada.

Across Canada: A Progressive Conservative member suggested that Northern Affairs Minister Lesage write the editors of Time Magazine to assert Canada's sovereignty over Ellesmere Island in the Arctic. Mr. Howard Green, Vancouver Quadra, said that a recent issue of Time Magazine, a United States publication, describes Ellesmere Island as north of Canada. . . . The Alberta Government gave its go-ahead for export of natural gas from the Province to Eastern Canada by approving the issuing of an export permit to Trans-Canada Pipe Lines Ltd. . . . A \$10,000,000 shipbuilding programme and a \$10,000,000 airport programme for this fiscal year were outlined to the House of Commons yesterday by Transport Minister Chevrier. . . . New poliomyelitis virus which the recently-developed vaccine cannot combat have been discovered, a Toronto research scientist said yesterday. Dr. Andrew Rhodes, Director of Research of Toronto's Hospital for Sick Children said in an interview that unidentified viruses have been isolated at the hospital.



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Vol. 5, No. 94

Monday, May 17, 1954.

Mr. St. Laurent On Hopes For Peace: Ste. Foy, May 16 (CP) -- Prime Minister St.

Laurent said today that despite the constant creation of "new incidents" by despotic leaders, Canada is not losing confidence in the possibility of obtaining peace through negotiation.

But he recalled what the Pope had said in 1948:

"There are goods which are of such importance to society that it is perfectly lawful to defend them against unjust aggression.

"The defence is given an obligation for the nations as a whole who have a duty not to abandon a nation that is attacked."

But Mr. St. Laurent quickly added:

"I do not mean, however, that we shall not continue to act in good faith, that we shall not continue to attempt, by all possible means, to reach a peaceful understanding and settlement of present difficulties."

He was speaking at the opening of a new veterans' hospital.

In his recent world tour he had seen the destruction and suffering caused by war. And Mr. St. Laurent continued:

"It is difficult for a peace-loving man, conscious of his own rights and those of his fellowmen, to understand how national leaders who are supposed to strive for the well-being of their own people can bring themselves to launch a war which is liable to cause such destruction and suffering, not only to the peoples whom they attack but also to their own citizens.

"It is also difficult to understand the attitude of those who, by their acts of injustice and their despotism, run the risk of bringing on a new world war, when the heavy losses and effects of defeat which the instigators of the last two world wars have brought on themselves are still apparent.

"It is even more difficult to understand how leaders, who are aware of the devastating power of modern weapons, can constantly create new incidents liable to cause a conflict which would annihilate what generations have taken centuries to build."

Canada and other free countries had offered good will and sincere efforts to ensure world peace, but these offerings have been insufficient. Thus the 14-country North Atlantic Alliance has been built, causing heavy financial sacrifices, but bringing firmness and determination to the free world.

"I believe that the courageous attitude of a world free, united and ready to defend itself has sown the seeds of doubt in the minds of those who might entertain aggressive designs."

The free world was as anxious as ever to find a common ground on which a lasting peace, within the bounds of justice and human rights, can be founded.

"We are always prepared to meet the leaders of other peoples, to negotiate with them, to settle differences by peaceful means and to appeal to all men of good will to preserve this peace which we all desire for our own good and for the good of mankind.

"We are not losing confidence and we shall continue to work towards that end patiently and firmly."

Mr. Pearson At Disarmament Conference: London, May 14 (Reuters) -- Western views on reducing the world's arms, including atomic bombs, were outlined to the London disarmament conference today by Mr. Pearson.

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The conference of the world's five major atomic powers is a new all-out effort to arrange control of atomic weapons and germ warfare as well as to seek a reduction in convention arms. Its working sessions, which began today are closed.

The nations at the conference, meeting as a sub-committee of the United Nations Disarmament Commission, are Canada, the United States, Britain, France and Russia. They started their sessions in New York last month.

Mr. Pearson came here especially for the conference meetings from Geneva, where he has been leading the Canadian delegation at the Far Eastern conference. He is expected back there next week.

The conference may last several weeks, as the delegates have until July 15 to complete a report they must make to the United Nations Disarmament Commission.

A communique issued after today's session said the conference would meet again on Monday.

**St. John River Hydro Plan:** Ottawa, May 14 (CP) -- The Canadian and United States Governments, it was learned today, have received an International Joint Commission report favoring a \$200,000,000 hydro power development in the Saint John River basin.

The Government is studying the Saint John project, which involves rivers running through New Brunswick, Maine and further south in the United States.

International action is called for. The Governments some years ago put the project into the hands of the IJC, the body set up by treaty which regulates the use of boundary-crossing waters.

The Commission's recommendation, informants said, call for development of the huge potentialities of the Saint John basin in stages during a period of about 10 years.

**Northern Service Officers:** Ottawa, May 14 (CP) -- The Northern Affairs Department is looking for six men to work among the Eskimos in Canada's North.

The job is called Northern Service Officer and the men who are chosen -- the civil service competition closes May 31 -- will be posted to Aklavik, near the mouth of the Mackenzie River; Coppermine on Coronation Gulf; Coral Harbor on Southampton Island; Port Harrison on the east coast of Hudson Bay; Frobisher Bay on Baffin Island; and Fort Chimo on Ungava Bay.

No desk-bound workers need apply, says the Department.

"This is work with a rare kind of challenge," Northern Affairs Minister Lesage said today in a statement.

**Montreal Group Wins Top Drama Festival Honors:** Hamilton, May 16 (CP) -- For the second year in a row a French-language play, written by a Canadian author, took top honors at the Dominion Drama Festival.

Saturday night, at the finale of the week-long festival, Adjudicator Hugh Hunt awarded the Calvert Trophy for best play to La Nouvelle Equipe theatre group of Montreal for their presentation of "Le Roi David," written by Jean Filiatrault of Montreal.

A dramatization of the Biblical story of David and Bathsheba, written in classical French verse, the play marked an experiment on the part of Director Henri Norbert with a new acting form.

Instead of acting the tragedy in the manner of the Comedie Francaise or with the realism of modern drama, Director Norbert instructed his cast in a more austere style. Actors used their voices and faces almost exclusively to convey action and feeling. Movement on stage was almost stiff.

**Across Canada:** Premier Duplessis said he is ready to discuss with federal authorities the Quebec-Ottawa deadlock over income tax "at an appropriate time, appropriate place and under proper conditions," Canadian Press reported. . . . Mr. Gregg indicated the Federal Government will not intervene in strikes of seamen on British ships that have brought arrests at Montreal. He said in the Commons the Government has not been asked to step in, and in any case the Labor Department has no jurisdiction under the Federal Labor Code. . . . Higher allowances are expected to be sought by opposition parties and representatives of the Canadian Legion at meetings of the 31-member commons veterans affairs committee which held its organizational meeting Friday. Mr. Walter Tucker (L-Rosthern) was named chairman.



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Vol. 59, No. 95.

Tuesday, May 18, 1954.

White Paper On Canadian Defence: Ottawa, May 17 (CP) -- Development work on a new supersonic jet aircraft and air-to-air guided missiles to arm it will cost \$8,000,000 this year, a government White Paper on Canadian defence disclosed today.

The new all-weather jet interceptor is the CF-105, planned as a successor to the CF-100. The prototype is not expected to be flown for about six years.

"The guided missile development is progressing favourably and the results of the initial series of launchings have been encouraging," the White Paper said.

Referring to the increased appropriation for the Defence Research Board, the White Paper also disclosed that a new Canadian anti-tank weapon has been successfully developed after several years' efforts. All details about the weapon are secret.

The 58-page report, tabled in the House of Commons by Mr. Claxton, said in part:

"It is hoped that the situation (in Korea) may improve to permit some reduction to Canadian forces there in the not too distant future."

Despite indications of some relaxation in international tension, the White Paper said, "the need for Canada, in common with other nations of the free world, to maintain adequate defence forces remains a matter of vital importance.

"Experience over the past three years shows that to maintain the armed forces at the present levels of strength and quality, provide them with suitable working conditions and accommodation, and furnish adequate quantities of up-to-date equipment could not be carried out except by making appropriations and expenditures at about the present level," the Paper concluded.

In other words, defence spending must continue at its present rate of some \$2,000,000,000 a year. The Department has spent \$5,137,000,000 in a three-year defence build-up started in 1951 and the White Paper said planned defence spending in the current fiscal year will be \$2,010,000,000.

Elsewhere, the White Paper said:

"The threat to the Western world remains and member countries (of the North Atlantic Treaty Organization) must be ready to face a continuance of this threat over a long period. . . .

"It is essential if we are to maintain and improve the prospects for peace that the NATO countries must continue, perhaps for a lengthy period, to devote a substantial part of their resources to the common defence effort. . . .

"The first priority of member nations in the military field should be to keep at the highest possible level the present forces in being and to maintain these forces with up-to-date equipment over a prolonged period. This means that the defence programmes of the nations concerned must be organized to maintain adequate defences for an indefinite period."

Canada is continuing to pay close attention to its air defences. Both the Army and the R.C.A.F. are training intensively for Arctic and sub-Arctic defence.

The system of radar stations, communications and fighter squadrons planned for Canada's defence against air attacks is largely completed and should be fully operational by the end of this year. A start has been made on the McGill radar fence to supplement the present early-warning radar network.

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Defence Targets: Ottawa, May 17 (CP) -- More than three years ago- Feb. 5, 1951, to be exact - the Government announced a three-year defence build-up which was to cost more than \$5,000,000,000.

That amount - the approximate figure is \$5,137,565,000 - now has been spent. Some targets announced three years ago were reached in the allotted time, others were not.

The Government said today in a White Paper on defence that the three-year programme "has been subject to constant review and, as necessary, some modifications have been made to meet varying demands inherent in Canada's commitments".

Taxation Of Councils, School Boards: Ottawa, May 17 (CP) -- Tax exemption for municipal councils and school boards from federal sales and excise taxes on their purchases was proposed today by Mr. Drew. His motion to that effect, however, was ruled out of order after a two-hour House of Commons debate.

Mr. Drew's argument that municipalities should be given relief from mounting costs was supported by C.C.F. and Social Credit speakers.

His proposal, as an amendment to a Government motion to have the House of Commons go into committee of supply to study estimates, constituted a want-of-confidence motion in the Government.

It read:

"This House is of the opinion that consideration should be given to the introduction of legislation which would provide for the exemption of all municipal councils and school boards from the payment of Dominion excise taxes including the 10-per-cent sales tax."

Mr. Howe On U.S. Seaway Participation: Ottawa, May 17 (CP) -- Mr. Howe said tonight he would have preferred to have Canada build the multi-million-dollar St. Lawrence Seaway project alone.

Entry of the United States into the construction picture will not change things materially, he added.

But every dollar that has gone into development of the St. Lawrence-Great Lakes waterway has been Canadian and he would have preferred to have Canada build the last 128 miles, too.

Mr. Howe aired his views on the power-shipping project in reply to interviewers' questions over the C.B.C.'s radio programme, Press Conference.

U.S. participation won't hold up construction, he said, but he agreed with an interviewer that from a viewpoint of national pride, he regretted that Canada had not been left alone to finish the Seaway job.

Across Canada: Cheap power and year-round ocean transportation should make north-western British Columbia a metallurgical and electro-chemical centre for refinement of ores from many parts of the world, say the annual reports of Ventures, Ltd., and Frobisher, Ltd., associated holding companies, C.P. reported. . . . More than 50 Mark V Sabre jets arrived without incident at Goose Bay, Labrador on Monday on the first hop of a 3,500-mile North Atlantic flight to bases of the Canadian Air Division overseas, the Montreal Gazette reports. . . . If Canada bought as much from Britain as Britain buys from Canada, it would undoubtedly result in expanded trade between the two countries, Sir William Rootes, Chairman of the Dollar Exports Council of Britain, said in Toronto yesterday. Further, he told a press conference, it would lead to the goal of sterling convertibility, without which multilateral world trade could not really be accomplished, C.P. reported from Toronto. . . . The fourth national convention of the R.C.A.F. Association of Canada opened in Ottawa yesterday. Some 125 delegates from about 80 Wings of the Association across the country gathered for the two-day meeting.



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Vol. 5, No. 96.

Wednesday, May 19, 1954.

Mr. Cavell On Colombo Plan: Ottawa, May 18 (CP) -- Mr. Nik Cavell, Canadian Colombo Plan director, said today economic aid to South and Southeast Asia is encouraging the Democratic forces in that part of the world.

He told Mr. Stanley Knowles in the House of Commons External Affairs Committee that Colombo Plan aid - Canada has contributed \$25,400,000 a year for four years - will not rehabilitate Asia. Only the Asians could do that themselves.

But there was no doubt that every gesture of friendliness, interest and help was all to the good in trying to keep the Asian democracies in the family of free nations.

"In that case, this is the best-spent money we are spending today,"

Mr. Knowles said.

Mr. Leon Crestohl (L - Montreal Cartier) asked whether Canada might not sometime lose the money put into Colombo Plan projects if the recipient nations were over-run by the Communists.

"That's a risk we must run," Mr. Cavell replied.

Banks May Lend On Chattel Mortgages: Ottawa, May 18 (CP) -- The House of Commons Banking Committee today approved an amendment to the Bank Act allowing chartered banks to lend money on chattel mortgages for the first time in history.

Adoption came as the Committee completed a three-month study of the decennial revision of banking legislation which requires approval of both Houses of Parliament before it becomes law.

However, Mr. Abbott said he had discussed the chattel mortgage idea with the Cabinet and said his colleagues had no objections to it, indicating Government support in Parliament.

The Committee took these other steps:

1. Agreed to enforce retirement of bank directors at the age of 75 years, effective July 1, 1959.

2. Rejected a final attempt by Mr. J.M. Macdonnell (PC - Toronto Greenwood) to have Parliament control the amount of money the Government can print.

Easing Of Municipal Tax: Ottawa, May 18 (CP) -- A government spokesman said today the federal Government cannot be expected to exempt Canadian municipalities from excise and sales taxes when five provinces with sales taxes refuse to do so.

Mr. William Bendickson, Parliamentary Assistant to Mr. Abbott, made the statement in the House of Commons in reply to Opposition arguments yesterday that the taxes be exempt for municipal councils and school boards.

He also said that members should not minimize the administrative problem in figuring rebates on taxes levied at the manufacturers' level. It would involve more than 4,000 municipalities.

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War Veterans' Allowances: Ottawa, May 18 (CP) -- Mr. St. Laurent today turned down the Canadian Legion's renewed request for higher war veterans' allowances for 40,000 "burned-out" veterans and their dependents.

The Prime Minister and Veterans Minister Lapointe conferred for 30 minutes with a Legion delegation headed by President Dr. C.B. Lumsden of Wolfville, N.S.

The Legion asked that war veterans' allowances at least be included in the terms of reference of the Commons Veterans' Affairs Committee, which holds its first meeting tomorrow. The Government has ruled out discussion of W.V.A. before the Committee.

Dr. Lumsden said the Prime Minister was "perfectly honest" and quoted him as saying that if W.V.A. were included in the Veterans' Committee's terms of reference, it would convey the impression that the Government was planning new W.V.A. legislation, when, in fact, it was not.

Mr. Drew On Quebec Income Tax: Ottawa, May 18 (Montreal Gazette) -- Opposition Leader George Drew attacked anew the federal Government tonight for its stand in its income tax dispute with the Quebec Government. He said that it was difficult to understand the federal attitude "unless it is for the one purpose of concentrating all financial power under its control".

Speaking in a C.B.C. "Nation's Business" broadcast, he called upon all Canadians to do their utmost to have the problem resolved.

Mr. Massey On "Responsibility": Vancouver, May 18 (CP) -- Governor-General Massey today said he believes the post-war generation is ready to throw off the "instinct to escape from duty and responsibility".

He said in an address prepared for delivery at the University of British Columbia that there is a growing concern with justice and an increasing desire to return with humility to the virtues in society which are threatened but not lost.

Mr. Massey, recipient of an honorary degree at the ceremony, recommended to the University's graduating class the virtues of justice and humility.

"I believe that in this modern world where, amid conflicting ideologies, so many are struggling back to the old truths, it is well to seek some permanent principle which each person and each society must establish. . . .

"For you I would suggest that justice means two things: right ordering of your private lives and a sense of public duty. . . ."

Study British Wool Tariff: Ottawa, May 18 (CP) -- The Government has ordered a re-examination of Canada's wool fabric tariffs, following complaints by the Canadian industry that its existence is being jeopardized by heavy imports from the United Kingdom.

The Tariff Board today announced that Finance Minister Abbott has ordered the inquiry - limited to British preferential tariff on wool fabrics - with a view to possible renegotiation of that item within the next six or eight months.

Across Canada: A Dutch immigrant will be welcomed, wined and dined by a Federal Cabinet Minister and other Government and Embassy officials. The guest of honour will be the 100,000th immigrant to Canada from Holland since the end of the Second World War. The immigrant is among some 800 Dutch settlers aboard the liner Groote Beer, scheduled to arrive in Montreal Thursday morning, the Gazette reports. . . . Full deduction of medical expenses for purposes of income tax returns was urged in the House of Commons by two C.C.F. members and two Progressive Conservatives. . . . Lt.-Gen. Asim Ucar, Chief of Staff of the Turkish Air Force, will arrive in Ottawa, May 19 aboard an R.C.A.F. Dakota from Washington for a week-long visit, Air Force Headquarters announced.



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Vol. 5, No. 97.

Thursday, May 20, 1954.

Employment Improving: Ottawa, May 19 (CP) -- Canadian unemployment went down in April, but more slowly than is usual with the onset of warm weather.

Government figures issued today indicated employment was up from March but down from April of 1953. Unemployment was sharply higher than a year earlier.

The figures produced renewed demands from Canada's two largest union organizations - the Trades and Labour Congress of Canada and the Canadian Congress of Labour - for federal action to stem unemployment or ease its effects. . . .

The Government survey, issued jointly by the Labour Department and the Bureau of Statistics, showed these figures:

1. At April 15, there were 549,028 persons looking for work through the Government's National Employment Service, down 20,870 from a month earlier but up 176,508 from the same time in 1953. An unknown percentage of the job-hunters are not actually unemployed but looking for a change of work.

2. The number at work in the week ended April 17 - on the D.B.S. estimate - was 4,845,000, compared with 4,305,000 about a month before and 4,941,000 in the corresponding week of 1953. There were no comparable figures for full-time employment, because the April survey was taken in Easter week when many worked short time.

3. The Bureau estimated - on the basis of a sampling of 30,000 households - that persons actually without work and looking for jobs in the week ended April 17 totalled 303,000. This compared with 318,000 a month earlier and 165,000 in the same week of 1953.

Immigration Up 23 Per Cent: Ottawa, May 19 (Globe & Mail) -- Immigration for the first three months of 1954 was 23 per cent greater than in the same period last year, the Department of Citizenship and Immigration reported today. The totals for the two corresponding periods were 28,223 and 22,937.

Immigration from the United Kingdom was up by 24 per cent from 6,367 to 7,882. The biggest increase, however, was in the intake from what the Department lists as "other countries" - that is, other than the United Kingdom, the United States and North Europe.

This total was up by 66 per cent, from 5,870 to 9,773. The biggest increase was in Italian immigrants. In the first three months of 1953, Italian immigrants numbered 2,972; in the same period this year they numbered 6,156.

Italian immigrants, in fact, made up the largest single national group in the first quarter, coming within 1,700 of the total intake from England, Scotland, Ireland and Wales.

The largest group from the North European countries came from Germany - 3,674. This, however, was a decrease from last year's first three months when 4,173 Germans came to Canada.

The next largest North European group were the Dutch. There were 2,973 Netherlands immigrants in January, February, March, an increase of 145 over the number in the corresponding period a year ago.

The rate of immigration slowed down in March - the month's total was only 10 per cent above that of March, 1953 - but was up heavily in the

(over)

"other countries" category. The increase there was 87 per cent.

March immigration from the United Kingdom was up by only 6 per cent. From the North European countries it was down by 22 per cent, and from the United States it was down by 2 per cent.

Farmers Cut Wheat Planting: Ottawa, May 19 (CP) -- Farmers intend to cut their wheat planting this year by almost 1,000,000 acres to 24,587,100, lowest in six years.

They also intend to cut rye and potato acreage, but boost acreage for oats, mixed grains and flaxseed, the Bureau of Statistics reported today in the first 1954 report on planned crop production.

Farmers indicated they expect to increase summer fallow, the ground left idle or sown to grass.

Prairie farmers reported they intend to cut spring wheat acreage to 23,791,000 from 24,648,000 last year.

Aid For Home-Building Veterans: Ottawa, May 19 (CP) -- The House of Commons today approved the principle of a bill to provide financial and technical assistance to veterans who want to put their own labour into the construction of homes.

The bill, greeted by Opposition members with the hope that it will be beneficial to veterans, was given second reading and referred to the Commons Special Committee on Veterans' Affairs.

Broadcasts In 17 Languages: Ottawa, May 19 (CP) -- The C.B.C. International Service is spreading knowledge and understanding of Canada in other lands in 17 languages.

A return tabled today in the House of Commons for Mr. Fred S. Zaplitny (CCF - Dauphin) said the overseas short-wave broadcasts are made in English, French, Norwegian, Swedish, Danish, Finnish, Dutch, Italian, German, Austrian, Czech, Slovak, Russian, Ukrainian, Polish, Spanish and Portuguese.

Seek Experts For Seaway Jobs: Ottawa, May 19 (CP) -- The Canadian Government, anticipating an early start on the St. Lawrence Seaway, tomorrow will call for engineering specialists to apply for jobs on the navigation end of the \$900,000,000 project.

The Government's Civil Service Commission - which hires federal employees - will be issuing job announcements to electrical, mechanical and civil engineers.

Turkish Air Chief Arrives: Ottawa, May 19 (CP) -- Lt.-Gen. Asim Ucar, Chief of the Turkish Air Staff, arrived here by R.C.A.F. plane from Washington for a week-long, good-will visit.

The Air Chief was welcomed by Air Marshal C.R. Slemon, Chief of Canada's Air Staff, and the Turkish Ambassador, Ahmet Cavat Ustun.

Across Canada: The Canadian Legion yesterday charged the Canadian Pension Commission with lax administration, according to a C.P. despatch. . . . The Canadian Manufacturers' Association proposed that Parliament remove the ban against retail price-setting by suppliers of branded goods to eliminate the "evil" of loss leader selling. . . . Dr. Wilder Penfield, renowned neurosurgeon, yesterday announced his retirement from the position of neurosurgeon-in-chief and neurologist at the Royal Victoria Hospital, and the Chair of Neurology and Neurosurgery at McGill University. . . . British Columbia's flood picture darkened as murky waters flowed through the streets of Kimberley, ripped through highways and threatened many communities in the Kootenay Valley.



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Vol. 5, No. 98.

Friday, May 21, 1954.

Mr. Claxton On North American Defence: Ottawa, May 20 (CP) -- Mr. Claxton said today that nine out of 10 planes of a Russian force attacking North America would be destroyed by continental air defences.

However, he added in the lead-off of a House of Commons debate on defence estimates, that percentage of kills was still not good enough and that "no doubt additional steps will be taken from time to time" to strengthen continental defences.

Maj.-Gen. G.R. Pearkes, V.C., said he isn't sure that North America has a warning system as effective as Mr. Claxton had indicated. Canada was pitifully short of fighter squadrons for home defence while it continued to maintain an air division in Europe.

Mr. Coldwell said the defence estimates - about \$2,000,000,000 in the current fiscal year - are based on Second World War thinking. Equipment on order would be obsolete before it could be provided. He suggested that six of the 12 R.C.A.F. squadrons in Europe and that at least one battalion of the three-battalion brigade in Korea be brought home.

Mr. Claxton said he doesn't believe there is going to be a general war in the near future. But the basic Soviet aims of imperialism and aggrandizement remained.

The primary aim of continental defence was to protect the West's massive retaliatory weapon, the United States' strategic bomber force. But the existence of nuclear weapons did not preclude conventional weapons. In fact, it made them more necessary to cope with local wars where nuclear weapons could not be employed.

Canada's interceptor force - radar, communications and jet fighters - would be in complete operation by this summer or early autumn. This defence system had reached the stage where a Russian bomber force attacking U.S. targets might be forced to choose a route other than over the Canadian Arctic.

The McGill radar fence was being strung across Canada north of the existing radar network and Canada and the U.S. were considering additional means to supply early warning.

Mr. Claxton said Canada's aircraft programme has been mapped out until 1961. Planes this year would cost \$425,000,000 and the annual price tag would increase to \$460,000,000 before dropping \$450,000,000.

He emphasized such expenditures were necessary to keep up the present strength and quality of the R.C.A.F. The CF-100 long-range jet fighter and Sabre jet would both have to be replaced eventually.

The R.C.A.F. was getting 52 per cent of the defence allotment for the three services, a much higher proportion than any other country in the world.

Defence spending could not be reduced if the forces were to be kept at their present strength - 112,000 - or increased to 120,000.

The forces were working on more continental defences without increased appropriations. He was insisting on this additional work being done without additional cost to the taxpayer. It could be carried out because of better trained officers and men. The world was close to the era of push-button warfare.

The successors to the CF-100 and Sabre would be the last planes to depend extensively on aircrew for operation. The era was close when the pilot would have little more to do than take the plane off the ground and land it.

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The West could not remain superior to Russia in science, research, engineering and production unless it increased its efforts in all these fields.

Gen. Pearkes said the Defence Department should have geared itself to the "long pull" policy years ago instead of suddenly introducing it this year. Because of this, it was not in a good position to project the defence programme into the future.

Despite all the wishful thinking, Canadian cities were exposed to air attack. It was little comfort to them to know that U.S. bombers could retaliate against Russia.

Re-Enlistments High: Ottawa, May 20 (CP) -- Re-enlistments in Canada's armed forces are higher on a percentage basis than in other countries, Mr. Claxton said today.

The proportion is about twice as high as in the United States and much greater than in the United Kingdom, he said as he initiated Commons study of defence estimates.

External Affairs Committee: Ottawa, May 20 (Globe & Mail) -- Attacking what he said seemed to be tremendous duplication of the work of Canadian military attachés overseas, Maj. Gen. George R. Pearkes, V.C., said today he did not believe the country was getting full value for the money spent on them.

He told the External Affairs Committee that it was his impression that some of the attachés were acting as glorified aides de camp to heads of Canadian missions in Europe. "If that's all they're doing," he added, "I can assure this Committee that wasn't the function of attachés in the old days."

The general's attack on the attachés was coupled with a renewed opposition probing of the extra cost of living and representational allowances paid Canadian diplomats overseas.

He said he found it hard to understand why the gathering of all the information on forces of foreign powers, the work of the attachés, could not be carried out in Europe at least by the group of attachés at NATO and SHAPE.

Instead, he added, the Government is put to the considerable expense of maintaining attachés, usually senior officers, at embassies and legations.

Advised by Dr. R.A. MacKay, Acting Under-Secretary of State for External Affairs that attachés were a matter for the National Defence Department, the general asked for a production of records showing how many attachés had been requested by the External Affairs Department. . . .

Across Canada: Five more private groups are seeking licences for television stations. Their applications, and six to establish privately-owned radio stations, will be considered by the C.B.C. Board of Governors. . . .

The Dominion Council of the Canadian Non-pensioned Veterans' Widows Association recommended that the Government set up a permanent committee on veterans' affairs whose members could deal with the "problems most pressing to the veteran or his widow. . . . Mr. Chevrier expressed hope that employee layoffs by the C.N.R. are at an end. He told the House of Commons that there have been 600 layoffs by the Government-

owned railway since he reported in February that 1,500 workers had been made idle. . . . Quebec's City Council approved granting of a franchise to Widbrod Langlais, Quebec business man, for construction of a one-mile, \$30,000,000 tunnel between Quebec and Levis, across the St. Lawrence River.



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Vol. 5, No. 99.

Tuesday, May 25, 1954.

**Protests "Blanket" Authority For U.S.:** Ottawa, May 24, (CP) -- The Canadian Government should stop handing over blanket authority to the United States in this country, Mr. Howard Green (PC - Vancouver Quadra) said today in the House of Commons.

Mr. Green was speaking on a Government bill aimed particularly at empowering the Cabinet to allow Americans to operate U.S. Government radio stations in Canada. This authority now is granted in the Emergency Powers Act, which expires May 31.

Under the Federal Radio Act, - which today's bill would amend - only British subjects may operate radio stations in Canada. The Government has had the power of making certain exceptions, and the new legislation would widen these to include operators of stations owned by the Government of another country.

Speaking as the amending bill came up for second reading, Mr. Chevrier said it will apply particularly to operators of U.S. radar and loran (air navigation) stations.

It also would widen exemptions to include foreign aircraft radio operators and immigrants who have not yet become Canadians who operate taxis and other vehicles using radio.

Mr. Green said the Government is proposing to "hand over some Canadian keys to the U.S."

"It is time," he said, "that the Government stopped handing over blanket authority to the U.S., which in effect is what is being done in this bill."

Any such rights should be reciprocal. If Canada did not have similar rights in the U.S., the Government should try to get them.

In any case, the exemption should be confined to the United States and not made broad enough to cover all countries as was done in the bill.

**Mr. Howe On U.S. Feed Grains Prices:** Ottawa, May 24 (CP) -- Mr. Howe said today Canada is watching closely a United States move to subsidize price reductions for U.S. feed grains on export markets.

The U.S. Agriculture Department announced Thursday feed grains - corn, barley, oats and rye - will be offered on world markets at competitive prices, starting this weekend. Purpose is to get rid of huge surpluses held by the American Government.

In the House of Commons, Mr. Howe told Mr. A.M. Nicholson (CCF - MacKenzie) it is difficult as yet for the Canadian Government to assess the effect of the action on Canadian trade since it does not know what prices are contemplated by the U.S.

If the prices were just to drop to Canadian levels, the effect would not be serious.

"In any case, we are watching the situation closely," he said.

**Mr. Pearson's Report On Geneva:** Ottawa, May 24 (CP) -- Mr. Pearson will report to the House of Commons Friday on the Geneva Conference.

Prime Minister St. Laurent said at the start of the House's sitting today that Friday would be the first available time for Mr. Pearson's report and a debate on it.

Mr. Pearson, who returned here last night after four weeks in Geneva, as head of the Canadian delegation, received a round of applause from both sides of the Commons.

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Mr. Diefenbaker On NATO: Ottawa, May 21 (CP) -- The Opposition's foreign affairs spokesman said today the North Atlantic Treaty Organization is being endangered by disagreement among member countries.

Mr. John Diefenbaker, Progressive Conservative Member for Prince Albert, told the House of Commons that criticism of other countries within NATO "is one of the most detrimental courses that we can follow". It weakened the organization at a time when the Communists were attempting to create dissension, disorganization, disagreement, delay and deferment of decisions among NATO countries.

The unity which had built the NATO alliance for defence and survival "is in danger of being broken by the disagreements that are taking place at Geneva and elsewhere".

Canada And Southeast Asia Pact: Ottawa, May 21 (CP) -- Canada has made it plain to its allies that it does not intend to participate in a Southeast Asia pact or become involved, for the present at least, in the Indo-China War.

Officials said today the Government believes it has extended itself as far as possible in making overseas commitments. The armed forces now are heavily committed in Europe and increased attention is being paid to continental defence.

It is understood here that when the 25th Canadian Brigade is eventually moved out of Korea, it won't be moved anywhere but home. . . .

Debate On Defence Estimates: Ottawa, May 21 (Gazette) -- Opposition speakers hammered at Mr. Claxton today for an "unrealistic" defence policy which served only, they said, to lull the Canadian public into a "false sense of security."

Lt.-Col. D.S. Harkness said that Mr. Claxton "does not service to the Canadian people" by saying, as he had yesterday, that nine out of every 10 Russian bombers attacking North America would be destroyed by continental air defences. He told the House of Commons that current U.S. estimates of the toll which would be taken of attacking Russian aircraft was "three out of 10".

He charged that radar screens, interceptor aircraft and other phases of these defences were far weaker than the Minister's optimistic statement suggested.

Mr. Drew, who entered the debate on defence estimates later, expressed surprise at "the spirit of unreality in which the material survival of Canada is being discussed". . . .

Dr. James' New York Address: New York, May 21 (CP) -- Dr. F. Cyril James, Principal and Vice-Chancellor of McGill University, said today "Canada and the United States constitute that last great bulwark of human freedom and opportunity in a world that is growing steadily more restricted and troubled.

Addressing the 38th annual meeting of the National Industrial Conference Board, Dr. James said Canada and the United States are independent and proud nations. . . .

Across Canada: Mr. Pickersgill said Monday there is no law to prevent privately-owned invention of a military nature from becoming public property and reaching a potential enemy. He made the statement in the House of Commons during discussion of legislation placing federal civil servants on an equal footing concerning rewards for inventions produced during Government duties or employment. . . . The House of Commons observed the Queen's birthday by singing "God Save the Queen" at the opening of the sitting. . . . The Commons approved a resolution preceding a Government bill to enable civil servants to maintain pension rights in transferring to Crown companies. . . . Marie Dionne, one of the famed Dionne quintuplets from Calander, Ont., became Sister Marie Rachel in the cloistered order of the Servants of the Blessed Sacrament. In a solemn, two-hour service at the order's new Thabor Chapel in Quebec, Marie donned the white garb of a novice in the order four days before her 20th birthday.



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Vol. 5, No. 100.

Wednesday, May 26, 1954.

Strengthened Air Defence Need Stressed: Ottawa, May 25 (CP) -- Canada's air defences must be further strengthened, thickened and expanded, Mr. Claxton said tonight.

His speech, recorded for broadcast over the C.B.C.'s trans-Canada network in the free-time political series "The Nation's Business", was by and large, a condensation of his defence review in the House of Commons last week. He said strengthening air defences is going to be a big and costly operation. The R.C.A.F. this year would complete its build-up to 41 squadrons of all types, active and auxiliary.

The present defence system - radar, communications and jet interceptors - was more than 90 per cent operational and would be completed by late summer or early autumn.

Planned target for Canada's armed forces is 120,000 officers and men, Mr. Claxton said. Strength now is nearly 113,000.

He made a new plea for continued unity within the North Atlantic Treaty Organization.

" . . . No particular crisis should be allowed to weaken the great alliance of the free world, particularly between the United Kingdom and the United States.

"That alliance, that association and the understanding and confidence on which they must be based, are the archstones of the structure of the peace and security which are the objectives of our work together for our common cause."

New Paper Currency Unveiled: Ottawa, May 25 (CP) -- Canada's new paper currency, to be circulated next September, is a strictly functional, two-tone affair, stripped of all Victorian ornament and equipped with a few gimmicks to fool the forger. The word "Canada" is printed in big bold Roman letters across the face of the bill, over a faint white outline of the Canadian coat of arms.

To add to the Canadian flavour, the symbolic figures representing agriculture, transportation, hydro power and other achievements have been removed from the back of the bills and replaced with scenes of the Canadian countryside.

Another break with tradition is the shift of the Sovereign's portrait from the centre of the bill to the right-hand side. This, said Governor Graham Towers of the Bank of Canada today, is to prevent eventual obliteration of the portrait from constant folding and is one of the new features to make things tougher for the forger.

The new bills, in eight denominations, were unveiled by Mr. Towers and his staff at a press conference. This is the first bank note design change in 17 years and the first notes to bear the portrait of the Queen. The Queen appears uncrowned and rather sombre.

The new bills look different and they also feel different - another step to fool the forger. Through the use of dry, instead of wet printing, there is a characteristic "feel" to the new notes, which the bank said, "is impossible to duplicate without access to large expensive custom-built printing presses".

The notes are the same length as those now in circulation but are one-eighth of an inch ~~shorter~~ wider.

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Insurance Plan For C.S., Regular Forces: Ottawa, May 25 (CP) -- The Government will underwrite one-sixth of the cost of a new insurance plan to pay death benefits of up to \$5,000 for members of the civil service and the regular armed forces.

The plan was hailed by one C.C.F. member as socialized life insurance which should be extended to all Canadians.

The plan was outlined to the House of Commons today by Mr. William Benidickson, Parliamentary Assistant to Mr. Abbott, before the House approved a resolution preliminary to introduction of legislation.

He said it will apply to all members of the regular forces and civil servants, including those who work for Crown corporations, who normally contribute to the Civil Service superannuation plan. He did not say how many people will be involved.

The payment at death would be either \$5,000 or a year's salary, whichever is the smaller amount, paid to the widow or the person's estate.

Mr. Benidickson said the Government will pay the cost of administration, plus one-sixth of the insurance payment after death. Those covered by the plan would pay \$4.80 a year for each \$1,000 of insurance.

Mr. Stanley Knowles said the price of \$24 a year for \$5,000 life insurance is not available from any private insurance company. If it was a good plan for the Civil Service, it should be extended to all Canadians.

R.C.M.P. Commissioner Nicholson Before Committee: Ottawa, May 25 (CP) -- Commissioner L.H. Nicholson of the R.C.M.P. said today good enforcement of gambling laws is unlikely because of the public's apparent dislike for restraint on its desire to gamble.

For that reason, he urged that gambling laws be widened and gambling operations brought under effective control.

Commissioner Nicholson, speaking before the Commons-Senate Committee on capital and corporal punishment and lotteries, recommended retention of capital punishment and gave qualified support to corporal punishment.

He said the possibility of execution is a deterrent on the professional criminal who might consider killing.

He advocated corporal punishment for young offenders on the fringe of becoming criminals. It might be imposed at the discretion of judges for cruel crimes such as grievous assaults on old people or young girls. He also urged whipping to help maintain discipline in prisons.

Dairy Industry Submission: Ottawa, May 25 (CP) -- Canada's dairy industry has urged Mr. St. Laurent to ban the export of government-held butter at cut-rate prices.

At the same time it has warned that the trade may step out of buying of summer surplus butter unless the Government announces soon its proposed selling price and policy for next winter.

Mr. J.J. Creighton, President of the National Dairy Council of Canada, said in a letter to Mr. St. Laurent that butter production this year is expected to be greater than the 302,000,000 pounds produced last year.

Across Canada: A proposed Royal Commission to study Canada's Patent Act will be asked to consider a danger that an unpatented private invention of a military nature could be made public and reach a potential enemy. . . . The House of Commons today defeated by 154 to 31 a C.C.F. proposal to increase to 30 from 20 the minimum attendance required to transact parliamentary business. . . . Liberals and Progressive Conservatives split across party lines in the House of Commons on a C.C.F. proposal to have the voluntary revocable checkoff written into the Federal Labour Code. The proposal, contained in a bill introduced by Mr. Stanley Knowles, was defeated 107 to 51. . . . Supplies of coal available for consumption in Canada reached a 13-year low total of 38,163,000 tons in 1953.



# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
 DEPARTMENT OF EXTERNAL AFFAIRS  
 OTTAWA - CANADA

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Vol. 5, No. 101.

Thursday, May 27, 1954.

Polar Radar Chain: Ottawa, May 26 (CP) -- Mr. Claxton indicated today that Canada and the United States will build a radar chain in Canada's Polar regions.

"We are at about the point where we can make further starts in early warning," he told the Canadian Club.

In the meantime, however, the greatest air defences in the Arctic were distance and space. Aerial navigation was so difficult in the Far North that other than Arctic routes might be more attractive to attacking bombers.

But, he added, North America still needed more early-warning systems in case of air attack across the Pole.

The southern radar network started in 1949 now is 90 per cent operational and will be complete by the end of this summer or early autumn.

It was built "upward and outward" from target areas in the U.S. At the same time, a new radar chain known as the McGill Fence is to be built farther north above the settled areas of Canada - but still well below the Arctic Circle.

In recent weeks, Mr. Claxton has been stressing, both in the House of Commons and outside it, the increasing emphasis being put on continental defence. In a radio address last night, he said Canada's air defences must be strengthened, thickened and expanded.

New Northern Health Service: Ottawa, May 26 (CP) -- Establishment of a northern health service to serve the 26,000 Canadians living in the 1,500,000 square miles north of the 60th parallel was announced today by the federal Government.

Health Minister Martin and Northern Affairs Minister Lesage said in a joint statement that conditions in the North can be met adequately only by a concerted effort.

"We expect the northern health service to be of great assistance in the orderly planning of health measures in the north," Mr. Martin said.

"The people living and working there will be given better service and there will be better return for the funds spent for health. . . ."

"Missionaries of the Church of England and of the Roman Catholic Church have, through years of zeal and devotion, provided services under trying conditions," Mr. Lesage said. "Other organizations, both private and community, have borne their share. The new federal agency will co-operate and help in the expansion and improvement of the service."

The northern health service is to be established as a division of the Health Department. The new agency will not supersede any of the existing organizations. It will bring them together and help co-ordination of policy and planning.

The service will also operate its own hospitals, public health and nursing services and other facilities required for national defence staff and for Eskimos and Indians.

Drive For Prorogation: Ottawa, May 26 (CP) -- Prime Minister St. Laurent today gave notice of a motion to have the House of Commons begin morning sittings Monday to speed the sessional drive for prorogation.

Starting that day, the House will meet from 11 a.m. to 1 p.m., 2.30 p.m. to 6 p.m. and 8 p.m. to 10 p.m. The customary Wednesday night off will be abolished.

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The Government is aiming for prorogation about mid-June, perhaps June 19.

"Le Federalisme Canadien": Quebec, May 26 (CP) -- A prominent Laval University economics professor believes the fight Quebec is waging with Ottawa over taxation is already lost.

Maurice Lamontagne, 36-year-old Director of the University's Economics Department, makes the statement in book dealing with federal-provincial problems. It refers particularly to the situation in Quebec, where a new provincial income tax has been imposed.

The 298-page book, entitled Le Federalisme Canadien, has been published in French by Laval University Press.

The professor writes that Quebec now stands at the crossroads in her history as Canada moves ahead toward a new type of federalism which only Quebec refuses to accept.

"Quebec must become conscious of reality and make a choice," he writes, adding that certain leaders have made a choice in "the direction of separatism".

The view of the economics professor is that Canada is developing a new federalism with increased power in the hands of Ottawa. This is accepted by all Canada except Quebec.

Lionel Conacher Dies: Ottawa, May 26 (Globe & Mail) -- Lionel Conacher, Liberal Member for Toronto Trinity, died en route to Ottawa General Hospital tonight shortly after suffering a heart attack during a softball game on the lawn of the Parliament Buildings.

Canada's outstanding athlete of the first half of the 20th century, Mr. Conacher had just hit a triple in the annual game between members of Parliament and the Press Gallery. He was standing on third base when he pitched forward on the ground.

An Ottawa Fire Department emergency truck and an ambulance were called. An inhalator was used and Mr. Conacher was rushed to hospital after being tended on the lawn by Dr. William H. McMillan, Liberal Member for Welland, who was a spectator.

The 54-year-old member, who celebrated his birthday on Victoria Day, was always a one-man team for the members who traditionally beat the Press Gallery. Proceeds from the game went to a worthy cause, the pages of the House of Commons.

C.S. Insurance Bill Criticized: Ottawa, May 26 (CP) -- The Opposition today accused the Government of entering the field of private business under a proposed plan for compulsory death benefits for civil servants and members of the armed forces.

Progressive Conservative speakers criticized the bill on the ground that the plan should be established and administered by private enterprise, instead of by the Government itself.

They were defeated by a 125-36 vote in their attempt to send the bill to the House of Commons Banking Committee for study before receiving second reading - approval in principle.

Across Canada: Dr. David A. Keyes, Chairman of the Project Co-ordinating Committee of Atomic Energy of Canada, Ltd., said he doubts Canada will generate electricity economically with atomic power in less than five years. . . . Topics ranging from atomic power to the practice of medicine in ancient Rome will come under study at Winnipeg during the next two weeks as 14 separate organizations assemble for the 1954 Conference of Learned Societies - Canada's greatest annual gathering of scholars and scientists. About 600 are expected. . . . The National Film Board and the C.B.C. are discussing possible use of N.F.B. films on television, Mr. A.W. Trueman, Government Film Commissioner, said. . . . Peace for generations to come can be assured if the British Commonwealth stands shoulder to shoulder with the United States, Sir Archibald Nye said in Montreal. . . . A wage dispute between the C.B.C. and its 1,100 office and programme employees has been submitted for Federal Labour Department conciliation, it was announced.

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OTTAWA - CANADA

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Vol. 5, No. 102.

Friday, May 28, 1954.

Korean Airlift To Suspend Operations: Ottawa, May 27 (CP) -- The R.C.A.F. Korean airlift is about to pack up. The Air Force announced today that the final round trip to Tokyo will be made by a 426 Squadron North Star leaving Montreal Saturday.

The airlift started operations in July, 1950. It logged 34,000 hours and about 7,000,000 miles in 1,200 trans-Pacific crossings and transported 13,000 men, including many wounded, and 7,000,000 pounds of freight. Aircrews called it a milk run.

No. 426 Squadron - the Thunderbirds - did not have a fatal casualty or lose a single cargo during the nearly four years on the airlift.

End of the airlift will mean the first withdrawal of Canadian forces in the Korean theatre. Canada continues to maintain a 6,000-man infantry brigade and three destroyers in Korea to help preserve the armistice.

A Government White Paper on defence, tabled last week in the House of Commons, said: "It is hoped that the situation may improve (in Korea) to permit some reduction to Canadian forces there in the not too distant future."

The R.C.A.F. said U.N. requirements for air transport support in Korea have decreased and that the U.S. Air Force is reducing facilities at Shemya in the Aleutians where the North Stars refuel.

Canadian Pacific Airlines, now operating three round trips a week to Japan, will continue, temporarily at least, its scheduled airlift flights under charter to the Government. C.P.A.'s DC-6's have a longer range than the North Stars and do not have to refuel at Shemya.

Mr. Garson's Statement: Ottawa, May 27 (CP) -- The Minister of Justice, Mr. Garson, said today the Government is keenly alive to the danger of Communist infiltration in the armed services and Government departments.

He was commenting in the House of Commons on published statements attributed to Mr. John Leopold, former Superintendent in the R.C.M.P.'s Intelligence Branch. Stories appeared in the Toronto Telegram, Ottawa Citizen and Le Petit Journal, of Montreal.

Mr. J. Wilfrid Dufresne (PC - Quebec West) asked whether Mr. Garson's attention had been drawn to statements by Mr. Leopold "regarding the existence of Communist infiltration into departments of Government, among others, the Department of National Defence, External Affairs and the National Film Board". He asked what measures the Government intended to take to cope with the situation.

Mr. Garson said his attention has been drawn to an article which appeared in the Toronto Telegram April 23. The article was based on an informal interview with former Superintendent Leopold but made no mention of Communist infiltration in Government departments.

Mr. Garson said Government security agencies "are alert to the danger inherent in the infiltration of Government departments by Communists and procedures designed to detect such individuals have been in effect for years".

Aid For Shipping Industry: Ottawa, May 27 (CP) -- The federal Government hopes to be able to help Canada's slumping shipping industry, Mr. Chevrier said today.

However, he told the House of Commons there has been no change up to now in the Cabinet's policy against direct subsidies for deepsea shipping

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and he cannot say what form any assistance might take.

Mr. Chevrier spoke as the House of Commons considered his departmental spending programme for the 1954-55 fiscal year. He was replying to various earlier suggestions that the federal Government help stay the decline of the Canadian-flag deep-sea fleet, much of which has been transferred to British registry to cut down on operating costs.

If a subsidy programme were to be followed to enable Canadian-owned vessels to stay under the Canadian flag, Mr. Chevrier said, it would cost about \$5,000,000 a year.

Under current prospects as to differences in operating costs between Canadian and British registry, no end could be seen to such a subsidy.

Also, Mr. Chevrier said, many of the Canadian ships are obsolete and a modernization programme - if the Cabinet were to follow out some suggestions - would cost the treasury another \$200,000,000.

"I am not saying it will be impossible to give some assistance," he said. "I hope it will be possible. But I cannot see how we can do it to the extent asked without subsidizing many other industries.

"I am still hopeful," he added, "that we will be able to find a method to be of assistance to the shipping industry. I cannot say what form it will take."

War Unlikely Says Dr. MacKenzie: Montreal, May 28 (Gazette) -- "There is now less probability of a major war in the near future than there has been for the past several years," Dr. N.A.M. MacKenzie, President of the University of British Columbia, told the Canadian branch of the International Law Association last night.

But he predicted tension between East and West would be maintained indefinitely, "at least until we get tired of it, until there's a softening inside the Soviet Union itself".

"Communism is a religion," said Dr. MacKenzie, an authority on international law. "Its adherents believe anything they can do to hasten our acceptance of it, is in our own interest. The only possible relationship between the two camps is one we have almost achieved: stalemate. . . ."

Across Canada: Mr. Victor Doré, former Canadian Ambassador to Switzerland and former Minister to Austria, died in Montreal yesterday. He was 74. . . . The Commons External Affairs Committee reported that it is impressed with the valuable work being done under the Colombo Plan. The Committee said it believes Colombo Plan economic aid to South and South-east Asia - Canada has contributed \$100,000,000 in the last four years - is of considerable importance in helping the growth of democracy. . . . Canada's production of soy beans, used in making margarine, has increased fivefold in the last 10 years, yet the country is producing only half her requirements it was reported to the Agricultural Committee.



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OF CANADA

INFORMATION DIVISION  
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Vol. 5, No. 103.

Monday, May 31, 1954.

Mr. Pearson On Geneva Conference; Ottawa, May 28 (CP) -- Mr. Pearson made it plain today Canada will make no military commitment in Indo-China or join a Southeast Asia pact.

In a House of Commons speech dealing with the Geneva Conference, from which he returned Sunday, Mr. Pearson said:

" . . . While it is true that if peace is threatened by communist aggression anywhere, it is threatened everywhere, it is also true that Canada cannot be expected to accept special regional defence commitments in every part of the world where collective arrangements may be advisable."

Mr. Pearson said the Canadian Government agrees with the principle of a Southeast Asia pact but "in so far as accepting special political and defence commitments is concerned, there is a limit to what a country of Canada's population and resources can do".

"We have limited strength, both in men and materials, and our commitments are already heavy. Existing undertakings, such as those under the North Atlantic Treaty Organization, are such as to circumscribe what Canada can and cannot undertake, militarily and otherwise, not only in Southeast Asia but elsewhere."

Mr. Pearson indicated that Canada will not go beyond the Colombo Plan for the time being at least, in giving economic or other aid to South and Southeast Asia. Canada has contributed \$100,000,000 to the Colombo Plan in the last four years.

On the Geneva Conference itself, Mr. Pearson said there is still hope that solutions will be reached on Korea and Indo-China.

He added that it would be a mistake to break off negotiations as long as there was even a remote possibility for agreement.

If the conference failed, it should not be terminated but merely suspended with the hope that it might be reconvened after several months.

After Geneva, he said, renewal of the Korean War will be much less likely.

Mr. Pearson told the House of Commons that if the Indo-China problem came before the United Nations, as the Korean crisis did, then Canada's policy would depend on the nature, purposes and scope of any action which might be recommended by the U.N.

Mr. John Diefenbaker said Canada should give notice that it will join any Southeast Asia pact if the Geneva talks on Indo-China fail.

"Indo-China may be the turning point in our history," he said. What happens in Geneva might bring Britain and other Commonwealth countries closer to the U.S.

Mr. Diefenbaker said Canada has a responsibility in maintaining peace in all parts of the world. It should indicate it is ready to act in that regard.

Mr. Coldwell said the initiative for any Pacific pact should come from Asia, particularly India.

Canada should not enter any such pact unless it had been assented to by India, Burma, Pakistan and Ceylon.

Mr. Low said France's position at the Geneva Conference shows how left wing sympathies in a country can render it impotent.

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Canada-U.S. Trade Relations: Ottawa, May 30 (CP) -- Canadian-American trade relations are nearing a critical stage with the Canadian Government deeply concerned over the possibility that President Eisenhower may give way to demands for U.S. import curbs on base metals and certain fish products.

Federal officials said today that if the curbs receive presidential approval, Canada will have to consider some form of economic readjustment, possibly a withdrawal of a tariff concession equivalent in physical and psychological value to the U.S. restrictions imposed.

The Canadian Government, in previous trade clashes with the U.S., has shown reluctance to take such a step, fearing it may lead to new trade wars between the two great trading powers. But governmental advisers now feel there may be no other course open. . . .

Canada-U.S. Civil Defence Exercise: Ottawa, May 28 (CP) -- Five simulated attacks on North America will be made June 14 when Canada and the U.S. hold their biggest joint civil defence exercise.

Maj.-Gen. F.F. Worthington, Canadian Director of Civil Defence, said today in an interview that the Canadian target areas will be Halifax, Montreal, Toronto, Winnipeg, Edmonton and Vancouver. Windsor, Ont., will get the backwash of the attack on Detroit.

Civil defence workers have been planning the exercise for three months. After it is held, they will evaluate the weaknesses - Gen. Worthington said there will be many - which appear.

Control centre for Canada will be at Arnprior, Ont., 50 miles west of Ottawa. The U.S. centre will be near Washington, D.C. The Canadian centre is linked by teleprinter to the 10 provincial control centres.

The attack will be based on the supposition that "nominal" atom bombs - equivalent to 20,000 tons of T.N.T. - are used by the enemy bombers. Bacteriological and chemical warfare may also be simulated.

The attack on Halifax will come from the sea; that on Montreal, Toronto and Detroit from across Greenland; that on Winnipeg from near the North pole; that on Vancouver and Edmonton from the Pacific. Canada will not be concerned with the fifth raid on the California coast.

Trade Pact With Portugal: Ottawa, May 28 (CP) -- Portugal has agreed to more than double her potential market for Canadian dry codfish under a new trade pact signed with Canada today.

In return, Canada has reduced tariffs on coffee from Portuguese, African colonies to the rates applicable on imports from Brazil and the other big producers.

As further minor concessions, Canada has agreed to eliminate the one cent a pound tariff on Portuguese almonds and to drop the duty on corks for bottles to two cents a pound from 4 cents on those larger than three quarters of an inch in diameter and to two cents from eight on the smaller sized bottle plugs.

The new pact, announced by Mr. Howe in the House of Commons, is similar to one signed a few days ago with Spain.

Across Canada: Mr. Peter Thorneycroft, President of Britain's Board of Trade, appealed to Canada today not to boost tariffs on wool fabrics. The British Trade Minister, opening a three-week tour of Canada, disclosed at a press conference that he has taken up the textile tariff issue informally with Mr. Howe. . . . Premier Duplessis announced Imperial Oil Company, Limited, has asked the Quebec Government for authority to drill for oil on both shores of the St. Lawrence River between Quebec City and Montreal. . . . Mr. St. Laurent told a national convention of the Young Liberal Federation in Ottawa Saturday that the search for a "permanent solution" to federal-provincial tax problems must be continued "for the sake of the unity and the future of Canada as a whole". . . . Mr. John R. Baldwin, Chairman of the Air Transport Board, said today that Ottawa's Uplands Airport will start operating as an international air terminal in July. . . . Canada's Young Liberal Federation, meeting in Ottawa, on Saturday urged the Government to implement a national contributory health insurance plan in co-operation with the provinces. . . . Premier Duplessis announced a provincial Transport and Communications Department will be created June 30. . . . Premier Duplessis said Friday a gold mine with a potential of "several million tons" has been discovered 10 miles north of Noranda in Northwestern Quebec.



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Vol. 5, No. 104.

Tuesday, June 1, 1954.

Canada-U.S. Trade: Ottawa, May 31 (Globe & Mail) -- Prime Minister St. Laurent said today the Government is very much concerned at the possibility - he would not call it, he said, the probability - of the United States imposing obstacles against further Canadian products. . . .

The Prime Minister, answering a question by Opposition Leader Drew, said all he would care to say about the situation at this time "is that the Canadian Government is aware of the latest developments in Washington relating to commodities of interest to Canada".

The U.S. Government, he said, has been made fully aware of the Canadian views; the Government here has been in almost continuous touch with the U.S. administration on these matters.

"I am confident," said the Prime Minister, "that in arriving at his decision the President will take into account the wider considerations involved, including the repercussions on friendly countries. I am sure that he will be anxious to avoid actions which would seriously affect the trade of Canada and other allied countries."

Another trade question was aimed at the Prime Minister in the absence of Mr. Howe, who was in Toronto for the opening of the Trade Fair, by Mr. John Diefenbaker. He asked if the Government had protested against the United States having made provision for the sale of oats and barley abroad from 10 to 15 cents below the domestic price in the United States.

This matter, the Prime Minister replied, has been the subject of discussions between officials of the Department of Trade and Commerce and the U.S. Government. He did not say if there had been a protest.

Senate Reform Debated: Ottawa, May 31 (CP) -- The House of Commons today defeated a Progressive Conservative demand for reform of the Senate after Mr. St. Laurent said the Government will show by action its views on the subject.

A vote of 84 to 48 defeated Opposition Leader Drew's motion that the Government consider methods of reform between now and the next session of Parliament to make the Upper Chamber more effective.

Liberals voted solidly against his motion, which was supported by all Opposition parties - including the C.C.F. which proposed abolition of the Senate - and two independent members, Mr. Paul Gagnon, Chicoutimi, and Mr. Raoul Poulin, Beauce.

Mr. St. Laurent did not elaborate on his statement, made as an interjection after Mr. John Diefenbaker urged him to state the Government's position.

Mr. Coldwell proposed a motion for abolition of the Senate, which was debated for some time before Speaker Beaudoin ruled it out of order as being not relevant.

The P.C. motion said the Government should consider starting consultations and inquiries towards taking appropriate steps "so that the Senate may more effectively discharge the constitutional function it was intended to serve as an integral part of our parliamentary system". Mr. Drew said the public eventually will demand abolition of the Senate unless this is done.

(over)

Old Age And Blind Pensions Debated: Ottawa, May 31 (CP) -- The Minister of Health, Mr. Martin indicated today the Government will not increase old age and blind pensions without boosting contributions by Canadians into the Old Age Security Fund.

He gave the indication in the House of Commons shortly before the House defeated by a vote of 86 to 46 a motion by Mr. Stanley Knowles urging the Government to consider increasing the present \$40 a month pension.

Mr. Knowles' motion urged the Government to consider increases in amounts paid under the Old Age Assistance Act, the Old Age Security Act and the Blind Persons Act.

Says Culture Key To Unity: Winnipeg, May 31 (CP) -- Mr. Jean Bruchesi, retiring President of the Royal Society of Canada, said tonight culture is the key to achieving unity in Canada.

Mr. Bruchesi addressed the 72nd annual meeting of the Royal Society of Canada at the University of Manitoba shortly before relinquishing the presidency to Mr. E.W.R. Steacie, of the National Research Council, Ottawa.

He said Canada's "growing industrialization, an excess of machinery and scientific progress which may enslave man to techniques" threatens to strike a death blow to both the French and English cultures of Canada.

"It is essential to react with great strength, and a close co-operation between both cultures is one of the surest ways to success.

"Canada no longer offers, at first sight at least, the spectacle of a nation fundamentally divided. Religious and linguistic controversies no longer give rise to bitter clashes, as was the case in a still recent past. Nevertheless, it is quite evident that it would take only a spark to set off an explosion."

Atomic Energy And Human Betterment: Winnipeg, May 31 (CP) -- A University of Alberta zoology professor said today there is no question atomic energy would at present be coming into use for the general betterment of humanity if it had been left in the hands of science.

Prof. William Rowan added in a talk to the biological sciences section of the Royal Society of Canada that radio, which he described as a link that can unite all races, would have been employed for the same purpose.

"Instead," he said, "our obsolete war mentality has created the atomic energy and hydrogen bombs on one hand and our propagandized radio on the other; the two greatest threats to survival in human history, the one material, the other intellectual."

Across Canada: Finance Minister Power of Newfoundland said in his budget speech the Government is boosting the gasoline tax and applying a tax on entertainment tickets to provide new revenues totalling \$620,000. . . . The Toronto Symphony Orchestra Association announced yesterday that despite a loss in last year's operation of \$13,000 there will be no cut in the Orchestra's operation for the 1954-55 season, the Globe & Mail reported. . . . Gen. Alfred M. Gruenther, Supreme Commander, of Allied Powers in Europe will arrive by plane in Ottawa Thursday, and be met by Defence Minister Claxton, Mr. R. Douglas Stuart, United States Ambassador and an R.C.A.F. guard of honour. . . . After experimenting with a five-day week for only a month, engineers of the Canadian National Railway in all parts of the country have decided to return to a six-day week, a spokesman for the Brotherhood of Locomotive Engineers said yesterday.



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Vol. 5, No. 105.

Wednesday, June 2, 1954.

To Ban Legal Imports Of Heroin: Ottawa, June 1 (CP) -- All legal imports of heroin, the most popular narcotic among addicts, will be cut off after Jan. 1 next in a further step to fight Canada's drugs problem. Health Minister Martin made the announcement today as the House of Commons passed legislation to double the maximum penalty for illegal narcotics peddlers to 14 from seven years.

He said ending of heroin imports is an obligation Canada assumed under the World Health Organization as one of a number of countries which voted to outlaw manufacture and sale of the habit-forming drug. Heroin was not manufactured in Canada and once present stocks were used, it would be unavailable legally.

Dr. William Blair (PC - Lanark) said doctors can get along without heroin. There were other drugs which can be used in its place.

"It is one of the most dangerous of drugs, a derivative of opium," he said.

Mr. Martin said later that imports last year were between 750 and 1,000 ounces of pure heroin. He declined to estimate how many doses this represented. The drug was cut down and diluted.

In the House debate, he said he agrees with Dr. Owen C. Trainor (PC - Winnipeg South) that the Government of at least one country connives in the export of narcotics. Outside the House Dr. Trainor said he referred particularly to Communist China and also to Communist Hungary, Czechoslovakia and Romania.

Mr. Martin estimated the figure of narcotics addicts in Canada are not likely more than 3,000 and said the main centres are Vancouver, Toronto, Montreal, Hamilton, Windsor, Winnipeg, Edmonton and Calgary.

He made two statements which he declined later to elaborate to reporters - one that Canada has one "Lucky Luciano" and the other that he knows the centre of Edmonton's illegal narcotic traffic.

Allowances For Disabled Approved: Ottawa, June 1 (CP) -- Spokesmen for all Opposition parties in the House of Commons today expressed general approval of a bill to set up federal-provincial allowances for the totally and permanently disabled.

But they were critical of some specific sections of Health Minister Martin's legislation as it came before members for second reading.

The measure, drafted after a federal-provincial conference, provides for maximum \$40-a-month allowances between the ages of 18 and 65, when old age assistance begins. Payments are on a 50-50 basis between federal and provincial Governments.

Mr. Martin said eight provinces - all except Quebec and Prince Edward Island - are ready to take advantage of the legislation and he is confident all provinces will want to enter it shortly.

He also said it is estimated between 25,000 and 35,000 persons will qualify for the allowances - on a means test basis - and that the over-all cost will be between \$12,000,000 and \$16,000,000 a year, provided all provinces enter.

Screening Of Lakes Seamen: Ottawa, June 1 (CP) -- The Senate today approved the principle of a bill to resume screening of seamen working on vessels on the Great Lakes and Upper St. Lawrence River.

(over)

The bill, explained in the Upper Chamber by Senator J.J. Connolly (L - Ontario), would bring back into force regulations for screening such seamen for security risks. The regulations lapsed yesterday with the Emergency Powers Act under which they were passed in May, 1952.

Senator Connolly said the regulations were contained in an order-in-council made necessary by the outbreak of the Korean war. The regulations were passed following consultations with the United States which has similar security screening provisions for Great Lakes seamen.

Under the regulations, the seamen were required to have a card from the Labour Department authorizing them to be employed on vessels in the Great Lakes and Upper St. Lawrence. Up to April 26, a total of 30,540 applications for cards were made and 29,422 were granted.

Mr. Coldwell On Textile Tariff: Ottawa, June 1 (CP) -- Mr. Coldwell said tonight that his party will oppose any government move to increase the preferential tariff rate on woollen textiles imported from the United Kingdom.

The Government should adopt policies which would redirect Canadian trade from the United States to the United Kingdom instead of taking measures to reduce trade with the U.K.

Mr. Coldwell, in a speech on the C.B.C.'s political free-time series, "The Nation's Business," said the Government has asked the Tariff Board to study the impact of preferential tariffs on woollen textiles imported from the U.K.

"This announcement can have only one meaning - that the Government is considering increasing the preferential tariff rate on this commodity imported from Great Britain," he said. "Let me immediately say that if this were done the C.C.F. would be strongly opposed to it."

It was big business that was asking for an increase in tariffs and not the working people whether they were on farms or in the cities. Consumers realized they must pay for an increase in tariffs through higher prices for the things they must buy.

The United Kingdom was one of the countries on which Canada was heavily dependent for international trade. It was the stable element of Canada's international trading position and steps should be taken to increase trade between the two countries.

25th Adopts Village: With Canadians In Korea, June 1 (CP) -- A war-devastated village in the Canadian sector of Korea is to be adopted by men of the 25th Canadian Infantry Brigade and re-established by voluntary cash contributions from Canadian soldiers serving in the Korean theatre. It is the first such rehabilitation scheme among United Nations forces in Korea.

The tiny farming settlement of Chinmokchung, obliterated in the fighting three years ago, will be re-established to shelter 850 men, women and children.

Across Canada: Municipal Affairs Minister Dunbar of Ontario said the province is not entering the field of civil defence. He told the Eastern Ontario Development Conference that the province does not object to a municipality training one man as an instructor. . . . Canada's No. 1 weatherman said yesterday there's no such thing as rain-making. Mr. Andrew Thomson of Toronto, Controller of the Meteorological Division of the Department of Transport, in an interview said that no scientific proof has been given and no experiment has shown that cloud "seeding" can control weather or produce a drenching, effective rain. . . . The House of Commons for the second time this session refused yesterday to approve a divorce petition after C.C.F. members said they doubted the evidence of private investigators. . . . Ontario Cabinet Ministers yesterday turned down proposals for a provincial sales tax to aid education, toll roads and a shifting of some municipal responsibilities to provincial and federal shoulders.



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OF CANADA

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
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Vol. 5, No. 106.

Thursday, June 3, 1954.

Economic Atomic Power Now Possible: Ottawa, June 2, (CP) -- Canadian scientists now believe they can build an atomic power plant to produce electricity at an economical cost.

Mr. Howe made the statement today in the House of Commons in proposing a major reorganization and planned expansion of Canada's atomic energy programme to stimulate development of the new power source for peacetime use.

Spokesmen for all Opposition parties approved the programme which will be carried out under a bill to amend the Atomic Energy Control Act. The legislation was passed and sent to the Senate for consideration.

Mr. Howe said research at the Chalk River, Ont., atomic energy project has reached the point where it should be possible to produce atomic power economically.

"To be more specific, we now see the possibility of producing atomic power at a cost which will be comparable to the cost of power generated from a steam plant using coal at \$8 per ton."

He said that existing research and development activities in the atomic field would come under a single agency, Atomic Energy of Canada Ltd. The company would be responsible for the over-all direction of the Chalk River project, the production and sale of isotopes, including cobalt 60 used in the "cobalt bomb" therapy unit for the treatment of cancer, and the Government's role in the mining of uranium ores.

The legislation changes the name of the company which now operates the Chalk River project to Nuclear Research Ltd. The company responsible for production and procurement of uranium would continue to be known as Eldorado Mining and Refining Ltd.

"By this means the raw materials and research programmes will be under the general direction of a single agency as now is the case in the United States and in the United Kingdom," Mr. Howe said.

Mr. Howe outlined plans to set up an advisory committee on atomic power consisting of senior executive officers of all power commissions and corporations in Canada. The committee would inform those responsible for producing power in Canada of the nature and scope of research at Chalk River.

"We would also hope that the committee would assist in evaluating the possible economic importance of atomic power in the various regions of the country."

House Defeats Plan To Curb Currency Flow: Ottawa, June 2 (CP) -- The House of Commons today rejected a final Progressive Conservative attempt to implement legislative control over the amount of money in circulation.

Before it did, however, Social Credit Leader Low took exception to remarks that the move is needed to guard against currency manipulation by irresponsible governments in future.

An amendment by Mr. J.M. Macdonnell (PC - Toronto Greenwood) to a government bill revising the Bank of Canada Act was defeated 74 to 16 in a standing vote in which C.C.F. and Social Credit members sided with Liberals in opposing the proposal. The bill was later adopted.

Mr. Macdonnell's amendment asked that bank notes and deposit liabilities, which determine the amount of money in the economy, should be limited to not more than 10 per cent above the amount outstanding

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when the act receives royal assent. Further increases in the money supply would have to be approved by Parliament.

Mr. Abbott said the proposal would introduce an extremely unwise rigidity into the banking system.

Mr. Pearson On Atomic Control Talks: Ottawa, June 2 (CP) -- Mr. Pearson said today he has found no reason for optimism about results of secret talks on atomic weapons control now proceeding in London.

Mr. Pearson, speaking in the House of Commons, said he attended several meetings of the U.N. sub-committee on disarmament at London and has had reports of its discussions, but had not been able to arrive at an optimistic conclusion.

Differences had been clarified, but the gap between the East and West on control of atomic energy for destructive purposes had not been closed.

He spoke during debate on a bill involving Canada's atomic programme to reply to a question by Mr. Howard Green. Mr. Green asked what effect an international agreement on atomic control would have on Canada's development of atomic energy for peaceful purposes.

Mr. Pearson said any agreement on control of atomic weapons would not interfere with national development unless it involved international ownership of fissionable material.

As for President Eisenhower's proposal last December for international co-operation in peaceful uses of atomic energy, Mr. Pearson said the Soviet has given a discouraging reply to a U.S. proposal that it take part.

Other countries interested in the plan now were left to decide whether they should proceed without Soviet participation.

Protecting Niagara Falls: Niagara Falls, Ont., June 2 (CP) -- A \$17,500,000 project to stop Niagara Falls from gradually eating its way back along the Niagara River from Lake Ontario to Lake Erie was launched today.

Engineers estimate it will take four years to solve the problem of halting the erosion that has been going on for centuries.

The Ontario Hydro Commission and the United States Corps of Engineers will do the work. Canadian and U.S. Governments are to divide the cost.

Pembina Oilfield Largest: Edmonton, June 2 (CP) -- Recoverable crude oil reserves at Alberta's Pembina oilfield, 65 miles southwest of Edmonton, have been estimated as high as 952,000,000 barrels, making it the largest oilfield in Canada.

The Alberta Government's 1953 oil review, just released, said the lowest estimated oil reserve at the Pembina field was 762,000,000 barrels.

The Redwater field, with reserves of 500,000,000 barrels previously was considered the largest in Canada.

Emperor Haile Selassie's Visit: Ottawa, June 2 (CP) -- Emperor Haile Selassie's arrival in Ottawa tomorrow will carry with it all the dignified flourishes Canada accords visiting royalty.

Ethiopia's King of Kings and conquering Lion of Judah will receive a vice-regal, Cabinet and Parliamentary welcome, and the Emperor of the African country also will get a royal salute from artillery as he steps off an R.C.A.F. plane from Boston.

Across Canada: Mr. Claxton said the Government supports the views of a top naval officer who said in Quebec last week it is essential French-language naval personnel learn the English language. . . . Rev. Dr. J. Lewis W. McLean, 49, of Victoria, B.C., was elected Moderator of the 80th General Assembly of the Presbyterian Church in Canada. He succeeds Rev. W.A. Cameron of Toronto. . . . Mr. Abbott introduced in the House of Commons the annual financing bill of the publicly-owned C.N.R., authorizing new spending by the company of \$254,168,000 up to July 1, 1955. . . . A 49-year-old gentleman farmer who is a relatively newcomer to provincial politics is Quebec's seventh Mines Minister. Mr. William M. Cottingham, member for Argenteuil riding, was sworn in yesterday. . . . Cheques cashed in clearing centres rose four per cent during April and the first four months this year over the corresponding periods of 1953.

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Vol. 5, No. 107.

Friday, June 4, 1954.

Security Screening Debated: Ottawa, June 3 (CP) -- The Government assumes that espionage or intelligence agents of foreign powers are trying to get secret information in Canada.

Mr. St. Laurent made that statement in the House of Commons today as he rejected a Progressive Conservative demand for information on the Government's security screening of federal employees. The demand was made by Mr. Davie Fulton (PC - Kamloops), who said the screening system is open to the abuse of McCarthyism.

Mr. Fulton, speaking during study of Justice Department estimates, said civil servants coming under security checks have no opportunity to clear themselves of suspicion. The Government had accepted the principle of guilt by association.

"If there is McCarthyism here, you can see where it lies," he said. His reference was to a statement March 3 by Mr. Howe that the Government abhorred McCarthyism. Mr. Howe at the time was rejecting earlier demands by Mr. Fulton for information about the number of civil servants transferred or dismissed as security risks.

Mr. St. Laurent said there have been only a few cases in the Civil Service whose jobs were affected by the security screening. There had been "quite a number" enrolled in the armed services without being screened and who were later released.

The Government had decided against an appeal system within the security screen. Every effort had been made to be fair and no member could point to a case where there had been unfairness.

The Government had the final responsibility for guarding against security leaks and there could be no question of exonerating a civil servant when a Cabinet Minister had serious and honest doubts about his reliability.

Mr. St. Laurent said there are files on all employees in confidential positions and the Government had to appraise anything derogatory about character, susceptibility to blackmail or social contacts.

It did not involve only loyalty, but also solidity of character and discretion - the amount of confidence the Government was prepared to place in an individual. That could not be determined by a trial.

There were no figures on the number who had not been assigned to confidential posts, or who had been transferred from those posts, because of doubts of their reliability.

"We try to avoid the possibility of leaks, without there being anything concretely determined about it."

He said there is an interdepartmental committee to which Ministers and Deputy Ministers sometimes go for advice about certain cases. The committee also dealt with the Government's counter-intelligence work.

The Government did not agree that the screening would be helped by publicity about the number of employees affected. . . .

Emperor Selassie's Arrival: Ottawa, June 3 (CP) -- Emperor Haile Selassie of Ethiopia arrived in Ottawa tonight to start a three-day Canadian visit, greeted by a Royal salute and the top officials of Government.

He landed at the capital's Rockcliffe Airport at 5:54 p.m. EDT in an R.C.A.F. plane that brought him from Boston on this latest leg of a North American tour.

(over)

Governor-General Massey and Prime Minister St. Laurent headed a reception party for the Emperor as artillery thundered a 21-gun welcome and a military party provided a guard of honour.

Leaders of all Opposition parties in Parliament also were on hand to meet the Emperor as he arrived with a suite of 24 persons for a 21-hour visit.

After an overnight stay as the guest of the Governor-General at Government House, he will see Parliament in session tomorrow and leave in mid-afternoon for Montreal.

He will visit Quebec and Windsor before taking leave of Canada Monday morning to resume the United States part of his tour.

Definition Of Contempt Of Court: Ottawa, June 3 (CP) -- Mr. Drew today urged the Government to write into Canada's laws a clear definition of contempt of court to protect publishers from injustices.

He told the House of Commons that under the law at present it is possible for a publisher of a newspaper, magazine or book to be fined up to \$1,000,000 for contempt of court.

Contempt of court now was defined in cases of disobedience of orders of a court or the refusal of a witness to answer questions. However, there was no definition for contempt outside the court which was deemed to have some bearing on court proceedings.

Canada spoke with pride of the freedom of the press but had placed it in a vague and uncertain position in connection with the publication of material which might result in contempt in court action.

Mr. Drew said Parliament should "make the law with regard to contempt of court by publications in the press or in periodicals and even decide what the penalty will be". It was wrong for judges to make the law and to decide the penalty.

If it was wise to define contempt within a court it also was wise to define contempt "when it is something that relates to the freedom of the press, and to the very great difficulty there must be in the minds of publishers at this time as to what actually does constitute contempt of court".

Mr. Drew said British jurisprudence stated that the test of contempt of court is that the applicant must show that something has been published which either is clearly intended or at least is calculated, to prejudice a trial which is pending. He suggested a somewhat similar definition could be written into Canadian law.

Justice Minister Garson said he doubted that any statute could be passed that would be a clearer or better statement than Mr. Drew's proposal. However, he said:

"I would doubt very much whether it was desirable that we should insert a section to that effect in the criminal code - something which ... is already dealt with in the jurisprudence upon the subject."

He also noted that the proposed new Criminal Code provides for an appeal both from the conviction and the sentence in respect of a citation for contempt of court. . . .

Across Canada: The Province of Quebec Chambre de Commerce declared yesterday it was most important that the Federal Government in concert with the Provinces elaborate a comprehensive economic policy aimed at finding the causes for underdevelopment of certain regions of the country and necessary corrective measures. Preventive action against economic inequalities among provinces is preferable to a system of intergovernmental subsidies, which tend to attenuate the effects of the evil without attacking their cause, the Chambre said in a submission at Montreal to the Quebec Royal Commission on Constitutional Problems, according to Canadian Press. . . . The University of Montreal will be host at its annual Convocation today to Emperor Haile Selassie I of Ethiopia, although the Convocation will begin before the Emperor actually arrives in the city. The royal guest is to receive an honorary "Doctor of the University" degree. . . . The Canadian Medical Association's headquarters at Toronto said doctors at the annual convention June 14-19 in Vancouver will consider reports from 16 committees, hear more than 115 medical papers and panels and watch TV clinical programmes in colour.

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Vol. 5, No. 108.

Monday, June 7, 1954.

**Mr. Pearson Emphasizes Need For Unity:** Winnipeg, June 4 (CP) -- Mr. Pearson tonight cautioned the United States that excessive economic nationalism might weaken Western unity.

In a speech to the Canadian Historical Association, Mr. Pearson did not refer to the U.S. specifically in dealing with the Western alliance but he made it plain he was referring to Canada's neighbour.

"Our greatest need, our one indispensable asset, is unity among those who are working together to defend freedom and maintain peace," he said.

"Today we certainly cannot take this unity for granted. . . ."

"Above all, if we are to make a coalition work, we must accustom ourselves to living with requirements and within a framework broader than that of our own state.

"This will apply, of course, to the economic as well as to other aspects of policy. Excessive economic nationalism, if unchecked, will sooner or later corrode any coalition and weaken it until it destroys co-operation and unity in foreign or defence policies. Attitudes to neighbours and allies cannot be kept in water-tight compartments.

"Those peoples within our coalition whose strength gives them a position of leadership have a special obligation to cultivate the self-denying qualities of patience, restraint and forbearance.

"In their turn, the smaller and less strong members will have to demonstrate, not a surrender of their identity or free judgment, which would be undesirable and impossible, but a sense of proportion and accommodation and a recognition that the acceptance of leadership and the possession of power warrant special influence and weight in the counsels of the coalition.

"An acceptance of the overriding claims of unity, and the acceptance of the delays and concessions which are sometimes necessary to cultivate it, come hardest, of course, to the strongest; for a consciousness of strength naturally encourages self-confidence and is apt to induce a tendency to take for granted the acquiescence of others."

Mr. Pearson also touched on the need of more private consultation among the Western allies. He said this practice is not always followed but added: "I think that . . . we are improving our techniques of co-operation and, more important, increasingly acquiring the habit of consultation.

"We are learning the value of prior discussion - not as a substitute for action - but as essential for united action."

Mr. Pearson discussed at length the change in Canada's foreign policy since the 1930's.

Two decades ago, Canada had taken a back seat in foreign affairs and had been unwilling to participate even in economic sanctions of the League of Nations.

Today, Canada was not only participating in sanctions against Communist China but was a party to collective security measures.

"It should be remembered, however, that this earlier Canadian policy of refusing to accept the obligations of collective security was motivated primarily by domestic considerations, by the desire to avoid taking up a position on issues which would split the country.

"It was, therefore, in substantial part a deduction from another principle - the maintenance of domestic unity. . . ."

(over)

"If we can today have a positive foreign policy, it is precisely because of the degree of internal cohesion and unity which we have achieved."

Immigration Debate Impends: Ottawa, June 5 (CP) -- The Government's immigration policies are expected to be the subject of one of the last major debates of the present session of Parliament.

The debate will take place during consideration of the estimates of Immigration Minister Harris. However, as Mr. Harris is Government leader in the House of Commons he is expected to give precedence to the spending programmes of other departments, leaving his until the last days of the session. . . .

The last official figures on immigration were issued May 19 and showed that arrivals in the first three months of the year rose 23 per cent to 28,223 from 22,037 in the corresponding period last year. Of these, 15,739 received jobs, mostly in manufacturing, construction, agriculture or service industries.

Mr. Duplessis Before Junior Chamber Of Commerce: Montreal, June 7 (Gazette) --

While Quebec has no objection to aiding other provinces, it will resist any attempt from outside to dictate the extent of this aid, Premier Maurice Duplessis said here Saturday night.

Addressing the annual banquet of the Montreal Junior Chamber of Commerce, he said the Province wanted to reserve its right to have a say in "dispensing its generosity". He likened the Ottawa offer to Quebec of financial aid to Judas and his 30 pieces of silver. . . .

He charged that people elsewhere regard French-Canadians as slaves and seek to treat them as such. They had no right to think they were more intelligent than people in Quebec since "we are all intelligent in equal degree".

He denied he was seeking to stir up trouble by remaining adamant on the constitutional issue. . . .

Sports Vs. Cultural News: Montreal, June 7 (Gazette) -- Exploits of the sporting world may be interesting, and perhaps even commendable, but the Canadian Arts Council feels more newspaper space should be devoted to the "creative things" of life.

Mr. Roland H. Charlebois, Director of Ecole des Beaux-Arts and newly re-elected President of the Council, told the annual meeting this weekend that he was chagrined to find only four lines of type devoted to council affairs.

"It is all very well to have pages about sport but it is time we realized that some highly interesting cultural news is happening in Canada," he said.

In support of his thesis, Mr. Charlebois told the 50 delegates from 14 cultural societies that the Canadian Government appears favourably disposed towards the establishment of a National Council of the Arts. . . .

Emperor Of Ethiopia At McGill: Montreal, June 7 (Gazette) -- In an hour's visit to McGill on Saturday morning, the Emperor of Ethiopia called attention to the "devoted service" which higher education in his own country has already received and will in the future receive from Canadian teachers.

The African monarch, speaking in the language of his people, Amharic, also paid tribute to "the great contributions of the University in the field of medicine, and most recently in neurology."

Across Canada: The Department of External Affairs announced on June 4 that twenty-one newspapermen from thirteen North Atlantic Treaty countries were starting a three-week tour of Canada at Ottawa on Sunday, June 6. . . . Declining food prices coupled with a sharp, sudden drop in the cost of general household operations eased living costs during April. The consumer price index dropped by one-tenth of a point to 115.5, reversing a similar March rise, the Bureau of Statistics reported. The index is based on 1949 prices equalling 100. . . . Canada's economic future lies in minerals and forest products rather than in agricultural exports, Prof. D.W. Slater of Queen's University said Thursday. Prof. Slater spoke on changes in the structure of Canada's international trade at a round-table session of the Canadian Political Science Association.



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Vol. 5, No. 109.

Tuesday, June 8, 1954.

Clearance For St. Lawrence Development: Ottawa, June 7 (CP) -- The federal Government, welcoming a legal clearance in the United States for a start on the St. Lawrence hydro-seaway project, now is preparing to open talks with the U.S. on joint construction of the seaway's navigation works.

Officials said these are expected to begin soon, in the wake of today's U.S. Supreme Court decision removing the last legal barrier to the \$600,000,000 hydro phase of the development.

That verdict, refusal to act on a challenge to New York State's right to join with Ontario in the hydro job, was acclaimed by Mr. Chevrier, in charge of the Canadian Government's part of the undertaking.

"The last obstacle in the way of the Great Lakes-St. Lawrence Seaway now has been removed," he said in an interview.

"This means that Ontario and the State of New York now are constituted as entities to build the power works and that Canada will have to follow soon thereafter with the navigation facilities.

"All of us are relieved and pleased at the Court's decision."

Next move by the federal Government, it was understood, will be the appointment of a "St. Lawrence Seaway Authority" to handle the construction and operation of the navigation facilities in conjunction with a similar agency to be named by the U.S. administration.

Objective Is Power In Four Years: Toronto, June 8 (Globe & Mail) -- Construction of the first cofferdam for the \$600,000,000 St. Lawrence power project - a joint venture by Ontario and New York State - will start by the end of next month, Hydro Chairman Saunders said in New York last night.

His announcement came at the end of a meeting between officials of Ontario Hydro and the New York State Power Authority, called in anticipation of a final decision by the U.S. Supreme Court on the last legal barrier to the project. . . .

The Ontario and New York authorities in a statement last night said that a joint schedule of rapid construction had been agreed upon. "The objective is to complete the power development within five years, with actual generation and sale of power beginning in four years," it added. . . .

Canada Matches U.S. Cut In Wheat Prices: Ottawa, June 7 (CP) -- The Canadian Wheat Board moved swiftly today to slash wheat prices by 10 1/8 cents a bushel, matching a similar United States cut. Critics feared it was the beginning of a Canada-U.S. price war that may bring hard times to the average Canadian.

Biggest in post-war years, the cut was the second in the last five months, affecting the three top wheat grades. It brought the Canadian price at the Lakehead to \$1.72 1/2 a bushel for No. 1 Northern, the lowest in nine years. Smaller reductions were made on lower grades. Durums, which command a premium price on world markets, were not affected.

The Board's move, announced at Winnipeg, came shortly after Mr. Howe informed the House of Commons that "in spite of representations," the U.S. cut the price of wheat by 10 cents a bushel last Friday.

(Officials estimated that the extra one-eighth of a cent in the Canadian cut represents differences in Canadian and American funds.)

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Canadian officials met with Americans in Washington last week. Though Mr. Howe declined to disclose details of the talks, he said wheat sales were discussed. Apparently the Canadian Government had made certain "representations" to the U.S. which had been rejected.

Mr. Howe told Mr. John Diefenbaker that he was, however, as optimistic as ever about Canadian wheat sales. Opposition spokesmen viewed the Canadian price drop with deepening concern.

Self-Employed Tax Aid Urged: Ottawa, June 7 (CP) -- A Progressive Conservative lawyer today argued for a better income tax break for self-employed Canadians saving for their old age.

Mr. D.R. Michener, member for Toronto St. Paul's and former Ontario Provincial Secretary, said in the House of Commons that there should be more approved pension plans under which the self-employed can get tax exemptions.

Mr. Abbott replied that the Government has not yet found a way to do this and be fair to everyone.

The discussion arose during debate on amendments to the Income Tax Act implementing changes announced in Mr. Abbott's April 6 budget.

The House of Commons gave second reading - approval in principle - to the legislation after giving quick passage to three other bills stemming from the budget amending the customs tariff, Excise Act and Excise Tax Act.

Tariff Structure Antiquated, C.M.A. Told: Jasper, Alta., June 7 (CP) -- Canada's whole tariff structure is antiquated and needs overhauling, Mr. Ira G. Needles, of Kitchener, Ont., said today.

Mr. Needles, President of the B.F. Goodrich Rubber Co. of Canada Ltd., was one of a panel of four speakers on a discussion of "Canada's world trade - its strength and weakness" at the annual meeting of the Canadian Manufacturers Association.

He said Canada's tariff structure not only gives insufficient protection to its industries where needed but also gave protection where it served no purpose other than raising revenue.

The concept of a tariff for revenue purposes should be completely abandoned as it only increases the cost of doing business in Canada, he said. . . .

Across Canada: The 100,000-strong Canadian and Catholic Confederation of Labour is ready to study methods of political action jointly with the Quebec branch of the Canadian Congress of Labour. Mr. Jean Marchand, Secretary General of the Catholic Labour Body, made the statement following a meeting of the Quebec Federation of Industrial Unions (CCL). . . . The Commons Banking Committee approved government legislation providing maximum death benefits of \$5,000 for Canada's 230,000 civil servants and members of the armed forces. Approval came after the Committee by a vote of 22 to 5 defeated an amendment by Mr. J.M. Macdonnell who proposed that the legislation be given further study by civil servants' organizations. . . . The National Research Council of Canada announced the award of medical fellowships valued at \$76,900 to enable 23 doctors to carry on medical research.



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Vol. 5, No. 110.

Wednesday, June 9, 1954.

Wheat Situation Debated: Ottawa, June 8 (CP) -- Mr. St. Laurent assured the House of Commons today that neither Canada nor the United States wants to become embroiled in a price war on wheat for export. He made that statement as the Chamber engaged in a noisy exchange following unsuccessful opposition attempts to initiate an emergency debate on wheat prices.

The brief flurry at the House opening arose as result of an announcement yesterday by the Canadian Wheat Board that wheat prices will be cut by 10 1/8 cents a bushel to match a similar U.S. reduction.

The price slash reduced the Canadian price on No. 1 Northern to \$1.72 1/2 cents a bushel - lowest in nine years - and brought about repercussions in other parts of the world. . . .

Both Progressive Conservative Leader Drew and Mr. Hazen Argue (CCF - Assiniboia) attempted to introduce motions for an emergency debate, but were ruled out of order by Speaker René Beaudoin. He said there was not sufficient urgency and there would be opportunity for a debate later during study of departmental estimates.

Finally, Mr. Drew appealed to Mr. St. Laurent to intervene, but Mr. St. Laurent declined. The Prime Minister said immediate debate would require unanimous consent of the House and it would be an "extremely bad precedent" to have one man give consent for the chamber.

However, he made one concession. He proposed that Trade Department estimates be the first item of business when departmental estimates are called for consideration. A wheat debate then could be started.

Later, pressed by Mr. Argue, Mr. St. Laurent gave his assurance that from "discussions with responsible members and officials of the U.S. Government," he could say "there is no desire on their part or on the part of Canada to get into a rate-cutting war".

Mr. Rowe said the price war already has started and Mr. Diefenbaker recalled there was a confidential meeting of Canada-U.S. authorities in Washington last week. Did Canada try to talk the U.S. out of the 10-cent price cut?

"I did not attend that conference," replied Mr. St. Laurent. "All I know is that efforts were made on both sides to meet the present world situation in connection with the marketing of wheat."

Both Mr. Howe and Mr. Abbott said Mr. Diefenbaker would not help Canada sell wheat by persisting in his questions.

The Washington conference, Mr. Howe said, was called to decide whether North America is competitive with the world in selling wheat. The U.S. decided to cut prices - but it was an American decision. Canada also made its own decision.

Mr. Howe said Mr. Diefenbaker will not help sell Canada's surplus wheat "by showing alarm and concern and telling the world that Canada is in a desperate situation".

He agreed with Mr. Argue that wheat exports have dropped, but "The results are not discouraging".

Voting Age Of 18 Years Proposed: Ottawa, June 8 (CP) -- Mr. Pickersgill said today any move to reduce the federal voting age to 18 from 21 would considerably increase the cost of general elections.

(over)

He made the statement in opposing a bill introduced by Mr. Hazen Argue (CCF - Assiniboia) to reduce the federal voting age by three years.

Mr. Pickersgill said there should be no reduction of the voting age without a change in the age at which people assume full legal responsibility in Canada. That age now was 21 and it should carry with it the right to vote.

Granting the franchise to persons between 18 and 21 would mean that from 250,000 to 500,000 new electors would vote. This would increase the cost of elections and "I doubt very much whether the results of elections would be changed to any material degree".

A reduction in the present age also would impose on many Canadians the duty "of making up their minds about questions on which two or three years more reflection would probably enable them to reach conclusions which would be more valid".

Mr. Pickersgill said he felt the electorate is a little more apt to be well-informed if the voting age is left at 21. Young people between 18 and 21 did not have fixed convictions about a large number of questions occupying the public stage. A reduction in the age also might result in more Canadians voting in a stereotyped fashion.

Doubts Canadians Want Senate Abolished: Ottawa, June 8 (CP) -- Sen. W.D. Euler, a member of the Senate for the last 14 years, today said he doubts whether the people of Canada want the Upper Chamber abolished.

He noted in the Senate that the subject of reforming the 102-seat Upper Chamber was debated recently in the House of Commons and that newspapers have commented on the question. He said he agrees with some of the criticism but described part of it as ill founded.

As an instance, he said, one newspaper - he did not identify it - described the Senate as being in disrepute and in a state of ridicule. That, he said, "is utterly unfair, unjust and untrue".

In an apparent reference to CCF proposals to abolish the Upper Chamber, he said he thinks it will be a long time before that takes place.

"And I doubt whether the people of Canada want the Senate abolished no matter what its role may be or how it may be constituted," he said.

"Others want to make the Senate elective. With regard to that, I think it would be very difficult to make an argument in a democratic country against that suggestion."

Mr. Campney On Coast Defence: Dartmouth, N.S., June 8 (CP) -- Associate Defence Minister Campney said today the Navy has 36 ships on constant alert to defend the Atlantic and Pacific coasts against enemy attack.

Mr. Campney spoke at the official opening of a \$1,750,000 naval armament depot near this town across the harbour from Halifax.

Institute Of Public Affairs: Toronto, June 8 (CP) -- The Canadian Institute of Public Affairs said today this year's week-long conference, arranged in co-operation with the CBC, will be held at Geneva Park, Lake Couchiching, Aug. 7 - 13.

Well-known Canadian, British and United States speakers from many fields will base their addresses on the conference theme: "Canada grows - an appraisal of recent Canadian development".

Opening address will be given by Mr. Ralph Allan, Editor of Maclean's magazine, on "Strengths and Weaknesses in Canadian Growth".

Across Canada: Opposition parties last night launched a vigorous attempt to force the Government to drop a proposal to give the Cabinet authority to fix salaries of the 14-member Canadian Pension Commission. Spokesmen for all opposition groups protested that the proposal would destroy the independence of the Commission and would take away from Parliament the right to set salaries of Commissioners. Salaries now are set by the Pension Act. . . . A CCF member said today that magazines will be able to get around Ontario's law against liquor advertising and still obtain cheap postal rates under a new change in the postal laws. Mr. Knowles made the statement in the House of Commons as he opposed a measure to permit publications to be mailed at more than one point under second-class postal rates.



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Vol. 5, No. 111.

Thursday, June 10, 1954.

Canada And World Wheat Situation: Ottawa, June 9 (CP) -- Mr. Howe said tonight that Canada will make another cut in wheat prices if a further reduction is needed to maintain world sales. He said in the House of Commons that the Government will make no fetish of keeping prices at current levels if they interfere with exports.

Canada currently was providing about 40 per cent of the world wheat moving in international trade. He did not believe Canada could obtain a greater share of the world market under present conditions. But Canada will attempt to continue to maintain that proportion, even if it meant a further price cut.

Mr. Howe was replying to opposition criticism of the Canadian Wheat Board's announcement last Monday, reducing wheat prices by 10 1/8 cents a bushel, to \$1.72 1/2 for No. 1 Northern at the Lakehead and \$1.78 at Vancouver. This matched a similar cut by the United States.

Mr. Hazen Argue (CCF - Assiniboia) proposed that the Government restore the loss to the farmer by fixing a floor price on wheat not less than \$1.82 1/2 a bushel at the Lakehead.

The CCF spokesman suggested also that Mr. Howe fly to the United Kingdom to negotiate a new Anglo-Canadian wheat pact, that the Government accept sterling currencies as payment for wheat and increase aid to under-developed countries so that these countries may eventually buy more from Canada.

Mr. Howe said Canada is riding at a 10-year peak in the proportion of world wheat, supplied in international trade. World trade had dropped, but that was not Canada's fault. Countries which had not been exporting wheat before, such as Sweden and Turkey, now were shipping substantial amounts.

Mr. Argue had proposed a floor price for wheat. The Government already was providing that through the initial payment to the western producer of \$1.40 a bushel, Basis No. 1 Northern delivered to the Lakehead and Vancouver.

There had been suggestions that Canada accept sterling for wheat, but the United States was doing that and there were few importing countries willing to take up the offer. It was another way of accumulating debt. Countries generally preferred to pay for the wheat in the currency of the country from which they made purchases.

There were claims that millions of people in the world were starving because of lack of wheat. Mr. Howe said he would like to find them. . . .

Mr. Rowe recalled that Mr. Howe said Canada will remain competitive in wheat prices. Would that mean Canada would meet any world price?

"We intend to be competitive," replied Mr. Howe, "but we think we have some control over the competitive situation."

Canada was consulting closely with the U.S. on the world situation. North American countries were major world suppliers and Canadians need not be "panicky" because cuts were made in other parts of the world by small producers.

Mr. Drew read a motion saying that "in view of the present grave situation in the matter of international wheat trading the Government should make an immediate declaration as to its policy respecting the marketing of our Canadian wheat surplus".

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Communists In Vital Industry, Says Mr. Drew: Ottawa, June 9 (CP) -- Mr. Drew said today that known Communists work in Canadian uranium mines, in the heavy water industry and in large hydro-electric plants. He called for specific legislation aimed at rooting them out and barring them from industries vital to Canada's security.

He spoke in the House of Commons in opposing a government bill giving the Government continued power to screen seamen on Canadian ships on the Great Lakes and upper St. Lawrence River.

Mr. Drew said dangerous men should be kept from the inland waterway. But it should be done by judicial procedure and any decision by the Minister of Labour to deny seamen's cards, as proposed in the legislation, should be appealable to the courts.

All three opposition parties opposed the bill to continue for three years the screening powers exercised since 1951 under the Emergency Powers Act, which lapsed May 31. The main criticism centred on the bill's provision allowing the Cabinet to draft regulations implementing the measure.

Senator Euler On Diplomatic Immunities: Ottawa, June 9 (CP) -- Senator Euler (L - Ontario) said some immunities from criminal and civil action enjoyed by foreign diplomats are entirely beyond reason.

He said in the Senate that he can understand that diplomats and their premises should be inviolate but "I don't see why it should apply elsewhere, to every Tom, Dick and Harry, serving on their staffs".

He said he has in mind the question of overriding bylaws of municipalities and such things as motor accidents. It was wrong to give to foreign diplomats rights which aren't enjoyed by Canadians.

Sen. Euler spoke during debate on a measure to include Commonwealth diplomats among those to which diplomatic immunity extends. He said the principle of putting Commonwealth diplomats on the same footing as foreign diplomats is sound.

C.M.A. Urges Talks On Tax Situation: Jasper, Alta., June 9 (CP) -- The Canadian Manufacturers Association today urged that the federal and Quebec Governments should, without delay, initiate discussions to bring about an early and satisfactory solution of the present tax situation.

The representation was made by resolution which states that "the existing situation in the taxation field as exemplified by the effect of the Quebec Income Tax Act, with its resultant evils of double taxation, is a matter of serious concern to employers and employees in manufacturing industries."

Across Canada: Dr. Carleton Smith of the National Arts Foundation of New York has begun a two-week tour of major Canadian cities to explore the possibilities for exhibiting the work of Canadian artists in the United States, C.P. reported. "Very little has been done to show Canadian art to the United States, in spite of the closeness of the two countries," he said. . . . A Senate Committee yesterday chopped from the proposed new Criminal Code a Commons-sponsored plan for appeals from contempt of court and replaced it with the original plan approved by the Senate. The action came as the Senate Banking Committee completed study of the proposed new code, launched in the Senate two years ago. . . . United Automobile Workers' Union (CIO - CCL) Local 200, yesterday presented a list of demands to a conciliation board topped by a demand for a 30-cent hourly wage increase across the board for hourly-rated employees of Ford of Canada, C.P. reported. . . . Job prospects for this year's crop of 11,000 university graduates are bright the Labour Department said yesterday.



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Vol. 5, No. 112.

Friday, June 11, 1954.

Mr. Howe On Trade Outlook: Ottawa, June 10 (CP) -- Mr. Howe expressed a qualified view today that Canada will have no trade war with the United States. But he said it would be extremely difficult to look to the future with optimism if the U.S. does not accept proposals to reduce tariffs and instead embarks on new steps to reduce imports.

"During the forthcoming year, major decisions hang in the balance," he said during a trade debate in the House of Commons. "To a large extent these will decide whether or not the gains of the past year will be maintained and expanded.

"If the U.S. is in a position to sponsor actively the expansion of trade and to implement this policy with appropriate legislation, there can be little doubt that the way will be open to further expansion of trade.

"On the other hand, if the measures (to reduce tariffs) currently before Congress are not implemented, and if steps to restrict imports are adopted, it will be indeed difficult to look to the future with optimism."

Opposition members had warned that Canada was "putting all her eggs in one basket" by carrying on heavy trade with the U.S., but Mr. Howe said he is getting tired of Opposition critics denouncing the U.S. as a trade octopus.

And while there is concern over increasing American protectionist pressures, "I do not expect a trade war either cold or hot," he said, "as long as we continue on both sides of the border to remember the strong interest of both countries in trading on a neighbourly basis."

Overseas sterling area countries are boosting their economic strength and making progress towards convertibility of currencies even though there has been a recession in the U.S.

And now the prevalent view was that the American recession had about run its course after a decline of 10 per cent in industrial output and three per cent in national production from 1953 peak levels.

"If this is to be the full extent of the present decline, the recession has, by historic standards, been a relatively mild one."

Mr. Fleming disagreed with Mr. Howe that there is no cause for alarm in Canada's foreign trade. The Government, he said, had become too smug and complacent in efforts to help producers sell abroad.

Canada was putting her trading eggs in one unsatisfactory basket - the U.S. market. The adverse trade balance with the U.S. was nearly the highest in history.

Mr. Howe, in reply, said that under a free economy Canadians could sell where they wanted. Canada did about 59 per cent of her world trade with the U.S. The reason for this is that the U.S. is the easiest market and the closest.

He said it was unthinkable that Canada should place barriers such as high tariffs against U.S. goods.

Canada's economy was strong and well-based, with the exception of exports which had declined. Shipments had dropped by four per cent in 1953 and had undergone a further moderate reduction of about five per cent in the first quarter of 1954.

But it must be borne in mind that the decline followed several years of substantial increases. Last year's sales were still 15 per cent above the 1949 level in volume terms.

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"I cannot see that our basic economic strength is substantially different now from what it was two or three years ago when export levels were rising at a rapid rate."

Aims Of C.B.C. International Service: Ottawa, June 10 (CP) -- Screening employees of the CBC International Service has shown the services to be free of security difficulties, Mr. Dunton said today.

During an appearance before the House of Commons External Affairs Committee, Mr. Dunton said great care has been taken for a number of years with the co-operation of "the proper security authorities" concerning staff and security.

The question of employee loyalty was raised by Mr. Michael Starr (PC - Ontario) in a series of questions to Mr. Delafield, Director of the International Service which broadcasts to Europe, Latin America and Asia. He asked if Igor Gouzenko, Russian Embassy cipher clerk who touched off the spy trials in 1946, ever broadcast for the International Service to countries behind the Iron Curtain.

Mr. Delafield said no and in reply to a further question of whether he considered such broadcasts would be of any value he said he would first consult with External Affairs officials if the question of using Mr. Gouzenko was ever contemplated.

Mr. Starr asked how many employees are or have been Communists and Mr. Delafield replied that he knows of none.

Liberal members protested at the wording of the question and at questions concerning security matters. Mr. Dunton then made his brief remarks and the questions shifted to the aims and operations of the Service.

Mr. Delafield said that in broadcasts aimed behind the Iron Curtain an attempt is made to distinguish in subject matter between those going to the satellites, such as Poland and Czechoslovakia, and Russia. Both Poland and Czechoslovakia had known Western forms of government and Western ways.

The service tried to expose the aims of Soviet imperialism and the falsehoods of Communist ideology while keeping the listener aware of where the West stands. The lack of information among the satellites about happenings in other satellite countries also was taken into account in broadcasts giving information of communists' operations.

An attempt also was made to give place to religious messages and talks to remind the listeners of the virtues of the Christian faith.

Four New Trade Posts: Ottawa, June 10 (CP) -- Mr. Howe today announced that his Department plans to establish Trade Commissioner posts in four more countries and to reopen the Los Angeles, Cal., office.

He told the House of Commons new posts will be established in Hamburg, Germany; Salisbury, Southern Rhodesia; Accra, Gold Coast, and Istanbul, Turkey.

The new posts and the reopening of the Los Angeles office will bring Trade Commissioner posts abroad to a total of 56.

Canada-Italy Trade Agreement: Ottawa, June 10 (CP) -- Italy has agreed to maintain fish purchases from Canada at current levels for another year and to open wider the doors to Canadian synthetic rubber.

The agreement was reached at Rome in a meeting between Mr. Winters and Italian Foreign Minister Martinelli and announced in the House of Commons today by Mr. Howe. . . .

The Italian Government agreed to provide dollars to cover purchases from Canada in the next 12 months of \$2,500,000 worth of a variety of codfish found in Newfoundland and Labrador; \$600,000 worth of Gaspé-type cod; and \$2,000,000 worth of canned salmon.

In addition, Italy has agreed to increase the import quota for Canadian synthetic rubber by \$500,000. She established quotas last year covering \$5,000,000 worth of this rubber and officials said this is an increase which could result in Canada shipping \$5,500,000 worth in the next 12 months.

Across Canada: Gen. Gruenther in Ottawa yesterday said he is asking members of the North Atlantic Alliance for larger military forces. . . . Dr. McCann announced that the Government has authorized the CBC to operate a second television station for the Ottawa-Hull area.



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Vol. 5, No. 113.

Monday, June 14, 1954.

Mr. Pearson On Geneva Conference: Ottawa, June 11 (CP) -- Mr. Pearson hinted today that the Geneva Conference may end soon - in failure. He told the House of Commons:

"On the Western side the feeling seems to be growing that no useful, and indeed some harmful purpose would be served by prolonging and continuing the Conference once it has been made clear that the Communists are using it not to bring about an end of the fighting but to pursue their own political and propaganda aims."

He said he wanted to emphasize that failure of the Conference should not mean a resumption of fighting in Korea. Neither would failure impose on Canada any obligation, direct or indirect, to participate in any action to unify Korea by force.

In reply to Mr. Diefenbaker, Mr. Pearson said that if Korea can't be unified by peaceful methods, the indefinite retention of Canadian troops in Korea would have to be reconsidered.

(Mr. Pearson has made it clear on other occasions that Canada wants to bring home its troops from Korea as soon as possible. Canada is maintaining a 6,000-man infantry brigade and three destroyers in the Korean theatre.)

He said the Korean talks at Geneva have made little progress. The gulf between the two sides is still great and no detailed negotiations have been possible so far.

Unless the Communists supplied some satisfactory answers soon concerning free elections in Korea and their supervision, the United Nations side "may shortly have to consider whether it is worthwhile continuing this effort at Geneva to reach agreement for the peaceful unification of Korea".

Gen. Gruenther's Ottawa Press Conference: Ottawa, June 11 (CP) -- The West's military strategy is predicated on use of nuclear weapons in the event of war, Gen. Alfred Gruenther said today. And, mainly because the West holds a preponderance of air power over Russia, it has an over-all military advantage over the Communist bloc for the moment at least, the Supreme Commander Allied Powers in Europe told a press conference.

Gen Gruenther, at the start of the interview in the Parliamentary Press Gallery, announced that Air Vice-Marshal Frank R. Miller, 46, Vice-Chief of the Canadian Air Staff, will become Deputy and Chief of Staff to Gen. Lauris Norstad, Commander of Allied Forces in Europe, Aug. 18. He will be promoted to the acting rank of Air Marshal. Air Vice Marshal Miller, a native of Kamloops, B.C., will be the first Canadian to hold such a high post in an international force.

Gen. Gruenther said air power is the dominant factor in Western defence planning and that Canada has special talent in this field.

The General said the decision to employ nuclear weapons would be political, not military. He added that the West's political machinery must be geared to the atomic age.

Though the West now held the upper hand over Russia, there was no guarantee this situation would continue. Russia was building up her European satellites and for that reason the North Atlantic Alliance needed more military forces.

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NATO wanted these forces to come mainly from a rearmed Germany. Gen. Gruenther said he has not asked the Canadian Government for increased military commitments in Europe.

Gen. Gruenther said that if there were war today, Russia would be defeated but there might be no winner. Russia would lose because of the West's preponderance of air power.

At the same time, he was concerned about a tendency toward relaxation by the West. This situation was not yet critical but it might become so if there were further relaxation.

Sees No Further Delay On St. Lawrence: Ottawa, June 11 (CP) -- Mr. Chevrier said today he expects there will be no further delay in starting the St. Lawrence Seaway.

With the final legal obstacles in the United States cleared off this week, he told the House of Commons, Canada-U.S. negotiations on details of the \$300,000,000 navigation phase of the hydro-shipping project will open "very early".

Mr. Chevrier said the federal and Quebec Governments have reopened talks on the question of a joint hydro-navigation development around Lachine, Que., in connection with the Seaway.

He said he had a "satisfactory" interview with Premier Duplessis Wednesday and hopes discussions may be continued by technical experts of the two Governments.

The federal Government proposes to spend about \$120,000,000 on navigation works in the Lachine section of the river, and for some time has been pressing the Quebec Government to undertake power development there concurrently. The hydro potential is about 1,200,000 horsepower.

Mr. Duplessis On Taxation Problem: Quebec, June 11 (CP) -- Premier Duplessis said today he is confident difficulties raised over Quebec's income tax "will disappear in the light of facts and co-operation between governments". . . .

During his press conference Mr. Duplessis sounded the note of co-operation while stressing his Government has "irrevocably" decided to safeguard "essential rights of the province".

Mr. Duplessis said the income tax, effective since Jan. 1, was established to meet increasing needs in the wake of an industrial boom that is opening up formerly deserted regions and changing the face of a once predominantly rural province.

Quebec is seeking full deduction of the new tax from the federal income tax.

Across Canada: In a resolution passed at its annual meeting in Ottawa Saturday, the United Nations Association of Canada expressed doubt that the Geneva Conference will be successful but urged the Government to explore fully every possible avenue for settlement of the Korea and Indo-China problems, according to Canadian Press. If all attempts at negotiation failed, the Government should be prepared to support U.N. collective action. . . . Transport Minister Chevrier said Friday the time may have come to consider establishment of a coast guard service on Canada's Atlantic and Pacific coasts. . . . Mr. Howe said there is no indication the United Kingdom will allocate a part of its dollar reserves for the purchase of Canadian apples. He told Mr. Davie Fulton, however, that negotiations with the U.K. are in progress for exports of Canadian apples to that country. . . . Sqdn. Ldr. Bob Christie of Vancouver made an Ottawa-Montreal round trip in a Sabre jet fighter Saturday in 15 minutes and 4 1/10 seconds, as part of the Air Force Day display.



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Vol. 5, No. 114.

Tuesday, June 15, 1954.

Rail Pay Dispute Talks To Resume: Ottawa, June 14, (CP) -- Contract negotiations between the major railways and their non-operating employees, broken off months ago, will be resumed this week while the unions go ahead with preparations for a strike vote.

Mr. Gregg announced today to the House of Commons that the disputants are getting together again at the request of the Cabinet, with a view to a settlement by collective bargaining.

Later, Mr. Frank H. Hall of Montreal, chairman of the negotiating committee of unions representing 145,000 workers, said the talks are scheduled to open Thursday at Montreal.

But he said the new negotiations will not mean a delay in getting the strike vote under way among memberships of 14 unions.

"The ballots are scheduled to be distributed June 21," he said.

"There's plenty of time between now and Aug. 2 for a settlement. There will be no postponement of plans for the vote."

The strike ballots are due to be returned for tabulation Aug. 2, with results to be made known by about mid-August.

The Government move to get the opponents back into negotiation represented a sudden reversal of policy on the strike threat. . . .

The union employees involved in the dispute - those who do not actually run the trains - are basically the same group that staged the paralyzing rail strike of August, 1950, Canada's first country-wide railway tieup.

They consist of such workers as those employed in station, express yard, roundhouse and track branches. A major difference from 1950 is that railway hotel employees are not involved.

In the current dispute, the unions are not asking for a general wage increase - as they did in 1950 - but are seeking fringe benefits such as provision for 18 days' annual sick leave with pay, longer paid vacations, eight paid statutory holidays a year and higher overtime pay for Sunday work.

The four companies involved - which operate 92 per cent of Canada's trackage - have contended these would cost around \$60,000,000 a year and turned them down outright on the ground they could not afford the expense in the face of declining rail traffic.

C.S. Insurance Plan Passes: Ottawa, June 14 (CP) -- The House of Commons today approved a plan to provide death benefits of a maximum of \$5,000 for the Civil Service and the armed forces.

Legislation implementing the scheme was passed after the Progressive Conservative Party first tried to eliminate compulsory features and then to kill the bill in its present form.

Both proposals were made by Mr. J.M. Macdonnell, Toronto, Greenwood, on the ground that not enough time was given for consultation among those who will come under the plan and that many of the 230,000 civil servants, especially women and single men, objected to universal coverage.

The attempt to give the bill a six months' hoist - in effect killing the measure - was defeated by a formal vote of 114 to 32, with two Quebec independents, Mr. Raoul Poulin, Beauce, and Mr. Fernand Girard, Lapointe, supporting the Progressive Conservative and Social Credit parties. The division on third reading, asked by Mr. Abbott, resulted in a similar vote of 114 to 32.

under clause-by-clause study, the committee secretary has leading

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During clause-by-clause study, the Commons defeated by a standing vote of 64 to 20 an attempt to strike out the compulsory features. The C.C.F. Party supported the Liberals on all votes.

Under the legislation, civil servants will contribute 40 cents a month per \$1,000 of yearly salary to provide their estate with a year's salary, up to \$5,000, on their death. The minimum benefit for members of the armed forces will be \$3,000.

The Government will contribute two months' salary on death, the same as at present. For each year between 60 and 70, the maximum benefit will be reduced by 10 per cent, so that no benefit will be paid in the event of death after 70.

Second Reading For Transport Bill: Ottawa, June 14 (CP) -- The House of Commons today defeated a Progressive Conservative attempt to have a house committee study government legislation to transfer to provincial Parliaments newly-established authority over highway traffic crossing provincial borders.

Mr. Chevrier said such a move would kill the measure for this session of Parliament - due to end in the next fortnight - but Opposition Leader Drew said that was not his intention in proposing the committee study.

The House defeated, on an unrecorded voice vote, Mr. Drew's motion that second reading be deferred pending committee consideration. Later, it gave the bill second reading.

Mr. Drew contended that the legislation was being brought in late in the session and pushed through too hastily.

I.C.A.O. To Remain In Montreal: Montreal, June 14 (CP) -- The first phase of a South American attempt to move the headquarters of the International Civil Aviation Organization out of Montreal today fell one vote short of approval.

A motion to empower the Organization to move its headquarters drew support from 29 countries, one short of the two-thirds majority of member nations needed to amend the constitution. Canada and seven other countries abstained.

The delegates gave approval, however, to a motion from Portugal that the debate on the matter be reopened "in the hope of reaching a more substantial agreement".

Across Canada: Brig. Frederick A. Clift, 46, of Melfort, Sask., has officially taken over as Commander of Canada's 25th Infantry Brigade, the Canadian Press reports from Korea. . . . The federal Government has no intention of subsidizing the construction of a pipeline to carry natural gas from Alberta to the east, Transport Minister Chevrier said yesterday in the House of Commons. . . . Mr. Howe said no special instructions have been given the Canadian Wheat Board, which will represent Canada at the International Wheat Council meetings in London, England, this week. . . . Canada's real estate holdings in foreign countries for housing members of the diplomatic corps are valued at \$4,507,946. A return tabled yesterday in the Commons said property or buildings are owned by Canada in 16 countries.



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Vol. 5, No. 115.

Wednesday, June 16, 1954.

Non-Confidence Motions On Wheat: Ottawa, June 15 (CP) -- Two non-confidence motions in the Government were proposed today in the House of Commons as opposition members renewed criticism of Government wheat-selling policies.

The Progressive Conservatives said that the Government has "failed to deal effectively with the problem of marketing Canada's surplus wheat"; the C.C.F. that the Government has "failed" to establish a floor price for wheat.

Mr. Harkness, who moved the P.C. motion, said Mr. Howe pursues an "ostrich" policy in connection with the sale of Canadian wheat.

Mr. Harkness, charging that Government policies had led to shrinking wheat sales, estimated Canadian farmers will lose \$250,000,000 as a result of last week's Government decision to cut the price of wheat by 10 1/8 cents a bushel.

He and other opposition spokesmen demanded that Mr. Howe announce immediately the initial price for wheat in the crop year starting Aug. 1.

Mr. E.G. McCullough (C.C.F. - Moose Mountain), moving an amendment to form a second non-confidence motion, demanded the Government protect farmers by granting a wheat floor price of not less than \$1.82½ a bushel for No. 1 Northern, so that farmers will not feel the impact of the price cut.

Saskatchewan farmers, he said, are still relatively prosperous but are worried about the future. If Mr. Howe and Mr. Gardiner allow the western economy to decline, "it is going to affect every last home in Canada".

Prime Minister St. Laurent had indicated to the Chamber that he did not envisage a wheat price war between Canada and the U.S., but this did not quiet C.C.F. fears that the Government now is launching on a programme "which may spell disaster for agriculture in Canada".

Mr. Quelch (S.C. - Acadia) joined in today's opposition attack. He said the Government should be prepared to support wheat prices at not less than the minimum under the International Wheat Agreement - \$1.55 a bushel for No. 1 Northern. He observed that Mr. Howe had argued that farmers already had a floor price through the initial price offered by the Wheat Board at the beginning of a crop year. However, there was a great deal of difference between floor and initial prices.

Korean Talks: Ottawa, June 15 (CP) -- Breakoff of the Korean talks in Geneva may mean a longer stay for Canadian troops in Korea, officials said today.

When the Conference opened, it was thought here that if some agreement could be reached with the Communists, it would speed return home of Canadian forces in Korea, or at least some of them. . . .

Failure of the Korean talks does not rule out entirely withdrawal of Canadian forces but it probably makes the withdrawal date more distant.

That date now will depend more on how quickly the South Korean Army can be trained to take over more of the truce patrol duties now performed by United Nations forces.

Mr. Pearson said in the House of Commons Friday that failure of the Geneva Conference should not mean a resumption of fighting in Korea. Neither would failure impose on Canada any obligation, direct or indirect, to participate in any action to unify Korea by force.

The Canadian view is that it might be possible to resume the Korean talks after a break of several months, or, failing this, the U.N. General Assembly might have a try at it....

Prime Minister Churchill's Visit: Ottawa, June 15 (CP) -- Prime Minister St. Laurent said today the Government will consider inviting Prime Minister Churchill and British Foreign Secretary Eden to Ottawa during their visit to Washington late this month.

Senator Critical Of C.N.R. Hotel-Building: Ottawa, June 15 (CP) -- Senator Horner, an outspoken critic in the past of the Government engaging in business, today said he doesn't think the Canadian National Railways or the Government has any place in the hotel business.

Senator Horner, a Progressive Conservative from Saskatchewan, said in the Senate he objects strongly to Parliament providing \$5,000,000 this year toward a hotel to be built for the C.N.R. in Montreal at an estimated cost of \$20,000,000.

Instead of building a new hotel, he said, the C.N.R. should put its 550-room Chateau Laurier in Ottawa and Hotel Bessborough in Saskatoon on an efficient and paying basis.

Mr. Sinclair On Trade Improvement: Montreal, June 16 (Gazette) -- Fisheries Minister James Sinclair yesterday said improvement of world trade depended in large part on determined leadership by the United States and Canada in a movement towards a freer system of trade and payments.

Speaking before the 32nd annual conference of the National Industrial Advertisers Association at the Mount Royal Hotel, the Minister said much has been done in improving world trade but that much remained to be done.

He said Canada was viewing with growing concern recent tendencies in both countries to have tariffs raised because of the return to what he called more normal competitive economic conditions.

Across Canada: The President of the Canada Life Assurance Company said at Regina yesterday that there is every reason to believe 1954 will equal or surpass Canada's record for investment and gross national production in 1953. Mr. E.G. Gill of Toronto said in an interview the general trend for the first half of this year indicates peak figures of last year may be equalled, or exceeded. . . . Canada's medical profession at Vancouver yesterday underlined its opposition to fee-splitting by branding the practice "unethical and possibly dishonest." On the second day of the 87th annual convention of the Canadian Medical Association, the group's General Council gave unanimous approval to a report from the committee of ethics opposing fee-splitting - an arrangement between two doctors in which one receives part of a fee paid to the other without the knowledge of the patient. . . . The Canadian Congress of Labour at Ottawa yesterday renewed its stand that Government action is needed urgently to combat unemployment.

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INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 116.

Thursday, June 17, 1954.

Wheat-Marketing Policy Sustained: Ottawa, June 16 (CP) -- The Government's wheat-marketing policy was sustained today against two Opposition motions of want-of-confidence.

Members voted 137 to 58 to defeat a Progressive Conservative motion saying the Government has "failed to deal effectively with the problem of marketing Canada's wheat surplus".

A C.C.F. motion seeking support for a floor price on wheat of at least \$1.82½ a bushel - 10 cents above the present price - was defeated 168 to 26.

All three Opposition parties supported the P.C. motion. However, Progressive Conservatives voted against the C.C.F. proposal after Mr. Drew said the price is "unrealistic" under present circumstances. Two independent members, Mr. Raoul Poulin, Beauce, and Mr. Fernand Girard, Lapointe, voted with the Liberals against both motions.

The division ended a debate which began last week in the wake of price cuts of 10 cents a bushel by both Canada and the United States.

Mr. Howe, in an outline of policy last week, said there will be further price cuts if necessary to maintain Canada's competitive position in world wheat markets. But Canada felt it had some control over the competitive situation. Canada and the United States were major suppliers of wheat and were conferring closely on the world marketing situation.

Later, while introducing his Department's estimates he said there is little chance of a trade war with the United States. As for a floor price, he said Canadian farmers already have one through the Canadian Wheat Board's initial payment of \$1.40 a bushel.

Mr. Drew, entering the closing stages of the debate, repeated previous demands by the Opposition for an immediate Government announcement of the initial price to be paid for the crop year starting Aug. 1.

Rains Cutting Wheat Acreage: Ottawa, June 16 (CP) -- Persisting bouts of heavy prairie rain are gradually reducing the possibilities of Canada having another bumper wheat crop. Experts estimate the rains, sweeping over some prairie points week after week, may have trimmed the intended wheat planting by more than 1,000,000 acres.

New bouts were reported by the Bureau of Statistics today. Rains swept through Northwest Manitoba, Northeast Saskatchewan and West and North-central Alberta last week. In these spots, the wheat acreage will decline, the Bureau said.

Too late for wheat, farmers are trying to sow the wet ground to coarse grains, but the Bureau said the acreage left to summer fallow will be greater than usual.

The Bureau last month estimated that farmers intent to cut their wheat planting this year by almost 1,000,000 acres to 24,587,100, lowest in six years. Experts now feel the rains may trim another 1,000,000 or 1,500,000 acres from the crop.

Canada last year produced 614,000,000 bushels of wheat, third bumper crop in a row and the second largest in history. The guessing in official circles is that Canada this year will have no more than a normal crop of about 350,000,000 bushels.

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However, there are large stocks still in store both on farms and in elevators. Some observers estimate the Canadian Wheat Board has so far sold little or none of this year's crop and may carry over into the next crop year starting Aug. 1 one of the biggest stockpiles in history, perhaps about 550,000,000 bushels or more.

Meanwhile, prairie farmers are concerned with their fields. The fact that the season is late and growing conditions not too satisfactory increases the possibility of harvesting hazards such as rust and frost. These hazards may reduce the crop's quality.

The prairies are in urgent need of warm, dry weather to speed completion of field work and crop growth. Flooding and water-logging are reported in many areas.

Canada-Japan Agreement: Ottawa, June 17 (Press Release No. 29) -- The Department of External Affairs announced today that, following the coming into force on June 7 of the Canada-Japan Agreement on Commerce, the Executive Secretary of the General Agreement on Tariffs and Trade has been notified that Canada now accepts the GATT Declaration concerning the application of the General Agreement to commercial relations between the Contracting Parties and Japan. . . .

Mr. Howe Sees Surge Toward Freer Trade: Montreal, June 17 (Gazette) -- There is an obvious surge in the world today towards freer trade, the Minister of Trade and Commerce, Mr. Howe, said here last night.

And he told 150 Commonwealth business leaders that their countries had made "great progress in getting rid of import controls which were rendered necessary by the post-war emergency".

Mr. Howe said Canada regretted a tendency in some quarters to assume liberal trading policies which can only be pursued if the U.S. pursues them.

There were obvious limits to the ability of the rest of the world to march forward if the U.S. was going backward but he expressed confidence in U.S. Government's intention and earnestness to fulfil its necessary role in world trade and finance.

Mr. Howe told the gathering, delegates to the 18th Congress of Federation of Chambers of Commerce of the British Empire, that the United Kingdom provided an inspiring example to others in relaxation of trade barriers. . . .

Recognizing the "preponderant role" of the United States in world economy, he said it would be wrong to draw any drastic long-run conclusions about reversal of policy from unfavourable developments as have taken place thus far in the U.S. . . .

Across Canada: Mr. Howard Green said the R.C.A.F. is doing too many civilian flying jobs, thus interfering with the development of commercial aviation. . . . Criticism was levelled in the Senate at a request by Canadian National Railways for \$5,000,000 to start work on a \$20,000,000 hotel in Montreal. . . . Sales of television sets rose sharply during March over the corresponding month a year ago while radio sales showed a sizeable reduction. During the month the number of TV sets sold by producers increased to 37,949 from 26,628 in March, 1953. . . . The average cost of homes purchased under the National Housing Act increased by four per cent last year, the Central Mortgage and Housing Corporation reported on Tuesday.



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Vol. 5, No. 117.

Friday, June 18, 1954.

Mr. Howe On U.S. Food-Selling Plan: Ottawa, June 17 (CP) -- Mr. Howe indicated today he is not worried about the effect on Canadian farm prices of a United States plan to dispose of billion-dollar food surpluses. The question was raised in the House of Commons by Mr. E.G. McCullough (CCF - Moose Mountain), who said the U.S. selling programme again may force down Canadian wheat prices.

He referred to reports that the U.S. administration has agreed to sell \$1,000,000,000 worth of surplus farm products and give away a further \$300,000,000 worth, and that the U.S. Senate has passed a bill to dispose of another \$500,000,000 in farm products. Mr. Howe said he has known about the bills before the U.S. Congress and they were similar to provisions already in force.

"Naturally we do not like give-away programmes in other countries, but the Americans have used these programmes with great discretion," he said. "I know of no serious result to Canadian agriculture from the operation of the bills up to the present time."

The subject cropped up during study of Trade Department estimates as members resumed discussions of Government wheat marketing policies debated in recent days.

Mr. Howe rejected renewed Opposition requests for an immediate announcement of the initial payment for the crop year starting Aug. 1 and said he sees no reasons for subsidizing wheat exports.

The announcement on the initial payment will be made in the latter part of July, he said. Until the new crop year started the present initial payment of \$1.40 a bushel would continue.

There was no purpose in making an early announcement as in past years, when the Government wanted to guide farmers in the amount of wheat planted. This year it was felt that each farmer should make up his own mind. The Government would wait and obtain all information with a view to setting the initial price as high as possible.

Mr. Blackmore said the Government should subsidize wheat exports to provide farmers with the price of \$1.82½ a bushel existing before the 10-cents-a-bushel price cut earlier this month. He suggested Canada may sell no more than 150,000,000 bushels in the next six months. Mr. Howe said a 10-cent subsidy on that amount would cost \$15,000,000.

"The Government of Canada, with the consent of Parliament, can give \$15,000,000 to any class of people it likes," he said. "But I cannot imagine just why it should give \$15,000,000 to people who, we were told in the House, are enjoying the most prosperous period in their history."

Mr. Harkness said it was ridiculous to base such an argument on the claim that farmers were better off. Net farm income last year was \$267,000,000 below 1952 and \$500,000,000 below 1951.

Sir Winston May Visit Ottawa: Ottawa, June 17 (CP) -- Sir Winston Churchill, who says he always enjoys a conference in Canada, probably will pay a call here at the end of this month.

Prime Minister St. Laurent announced today in the House of Commons that the British Prime Minister and Foreign Secretary Eden have every

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hope of coming to Ottawa for a day or a day and a half during June 29, 30 and July 1 after their informal talks in Washington next weekend with President Eisenhower.

Sir Winston will not make any public speeches if he does come. His purpose would be to have an informal talk with Mr. St. Laurent and the Cabinet.

The Prime Minister indicated that the Cabinet would listen for the most part to British views on the world situation.

Mr. Green asked if it would be feasible to hold any sort of Commonwealth conference during Sir Winston's visit.

Mr. St. Laurent replied: "I do not think so." There would be no opportunity for bringing representatives of other Commonwealth countries here and that would not conform with the tone of this exchange of messages.

Commons Driving To Wind-Up Session: Ottawa, June 17 (CP) -- The House of Commons today started a back-breaking drive to complete the business of the present sessions of Parliament by next Wednesday or Thursday.

The House sat for an extra hour tonight, increasing the daily session to 8½ hours, and will continue to do so until the session ends. It also will sit for the same length of time Saturday.

There is only one item of Government legislation remaining on the order paper, a bill providing salaries for an additional judge of the Court of Appeal of British Columbia and for another judge for the trial division of the Supreme Court of Alberta. However, the House still must approve the spending programmes of a number of Government departments.

Atom Reactor's Cost Rises: Ottawa, June 17 (CP) -- Mr. Howe disclosed today that Canada's new NRU atomic energy reactor at Chalk River, Ont., will cost from \$5,000,000 to \$10,000,000 more than the original estimate of \$30,000,000.

He also said in the House of Commons that the reactor won't be in operation until early in 1956. Officials of Atomic Energy of Canada Ltd., which operates the Chalk River project, had estimated previously that it would be completed by the middle of 1955.

Mr. Howe did not elaborate on the reasons why the expected cost of the reactor would be between \$35,000,000 and \$40,000,000. However, officials here said it was due to rising costs of materials and changes in the design resulting from new advances in the atomic energy field.

Across Canada: A Toronto industrialist said in Montreal yesterday Canadian industry has suffered by following the General Agreement on Tariffs and Trade (GATT) while other nations have broken faith with the agreement. Mr. O.W. Titus, President, Canadian Electrical Manufacturers Association, said it was "about time Canada reviewed her position most carefully with due thought toward a strong industry to support and arm our protective forces", the Gazette reported. . . . The recent Canadian International Trade Fair in Toronto didn't indicate a change in trade trends, Mr. Howe said in the House of Commons. He said the buyers at the Fair decreased to 25,049 this year from 35,853 in 1953. Attendance reached a record figure in the first week, but was a disappointment in the second week. . . . Automobile Dealer Dufferin Roblin yesterday at Winnipeg was chosen to be leader of the Manitoba Progressive Conservative Party.



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Vol. 5, No. 118.

Monday, June 21, 1954.

National Health Insurance Debate: Ottawa, June 20 (CP) -- The Minister of Health, Mr. Martin, has given the House of Commons little encouragement to expect an early start on a national health insurance programme.

Replying to House of Commons speeches Saturday from all three Opposition Parties in support of federal-provincial health insurance, Mr. Martin said:

"I know of only one provincial Government that would be prepared to embark upon a scheme along the general lines that have been indicated here."

He said later outside the House he was referring to Saskatchewan.

Health insurance has been discussed with provincial Health Ministers and some provincial Premiers, he said. Voluntary health-care plans and health insurance schemes in two provinces also had been studied.

Mr. Martin read a statement of Government policy made last year by Mr. St. Laurent that the Liberal Government is committed to a policy of contributory health insurance, administered by the provinces.

It was up to the provinces to work out plans, the statement said, and federal assistance was dependent on satisfactory agreements being made with the provinces.

The debate on health insurance showed a sharp difference between the C.C.F. Party on one hand and the Progressive Conservative and Social Credit Parties on the other.

Mr. Stanley Knowles said health insurance must be placed on a universal basis covering all Canadians if the cost is to be kept down.

Dr. William Blair (P.C. - Lanark) and Mr. F.D. Shaw (S.C. - Red Deer) said their Parties are opposed to socialized medicine,

Mr. Knowles said health insurance has been a plank in the Liberal Party's political platform since 1919. "When is that commitment going to be implemented?" he asked.

The lack of a national programme was the last serious gap in the Government's social security programme. Present heavy medical costs were unfair for lower and middle income groups.

The Government should set up an insurance plan under which provinces could enter separate agreements as they wished. Dr. Blair said any plan must retain the doctor-patient relationship or it won't work.

Hospital Costs Cut For Veterans: Ottawa, June 20 (CP) -- A plan to make hospital care cheaper for war veterans in the low income group was announced in the House of Commons Saturday by Veterans Minister Lapointe.

Veterans who draw a pension or who served in a war theatre will be able to receive treatment for non-pensionable disabilities in veterans' hospitals by paying rates calculated on their income. The Government will continue to pay the full cost of treatment for all pensionable disabilities.

Treatment will be free in veterans' hospitals for veterans earning less than \$800 a year if single, \$1,200 a year if married. If their income is higher, they will pay costs on a percentage basis up to 1 per cent of their income for each \$100 of income above \$800 and \$1,200. Allowances will be made for dependent children and wages lost due to illness.

Veterans who earn less than \$800 or \$1,200 now receive free treatment for non-pensionable disabilities but those earning more than these amounts must pay \$12.55 a day.

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Mr. Lapointe said that, as an example, a married veteran drawing a pension on who served in a war theatre, having two children and earning \$50 a week, would pay no more than \$45 for two months' hospital care and a months' convalescence. Similar treatment in a civilian hospital would cost \$600 apart from doctor's fees and extra services.

The new scheme is already in force. It is embodied in an order-in-council passed two weeks ago.

Mr. Lapointe said the new regulations will result in almost 100 per cent bed occupancy in veterans' hospitals across Canada. Bed occupancy at the end of April was 7,935 out of a total of 9,974 beds available. Bed occupancy was usually higher in mid-winter.

Wheat Situation Analyzed By Mr. W.J. Ball: Regina (CP) -- Mr. W.J. Ball, Vice-President of the Saskatchewan Wheat Pool, said Saturday night that Canadian anxieties about wheat stem from a widespread but inconsidered use of undigested figures.

Addressing the annual western regional meeting of the Canadian Press here, Mr. Ball said problems of wheat surpluses and export sales are not as bad as they look.

Exports of Canadian wheat and flour in the first 10 months of the present crop year amounted to 218,000,000 bushels, a drop of 97,000,000 from the previous crop year, he said.

"It isn't good and I am not going to pretend that it is," Mr. Ball said. "But it is not nearly as bad as these crude figures suggest."

The 218,000,000 bushels exported so far this crop year was the third largest ever. Only in 1952 and 1953 had Canada sold more wheat abroad in 10 months than it sold this year.

Mr. Ball said Canada's export figures for last year are equally distorted. Canadian agriculture could not possibly sustain the export level set last year because there were many years in which the nation had not produced enough wheat to fill orders equal in size to those in 1953.

"The tears which are being shed over Canada's lost markets I fear are the products of the all too prevalent habit Canadians have of never looking back beyond the previous 12 months," Mr. Ball said. . . .

Across Canada: Mr. Pearson said Saturday in the House of Commons the Government is trying to find out what is going on in Guatemala, where civil war erupted Friday. He gave this reply to Mr. Colin Cameron (C.C.F. - Nanaimo). Earlier, he said merely "no" when Mr. Knowles (C.C.F. - Winnipeg North centre) asked if the Government had ascertained whether the Guatemala situation was civil war or invasion and the source of arms of the revolutionaries. . . . About 6,000 British Columbia coast salmon fishermen have voted to go on strike immediately to back up demands for increased salmon prices, union officials announced Saturday from Vancouver. . . . British Columbia's central and northern interior appears headed for its greatest boom in almost 100 years. Spurred by the promise of increased rail facilities and natural gas, the vast, sparsely settled hinterland is the scene of growth and activity unequalled since 1858 when the lure was gold, C.P. reports from Prince George, B.C. . . .



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Vol. 5, No. 119.

Tuesday, June 22, 1954.

National Accounts - First Quarter: Ottawa, June 22 (DBS) -- Canada's gross national product in the first three months of this year is estimated at \$5,400,000,000, about the same as in the corresponding quarter of 1953, indicating a continuation of the trend toward levelling off which was shown in estimates for the fourth quarter of 1953, according to an advance release of estimates for the period by the Bureau. Estimated personal expenditure on consumer goods and services was slightly higher than a year earlier, and government expenditure on goods and services slightly lower.

Income Tax Secrecy Removed: Ottawa, June 21 (CP) -- The Supreme Court of Canada today wrested from the federal Government its long-held power to keep income tax returns secret. In a unanimous decision, Canada's highest judicial body overrode the Government, ruling that the courts can order the administration to produce these tax documents as evidence in an indictable offence.

The ruling, which cannot be appealed, brought deep concern to the Revenue Department. Dr. McCann voiced his personal opinion that the law should be strengthened to retain the secrecy element. But this, he said, is a matter for Cabinet decision.

The nine Supreme Court judges, in their ruling, upheld the British Columbia Appeal Court demanding that the Revenue Department produce the tax returns of men involved in a Vancouver gambling case.

They were charged in 1952 with keeping a common betting house. The Revenue Department objected to divulging their returns on the grounds this would be breaking the Government's promise, implied in the Income Tax Act, to keep the returns secret.

The Supreme Court ruled that the Revenue Minister has no right to object to the production of the returns.

"Industrial Grant" Along St. Lawrence: Montreal, June 22 (Gazette) -- Acceleration of the economic growth and industrial development of the Greater Montreal area as a result of the St. Lawrence Seaway was predicted last night by Mr. George S. Mooney, Director of the Montreal Economic Development Bureau.

Speaking to the 35th annual convention of the American Pulp and Paper Mill Superintendents Association at the Mount Royal Hotel, he said the St. Lawrence Valley was destined to be the industrial Ruhr of the northern part of the continent.

"But by comparison in the not too distant future," he added "the Ruhr and the Saar together will be dwarfs alongside the young industrial giant that is now growing up along the banks of the St. Lawrence . . . and the pivot point of all this growth and activity is inescapably destined to be the City and Island of Montreal." . . ."

Fish-Drying Experimental Plant: Ottawa, June 21 (CP) -- State Secretary Pickersgill, acting Fisheries Minister, Saturday said the Government expects to start construction of a \$300,000 plant in Newfoundland for fish-drying experiments this October.

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Mr. Pickersgill said this item was to establish the plant at Valleyfield and Badger's Quay. It was expected to help the fishing industry as the experimental farms helped agriculture.

Power Of Russian Submarines: Ottawa, June 21 (CP) -- Mr. Claxton said today the power of Russian submarines is greater than that of the German submarine fleets of either world war.

He told the House of Commons it would be an appalling waste to stop construction of 14 modern anti-submarine destroyer escorts for the Canadian Navy.

He was replying to Maj.-Gen. G.R. Pearkes, V.C. (P.C. - Esquimalt-Saanich) who questioned the advisability of continuing with the 14 ships.

Enlistment Of Germans: Ottawa, June 21 (CP) -- The Canadian Army has enlisted "a very small number" of German immigrants, Mr. Claxton said today, but he knows of none who have the Iron Cross.

Mr. Herridge asked whether any German immigrants, former members of the German Army, have been enlisted; if so, whether any received the Iron Cross decoration from Hitler's hands for aggressive actions against British or Canadian troops, and if so, whether any have asked permission to wear the decoration on Canadian uniforms.

Mr. Claxton said the few German immigrants who have enlisted have done so only after close screening and the specific approval of the chief of the service.

Across Canada: A Royal Commission will investigate Canada's coastal shipping trade, particularly the question of restricting it to Canadian vessels. Informants said yesterday the Commission, which will study the problem in the light of the approaching St. Lawrence deep waterway development, probably will be announced by the Government before the end of the parliamentary session this week. . . . The compulsory feature of the Government bill providing maximum \$5,000 death benefits to civil servants and members of the armed forces was criticized in the Senate by Liberal and Opposition members. The legislation received second reading and was referred to the Senate's Banking and Commerce Committee. Members who criticized the provisions said they intend to see that it receives close examination when it is before the Committee for detailed study. . . . Mr. Thibaudeau Rinfret yesterday stepped down from the Supreme Court of Canada Bench for the last time. The jurist said farewell to his colleagues on reaching the retirement age of 75 years. . . . Mayor Lampert of Toronto said yesterday the proposal of a Chicago syndicate to build a 51-storey City Hall building on a "lease back" basis will be presented to the city's Board of Control later this month. . . . Maj.-Gen. R.F.L. Keller, leader of the first Canadian troops to hit the Normandy beaches on D-Day, died unexpectedly last night in London on his way home after a visit to the shores he and his men attacked 10 years ago June 6. . . . Liberal Senator Henry R. Emmerson, 70, died of a heart attack at Dorchester, N.B., yesterday.



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Vol. 5, No. 120.

Wednesday, June 23, 1954.

Industrial Decentralization Urged: Ottawa, June 22 (CP) -- A Government-guided programme of industrial decentralization to give the Maritimes and Western Canada a better break was urged today by members of all Opposition parties.

The theme was stressed in the House of Commons by Mr. Clarie Gillis (CCF - Cape Breton South) for the East and Mr. George Hahn (SC - New Westminster) and Mr. Colin Cameron (CCF - Nanaimo) for the West.

An Ontario member, Mr. Donald Fleming also argued against over-centralization of industry in Ontario and Quebec and said the whole country would benefit if defence purchases were spread throughout Canada to boost industries in other provinces.

Mr. Howe said his Department is attempting to do that, and places defence orders in east and west wherever practicable.

Replying in particular to Mr. Gillis, he said the Department has gone to some expense to help the economy of the Maritimes. Recently he had persuaded a British aviation company to open a plant in Halifax. An electronics industry also had been established.

If Mr. Gillis would look around Nova Scotia, "he will find that the Department has supported existing industry and has brought in any industry willing to go to the Maritimes and capable of surviving after the war".

However, it was useless to establish industries to do a war job that could not survive under peacetime conditions.

Mr. Howe, initiating a study of Defence Production Department estimates, also announced the Government will seek Parliament's approval next session to put the Department on a more permanent basis.

He said the Department, set up in 1951 on a five-year basis, has to be geared to a "long-haul" approach to rearmament.

The Government's expectation of substantial defence expenditures for a number of years meant a continuing need "for an efficient procurement organization".

Sharp Decline In Unemployment Reported: Ottawa, June 22 (CP) -- A sharp decline in Canadian unemployment during May will be shown in official Government figures to be released tomorrow. The figures will show that more than 200,000 got off the Labour Department's looking-for-work rolls in the six weeks ended May 27, though the number seeking jobs was still considerably higher than a year earlier.

Informants said that at May 27 about 336,000 persons were registered for work with National Employment Service. This was down from 549,000 at April 15, the last figure made public in the Government's monthly labour surveys. However, it was still more than 60 per cent higher than the 202,000 in late May of 1953. At that time, though, Canada's labour force was smaller.

The job hunters' total for last month represented a swift pickup in employment with the onset of warm weather after a late spring that had retarded expansion in outdoor work, particularly in construction and agriculture.

In the month before the period covered by the current survey, the number registered for work with N.E.S. dropped by only 21,000. That was the first upturn in employment following a winter and early spring that brought Canada its heaviest unemployment since the war.

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At the low point in jobs - in March - there were 570,000 persons looking for work through N.E.S.

The N.E.S. figures are not regarded as an absolute barometer of unemployment - they inevitably include some persons with jobs and leave out some without jobs - but the Labour Department attempts to screen them as closely as possible to those out of work. At all events, they provide a basis of comparison with previous years.

Paper Mills, Merchants Fined: Toronto, June 22 (CP) -- Fines totalling \$242,000 were imposed today on seven paper mills, 21 wholesale paper merchants and a trade association secretary convicted June 4 of conspiring to fix the price of fine paper in Canada. All announced that they will appeal.

The "Big Four" mills in the Canadian fine paper industry were fined \$10,000 each, the maximum penalty, by Mr. Justice W.F. Spence of the Ontario Supreme Court.

They are Howard Smith Paper Mills, Limited, Montreal; E.B. Eddy Company, Hull, Que.; Provincial Paper Limited, subsidiary of Abitibi Power and Paper Co. Ltd., of Iroquois Falls, Ont., and Toronto; and Rolland Paper Co. Ltd., Montreal.

Also fined \$10,000 were Alliance Paper Mills Limited, subsidiary of Howard Smith and Don Valley Paper Co., Ltd., Toronto, owned by Alliance.

Five Rubber Companies Appeal: Ottawa, June 22 (CP) -- Five Canadian rubber companies today sought leave from the Supreme Court of Canada to appeal a sentence in connection with charges of illegal combine operations. The court reserved decision on the motion.

The companies were fined \$10,000 each in a Toronto court and in addition the trial judge issued an injunction prohibiting them from engaging in practices similar to those leading to the combines charge.

Across Canada: Mr. Howe said today Canada must buy large amounts of armament in the United States to meet requirements of the armed services. However, he told the House of Commons that it is the Government's policy to never lose an opportunity to buy military equipment in the United Kingdom. . . . Mr. Martin Tuesday announced a new programme of federal civil defence grants under which federal aid will be given to municipalities regardless of whether provincial assistance is available. The new formula, outlined to the House of Commons, replaces the present system of matching provincial expenditures on civil defence projects. . . . The Government has lost about \$800,000 in disposal of 1953 butter at reduced prices, but sales have stopped and likely will not be resumed until next fall, federal officials said yesterday.



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Vol. 5, No. 121.

Thursday, June 24, 1954.

Commonwealth Conference: Ottawa, June 23 (CP) -- The Prime Ministers of the United Kingdom and Canada, meeting here June 30, likely will consider the feasibility of bringing the Commonwealth countries together in another conference to review the shaky world situation.

Mr. St. Laurent gave a hint of this in the House of Commons today as Mr. Drew renewed his appeal for a Commonwealth meeting to show the world, confronted with conference failures, how a meeting of countries can be a success.

Regarding a Commonwealth conference, Mr. Drew said the Prime Minister should take this up with Sir Winston Churchill, the "greatest parliamentary democrat in the world", when the British Prime Minister and his Foreign Secretary, Mr. Anthony Eden, arrive here Tuesday for talks. . . .

Mr. St. Laurent said about a Commonwealth meeting: "There is no doubt that that is something that will arise in the course of the informal conversations we will be having."

Canada-U.S. Seaway Talks: Ottawa, June 23 (CP) -- The Canadian Government considers a 1952 agreement with the United States for an all-Canadian St. Lawrence Seaway is still in force despite new U.S. legislation for a joint project.

But Canada is willing to renegotiate it for a joint development provided the talks do not seriously delay a start on either the power or navigation aspects of the \$900,000,000 seaway.

These points were made clear today in an exchange of diplomatic notes tabled in the House of Commons by Mr. Pearson, who also has suggested to the U.S. that preliminary discussions among officials of the two countries open here next week.

Mr. Pearson told the House he expects the talks will start here in the "very near future", though no date has been set.

While major obstacles to a seaway start now have been cleared away, the exchange of notes indicated differing Canadian views as to procedure from here on. A major one concerns the apparent assumption by the U.S. that, as the result of congressional legislation this year, the navigation works in the river's international section are to be built on the U.S. side.

A U.S. note of June 7 - tabled with Mr. Pearson's reply - advises that Congress has authorized construction of facilities on the American side in line with a 1941 plan outlined by a joint Canada-U.S. committee.

After many years of waiting for U.S. action on a joint development, Canada more than two years ago switched to a "go-it-alone" proposition calling for Canadian canals in this section.

It negotiated an agreement to this effect with the Truman administration in June, 1952, and Mr. Pearson's reply to the U.S. note made it plain Canada considers this supersedes the 1941 proposals. These were embodied into a treaty which Canada later declared inoperative after making the 1952 pact.

Also in the background of Mr. Pearson's note, though not expressly stated, was the fact that the International Joint Commission's approval of the seaway project a couple of years ago was based on an all-Canadian undertaking.

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This was estimated to cost around \$300,000,000 including canal works up and down the river from the international section, in Canadian territory. Congress has appropriated \$105,000,000 for American-side canals.

The Canadian Government note makes no reference to the U.S. mention of the 1941 plan but starts off with the 1952 agreement, saying it "assumes" the U.S. proposal for discussions is with a view to re-examining the later arrangement.

"The Government of Canada," it said, "is prepared to discuss this matter provided . . . that such discussions do not seriously delay construction of either the power project or the seaway. . . ."

Exports And Imports Drop: Ottawa, June 23 (CP) -- Canadian exports and imports dropped in value in May compared with the same month in 1953. However, the drop in imports was sharper than that for exports and the result was a reduced import surplus both in May and the January-May period, the Bureau of Statistics reported today.

May exports were valued at \$363,600,000 compared with \$385,000,000 in the same month last year. Imports had a value of \$365,900,000 compared with \$420,500,000 in May, 1953.

The greater drop in imports reduced the import surplus to \$2,300,000 compared with \$35,500,000 in May last year.

In the January-May period, exports totalled \$1,528,000,000 compared with \$1,603,700,000 last year. Imports were worth \$1,649,700,000 compared with \$1,810,300,000. The January-May import surplus was thus cut to \$121,700,000 from \$206,600,000 in the corresponding 1953 period.

Trade with the United States was down both in May and the January-May period.

Unemployment Drop: Ottawa, June 23 (CP) -- Employment has moved past the 5,000,000 mark again after a cold-weather slump.

Canada's working population rose and unemployment dropped sharply in the five weeks up to May 20, the Government reported today, though the picture still is not as good as a year earlier.

From a post-war low of 4,805,000 at work in March, the Bureau of Statistics estimated, the number at full or part-time work rose to 5,070,000 in the week ended May 22. This compared with 4,880,000 at April 17 and 5,108,000 a year previously.

The Bureau also estimated that persons without work and looking for jobs in the week under study totalled 217,000, compared with 114,000 for a year earlier and 303,000 at April 17.

The comparisons brought a renewal of the Canadian Congress of Labour's demand for "prompt and vigorous" action by the federal Government.

Across Canada: Mr. St. Laurent indicated that a successor to Chief Justice Thibaudeau Rinfret will be announced shortly after the end of the session, expected to finish this week. . . . The Opposition yesterday demanded immediate Government action to protect small business men against large retailers and chain stores selling goods below cost to attract customers. . . . The Tariff Board announced its first public hearings into the British wool fabric tariff issue will be held in Ottawa on September 28. . . . Mr. Abbott rejected proposals that Canada attempt to increase export sales of wheat and other products by depreciating the value of the dollar and accepting non-dollar currencies. . . . The Government has agreed to make optional an insurance scheme that would provide a maximum of \$5,000 death benefits for civil servants and members of the armed forces. . . . The Government plans to ask Parliament for twice as much money next year for grants to municipalities and expects to double the number of municipalities eligible for grants.



## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 122.

Friday, June 25, 1954.

To Guard Against Unemployment Hardship: Ottawa, June 24 (CP) -- Measures are being taken to protect Canadian workers against hardship in the event of another bout of cold weather unemployment, the Minister of Labour, Mr. Gregg, said today.

He told the House of Commons his Department is taking a "very serious and continuous look" at the Unemployment Insurance Act - from which jobless benefits are paid - in the light of experience in the recent period when unemployment hit a postwar high.

"Steps are being taken to guard against hardship in the future," he said after some Opposition members had called for higher benefit payments from the \$900,000,000 insurance fund during debate on the Labour Department's annual estimates.

With all legislation completed and only estimates of some departments remaining, the House was expected to complete sessional business late Friday night and to prorogue Saturday morning.

In the labour debate, the Government was faced with varying demands from Opposition groups for action against unemployment.

Proposals included suggestions in general terms for keeping work at a high level, improved unemployment insurance, Federal Treasury aid for persons not qualified for insurance and intensified programmes of retaining those who have been displaced from jobs.

Trade Deal With Czechoslovakia Reported: Ottawa, June 24 (CP) -- The Canadian Government is preparing to remove special jacked-up dumping duties imposed against Czechoslovakian goods.

Qualified sources said today the decision is part of a two-way deal in which the Communist-dominated country will:

1. Resume payments on a \$10,000,000 defaulted Canadian loan.
2. Allow a Canadian expert to make on-the-spot appraisals in Czechoslovakia of the market value of goods produced and sold in that Soviet satellite.

Informants said the deal will ease the Czech-Canadian trade cold war that developed following complaints by Canadian manufacturers in 1952 that the Red country was dumping goods into the Canadian market.

Attempts by Canadian inspectors to check market values in Czechoslovakia to ascertain whether goods in that country were being offered in Canada at prices lower than in the home market were blocked by the Reds.

Finally, the Revenue Department ordered that, for duty purposes, invoice prices of certain Czech goods could be boosted by an additional 50 per cent, as a maximum and the difference collected as a dumping duty.

That move was made towards the end of 1952. In 1953, Canadian imports dropped sharply to \$2,588,000 from \$3,558,000 in 1952. Exports to Czechoslovakia were negligible, declining to \$122,000 last year from \$366,000 two years ago.

Colombo Plan Meeting In Ottawa: Ottawa, June 24 (Press Release No. 31) --

The Department of External Affairs announced today that the annual meeting of the Colombo Plan Consultative Committee will be held in Ottawa from October 4 to October 9. This meeting, which will be attended by Cabinet Ministers or other representatives from fourteen

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Colombo Plan countries, will be preceded by a meeting of officials from these countries which will commence on September 20.

The Ottawa meeting of the Consultative Committee will be the first to take place in North America. Previous meetings were held in Australia, United Kingdom, Ceylon, Pakistan and India.

Both the official and the ministerial sessions will be held in the Parliament Buildings. The opening ministerial session, which will probably take place in the House of Commons chamber, will be open to the public. It will be addressed by Prime Minister St. Laurent and by leaders of some of the visiting delegations.

Civil Service Insurance Plan: Ottawa, June 24 (CP) -- The Senate today gave final approval to an amended version of the Government's death benefits plan for civil servants and members of the armed forces, sending a change making the plan optional to the House of Commons for action.

The House of Commons originally passed the plan, providing a maximum of \$5,000 in death benefits, containing a clause requiring that all 120,000 civil servants and 105,000 servicemen participate.

Following expressions of opposition from civil service groups, the Government agreed to accept an amendment of the Senate Banking Committee which would make the plan optional.

Solicitor-General Macdonald, Government leader in the Upper Chamber, explained that if more than 25 per cent of those eligible reject the scheme the Government will not bring it into operation.

He said that if only two per cent refuse to participate it will not affect the plan for which participants would pay 40 cents a month for each \$1,000 of annual salary. However, the Government reserves its position in the event that some percentage between two and 25 drop out.

Those eligible in the Government employ or in the armed forces on July 1 will have until November 1 to decide whether they will participate.

Rail-Workers Contract Talks Adjourned: Ottawa, June 24 (CP) -- Mr. Gregg tonight said nothing will be left undone to find a mutually-acceptable solution to the contract dispute between the railways and their non-operating employees.

He said in the House of Commons that talks between representatives of 14 non-operating unions and the railways have been adjourned in Montreal to begin again at the call of either party.

He told Mr. Stanley Knowles that both parties agreed that they would make no public pronouncements concerning the negotiations. For that reason he could not comment on progress of the talks.

The 135,000 employees who do not actually operate the trains seek no wage increases. They seek increases in paid statutory holidays, certain sick benefits and overtime rates for Sundays.

Across Canada: A women's bureau will be set up shortly in the Labour Department. The bureau will deal generally with the problem of women in employment and will be headed by a woman. . . . Premier Duplessis yesterday opened a new power plant on the Ste. Marguerite River in Clark City, Que., and hailed Quebec as the richest province in Canada. Mr. Duplessis in his address invited more American investment in the Province which he called "the land of opportunity par excellence", and promised foreign investors will always be well treated. . . . The flood threat in Manitoba became more serious Thursday with an announcement by Premier Campbell that the water level at Brandon and district is expected to rise another five feet before the end of the month.



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Vol. 5, No. 123.

Monday, June 28, 1954.

Long Session Of Parliament Ended: Ottawa, June 27 (CP) -- Canada's aims to deter aggression while striving for the establishment of world peace were stressed Saturday as Parliament prorogued.

The Speech from the Throne, read by Mr. Justice Patrick Kerwin, Deputy Governor-General, noted that as the first session of the 22nd Parliament ended, "political tension throughout the world is a grim reminder that the first concern of the Government must be the maintenance of the necessary strength to deter aggression while we continue to strive for the establishment of peace in the world".

The session concluded after a modern record of 139 sitting days. Before reading the Speech from the Throne, Royal assent was given to the Government's 1954-55 spending programme totalling about \$4,500,000,000.

The session saw 81 bills passed, including 14 sponsored by private members. Another 378 divorce bills, dissolving marriages of Quebec and Newfoundland residents, were approved.

Mr. Justice Kerwin announced the Government's choice of Aug. 5 as the provisional date for reassembling Parliament. Extensions of the provisional date are usually made later by order-in-council. Parliament is expected to meet again in November.

International affairs and trade were given prominent mentions in the Speech which also included a review of the legislation approved by Parliament.

"Our country is meeting every commitment we have made for our national defence and for international projects for relief, rehabilitation, technical assistance and the economic advancement of other peoples materially less fortunate than our own," it said.

"Our external trade continues at a high level. Although there is still in Western Canada a huge volume of wheat resulting from three successive record crops, our grain exports continue to exceed the 10-year average."

"You have approved a trade agreement with Japan designed to assist in developing our growing trade with that country. Trade agreements have also been concluded for the first time with Spain and Portugal which, with improved arrangements with Italy and Brazil, should assist us in the recovery of historic markets in those countries."

Referring to the work of the session which began last Nov. 12, the Speech recalled that recognition was given the growing importance of Canada's Northern Territories by formation of a Department of Northern Affairs and National Resources.

Mr. Drew Asks Immigration Probe: Ottawa, June 27 (CP) -- Mr. Drew wants a Royal Commission investigation of administration in the Immigration Department.

He proposed the investigation in the House of Commons Saturday during a day-long immigration debate which concluded Parliament's business for the session. He mentioned a number of cases, including what he described as a bare-faced racket to smuggle persons to Canada illegally, and said they leave so many unanswered questions that an investigation is needed.

Immigration Minister Harris made no mention of Mr. Drew's proposal for a Royal Commission when he replied but he said that Mr. Drew mis-

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interpreted the facts of two cases. He also outlined the present status of prosecutions against those involved in the immigrant smuggling racket. . . .

Canada - U.S. Seaway Talks: Ottawa, June 25 (CP) -- Canada-United States negotiations for construction of the St. Lawrence Seaway's navigation facilities are being arranged for the week of July 4, officials said today. Opening of the conferences has been set tentatively for Monday, July 5, at Ottawa.

The sessions are expected to pave the way for a final agreement between the two federal Governments leading to a start later this year on canals in the international section of the river. . . .

Mr. Pearson On Underprivileged Countries: Toronto, June 28 (Globe & Mail) -- Mr. Pearson told an international audience of more than 1,800 in Toronto last night that no one could say yet that enough is being done to help the underdeveloped and underprivileged countries of the world.

"The favoured nations of the world cannot afford to ignore the fact that one half of the world's inhabitants live in areas where hunger, disease, poverty and human misery are the daily lot of all the people," he added. . . .

Mr. Pearson was delivering the opening address at the International Conference of Social Work to which 41 nations have sent 2,500 delegates.

Ambassador To Japan: Ottawa, June 28 (Press Release No. 34) -- The Secretary of State for External Affairs today announced the following appointments:

Mr. T.C. Davis, who until recently was Canadian Ambassador to the Federal Republic of Germany and Head of the Canadian Military Mission, Berlin, is appointed Canadian Ambassador to Japan. He will take up his new post in September, succeeding Mr. R.W. Mayhew who will be retiring from the diplomatic service.

Mr. George L. Magann is appointed Canadian Minister to Austria. He will act in that capacity jointly with his present duties as Canadian Ambassador to Switzerland. Mr. Magann succeeds the late Dr. Victor Doré, C.M.G., who had retired from his posts in Berne and Vienna in October 1953.

The post of Legal Adviser to the Department has been re-established and Mr. Max H. Wershof is appointed to it, with the rank of Assistant Under-Secretary of State for External Affairs. He has been serving as Acting Assistant Under-Secretary since the beginning of the year.

Mr. Jean Fournier, who is now Counsellor of the Canadian Embassy in Paris, is appointed Canadian Consul General in Boston. He succeeds the late Dr. George S. Patterson, who died on November 8, 1953.

Shakespearean Festival: Stratford, Ont., June 27 (CP) -- The second annual Shakespearean festival was dedicated today with clergymen of five Stratford churches participating.

More than 1,000 attended the ceremony, inaugurated before last year's productions and continued this year at the suggestion of Dr. Tyrone Guthrie, British director in charge of the festival's performances. The festival will be opened officially Monday night by Governor-General Massey.

James Mason, British and Hollywood actor, will star in the first-night presentation, "Measure For Measure". Playing opposite him is Frances Hyland of Shaunavon, Sask., who returned from a successful career on the London stage to take part in the festival this season.

Across Canada: A Progressive Conservative member of Parliament Saturday questioned a \$360,000 expenditure by the National Gallery on five oil paintings by obscure European artists. Mr. W. Nesbitt, Oxford, said in the Commons he does not understand how the paintings could cost \$72,000 apiece when one famous painting in the Toronto Art Gallery is valued at less than half that amount. . . . Canada's gross national production rose to a new high of \$5.4 billion in the first three months of 1954. The Dominion Bureau of Statistics estimated that this was a jump of \$100 million from the previous high of \$5.3 billion in the first quarter last year.... The Department of External Affairs announced on June 25



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Vol. 5, No. 124.

Tuesday, June 29, 1954.

Seaway Negotiations: Ottawa, June 28 (CP) -- Seaway negotiations between Canada and the United States will open here next Monday, July 5.

Officials said today both countries have agreed to the date for beginning negotiations on a bilateral agreement for building of the St. Lawrence Seaway's navigation facilities.

Mr. Livingstone Merchant, Assistant U.S. State Secretary, and Deputy U.S. Defence Secretary Robert Anderson, will be among those representing the U.S. . . .

The negotiators will consider how an American proposal to spend \$105,000,000 for navigation on the American side of the river can be integrated with the original Canadian plan to spend \$300,000,000 for the entire series of canals on the Canadian side. . . .

Talks With Sir Winston: Ottawa, June 28 (CP) -- The Canadian Government will offer views to Sir Winston Churchill on the European Defence Community and the pooling of atomic information, but will not take sides on varying proposals for the defence of Southeast Asia, well qualified spokesmen said today.

Informants said the visit tomorrow of the British Prime Minister is eagerly awaited by Prime Minister St. Laurent and his Cabinet.

They are anxious to get a first-hand report of the conversations between the British statesmen and President Eisenhower and make clear Canada's own views that there is an urgent need for getting France to approve E.D.C. in order to strengthen the North Atlantic Treaty Organization.

The Canadian Government, therefore, is likely to endorse heartily one aspect of the Churchill-Eisenhower communique in which the two leaders expressed determination to make West Germany an equal partner in the western world, to put German soldiers into western defences and to throw their weight behind an effort to get French approval of E.D.C.

Informants said the Canadian Government will also endorse the Churchill-Eisenhower view that Britain and the U.S. would benefit from technical co-operation in atomic energy "to the fullest extent allowed" by U.S. law, and that this co-operation should be extended also to Canada. . . .

Would Ban Inflow Of Objectionable Comics: Bigwin Inn, Ont., June 28 (CP) -- The Ontario Urban and Rural School Trustees Association today urged the federal Government to stop the flow of objectionable comic books imported by Canada from the United States.

Delegates to the Association's 35th annual convention approved a resolution presented by the Leaside Board of Education asking that the sale of many comic books be banned. The resolution read:

"A considerable number of the so-called comic books which are being sold are totally unfit to be read by children and are making a definite contribution to juvenile delinquency."

Most of the objectionable publications originate outside Canada, the statement said.

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Mr. Drew Visiting Europe: Ottawa, June 28 (CP) -- Progressive Conservative headquarters announced today that Opposition Leader Drew is making a four-week tour of Europe. Mr. Drew, accompanied by his wife and daughter, Sandra, flew to London Saturday. They plan to visit France, Germany, Holland, Belgium, Spain and Portugal.

Labour Men To Visit Russia: Victoria, June 28 (CP) -- Nine representatives of the Canadian Congress of Labour are planning a trip to Russia to attempt to drum up orders for Canadian shipyards, a union official said here today.

Mr. Jack Cornthwaite, business agent for the Victoral local of the Machinists Helpers and Fitters Union (CCL) said the representatives will investigate the possibilities of handling multi-million dollar Soviet orders for ships and other equipment in Canadian yards.

Shakespearean Festival: Stratford, June 28 (CP) -- Governor-General Massey and Premier Frost came to Stratford today, heading the distinguished first night audience for tonight's performance of Measure For Measure, opening presentation of the second annual Shakespearean Festival.

A sell-out is assured for the opening night spectacle, which opens to an off-stage accompaniment of church bells, factory whistles and a six-pounder fired by soldiers of the Perth Regiment.

Representatives from leading Canadian and U.S. newspapers, in addition to television crews from Kitchener and London, were on hand for the performance in the big, blue tent on the grassy slopes of the Avon River.

Across Canada: Mr. Leslie Howard Saunders became the 50th Mayor of Toronto yesterday afternoon when City Council elevated him from the position of Controller and President of Council to the Chief Magistrate's seat following the resignation of Mayor Allan A. Lamport. . . . Housing units financed under federal legislation will be higher in 1954 than last year, Central Mortgage and Housing Corporation predicted on the basis of figures up to June 18. C.M.H.C. approved 19,756 loans in the period Jan. 1 - June 18, compared with 15,600 for the corresponding period last year. . . . Governor John S. Fine of Pennsylvania yesterday brought greetings from 10½ million Pennsylvanians to the official opening of Kitchener, Ont., Centennial. . . . Close to 700 employees of Kelvinator Company of Canada Limited ceased work as 400 production workers went on strike and picketed a company plant at London, Ont., yesterday.



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Vol. 5, No. 125.

Wednesday, June 30, 1954.

Sir Winston Greeted In Ottawa: Ottawa, June 29 (CP) -- Sir Winston Churchill arrived in Canada's capital tonight for his second visit in 30 months.

The British Prime Minister landed at suburban Rockcliffe Airport, accompanied by Mr. Eden and Mr. Pearson.

Speaking into radio microphones, Sir Winston said that though the visit will be short he believes it will be most agreeable and useful.

"I love coming to Canada, the master-link in Anglo-American unity," he said.

Speaking in both French and English, he said he will meet the Canadian Cabinet to discuss a number of questions. He said he had a pleasant journey after talks with "our American friends".

"Mr. Eden and I are glad to visit Canada again. God bless your country."

He was greeted at the airport by Prime Minister St. Laurent, his Cabinet and Commonwealth representatives.

Thirty months ago, referring to Canada as the "great Dominion", he predicted a "magnificent future" for her "if only we can get through the present hideous world muddle". Upon the whole surface of the globe there is no more spacious and splendid domain open to the activity and genius of free men. . . ."

Britain Increasing Purchases of Canadian Goods: Ottawa, June 29 (Globe & Mail)--

Britain is increasing its purchases of Canadian goods. Official British Government figures made public here today show that in the first five months of this year, imports of Canadian goods totalled \$250,800,000 as against \$247,700,000 in the comparable 1953 period.

Big increases were made in purchases of Canadian soft woods, aluminum, non-ferrous base metals and copper alloys. Softwood imports totalled \$28,600,000 compared with \$23,400,000 in the January-May period of 1953. Aluminum rose to \$30,800,000 compared to \$23,600,000 last year while non-ferrous base metals imports were \$63,000,000 as against \$52,600,000 in 1953. Sales to Britain of Canadian copper and copper alloys totalled \$18,500,000 compared to \$13,700,000 in the 1953 period.

These were the big items on the import list. Other products of which total sales were less but still ran well ahead of 1953 were barley, fish and fish preparations, tobacco, rubber, pulp and waste paper, plastics and machinery of various kinds.

Winnipeg Ballet Abandons Winter Tour Plans: Winnipeg, June 29 (CP) -- The

Royal Winnipeg Ballet has abandoned plans for a tour this winter and may not be a performing company until next spring, ballet officials said today.

The company suffered a \$27,000 loss on last year's operations and on June 8 lost its studios and more than \$20,000 worth of costumes and equipment in a down-town fire. Officials said the ballet has not folded but it will undergo a period of retrenchment to pay off its debts and buy new equipment.

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Eight Professors Share Carnegie Grant: Ottawa, June 29 (CP) -- Eight Canadians will share a \$15,000 grant to study language, literature, philosophy and history during 1954-55.

The grant was made by the Carnegie Corporation to the Humanities Research Council of Canada. The universities employing the professors who share the grant usually provide a year's leave with part pay. The eight are:

Ludwig von Bertalanffy, Professor of Biology, University of Ottawa, to allow him to complete the second volume of his work, Problems of Life.

A.P. Campbell, Professor of English, St. Thomas College, Chatham, N.B., to study at Fordham University, New York.

Lloyd A. Duchemin, Professor of English, Mount Allison University, to study in Toronto.

David Galloway, Associate Professor of English, University of New Brunswick, to study in the United Kingdom.

Anthony M. Mardiros, Associate Professor of Philosophy, University of Alberta, to study in Italy.

Allan M. Munn, Associate Professor of Physics, Carleton College, Ottawa, to study the philosophy of science in Paris.

Flora Roy, Professor of English in Waterloo College, Waterloo, Ont., to study in Toronto.

T. Stewart Webster, Assistant Professor of History in the University of Manitoba, to study in Chicago and Paris.

Ambassador of Dominican Republic: Ottawa, June 29 (Press Release No. 35) -- His Excellency Rafael Paino Pichardo on June 29 presented to Mr. Justice Patrick Kerwin, Deputy Governor-General, his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of the Dominican Republic to Canada.

Increased Grants For Language Instruction: Toronto, June 30 (Globe & Mail) -- Increased grants to school boards which provide night school instruction in language and citizenship to New Canadians were announced yesterday by Education Minister Dunlop.

Dr. Dunlop said that until now the grant paid by the Department has varied from 16 to 80 per cent of the salaries of teaching staffs. Over the whole province the grants averaged about 50 per cent of the instructional costs.

It is now proposed, Dr. Dunlop said, to increase the grant to 90 per cent of the instructional salaries paid by school boards. The increased grant will be paid in 1954 and based on 1953 expenditures.

Across Canada: The Ontario Liquor Board announced that Canada's two main railways have been granted licences to serve liquor in transcontinental trains crossing Ontario. . . . In announcing further layoffs at Ford of Canada's Windsor plant, President Rhys M. Sale said today total sales of cars and trucks in Canada for 1954 may be down 75,000 vehicles or more. . . . Group Captain Leonard Joseph Birchall, 39, of St. Catharines, Ont., has been appointed military adviser to the Canadian delegation at NATO headquarters in Paris, the Air Force announced yesterday. . . . Plans for a \$15,893,000 Government-sponsored housing project to be built in suburban North York were announced by Chairman Fred Gardiner of the Toronto Metropolitan Council. . . . Ontario's 36,000 Indians will hold the right to buy and consume intoxicating beverages in licensed public places effective July 1, Mr. R.J. Cudney, Assistant Provincial Secretary, said yesterday.

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Vol. 5, No. 126.

Friday, July 2, 1954.

Mr. St. Laurent Announces Cabinet Changes: Ottawa, July 1 (Montreal Gazette) --

Mr. St. Laurent today announced the most drastic federal Cabinet shake-up in a decade. Three of his senior Cabinet Ministers - Finance Minister D.C. Abbott, Transport Minister Chevrier and Defence Minister Claxton - retired from active politics to accept posts outside the political arena.

Also announced were changes in the personnel serving on the Supreme Court of Canada, and appointments to the St. Lawrence Seaway Authority.

Following were the principal announcements made:

Mr. Abbott retires to become a puisne judge of the Supreme Court of Canada. Mr. Claxton will return to private life to become Vice-President of the Metropolitan Life Insurance Co., in charge of the company's Canadian operations, effective Aug. 1. Mr. Chevrier, effective immediately, becomes President of the St. Lawrence Seaway Authority. His appointment, which is for a 10-year period, is salaried at \$25,000 per year.

Mr. George Marler has resigned as Liberal member of the Quebec Legislature for Westmount - St. George to enter the federal Cabinet as Minister of Transport. He will seek election to the House of Commons either in the Montreal riding with which Mr. Abbott has been associated (St. Antoine - Westmount) or in Mr. Claxton's constituency (St. Lawrence - St. George).

Mr. Roch Pinard (L - Chambly - Rouville), hitherto Parliamentary Assistant to Mr. Pearson, has entered the Cabinet as Secretary of State.

Citizenship and Immigration Minister Walter Harris, who has been mentioned prominently as a potential successor to Prime Minister St. Laurent, has given up his former portfolio to assume the more onerous and exacting responsibilities of a Minister of Finance.

Associate Defence Minister Ralph Campney has been sworn in as Minister of National Defence. No Associate Minister will be appointed "for the time being".

State Secretary J.W. Pickersgill was appointed to be Minister of Citizenship and Immigration.

Mr. Justice Patrick Kerwin was named by Mr. St. Laurent to become the new Chief Justice of the Supreme Court of Canada, succeeding retired former Chief Justice Thibaudeau Rinfret.

St. Lawrence Development Heads: Ottawa, July 1 (CP) -- Mr. St. Laurent today named the triumvirate which will direct Canada's part in the St. Lawrence Seaway development. His former Transport Minister, Mr. Chevrier, will head the group.

He also dipped into the public service to appoint two senior Deputy Ministers as members of the Seaway Authority. They are Mr. Charles Gavsie, 45-year old Deputy Revenue Minister, and Mr. Charles W. West, 64, senior Deputy Transport Minister.

Chances For Peace Better, Says Sir Winston: Ottawa, June 30 (CP) -- Sir Winston Churchill said today the chances of world peace are better since his trip to Washington.

The British Prime Minister told a press conference that the whole world now knows that the United Kingdom, the United States and Canada stand together, united by a "great measure of agreement and understanding" which they are not going to let be broken or disturbed in any way.

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He praised President Eisenhower as a "grand man" and said "thank God he is where he is". Security was founded on good, trusting relations between Britain and the U.S. and, said Sir Winston, "nothing will deter an aggressor more than the fact he knows he has got to face the whole British Commonwealth and the U.S."

For that reason, he could reply "yes" to the question of whether the prospects of world peace are better as a result of his Washington trip.

He was in top form as he faced about 100 correspondents and cameramen in the East Block of the Parliament Buildings.

He expressed "contempt" at some American newspaper reports accusing him of appeasing Communism. But he said the West must learn to live with Russia.

Sir Winston predicted tonight that Canada one day will take its place among the first ranks of sovereign communities. But he appealed to Canadians never to forget the "Old Land".

In a farewell radio speech carried over the CBC's Trans-Canada network, he said Canadians are the architects of a "mighty structure".

But when Canadians achieve their hopes and glories "do not forget the old land, do not forget that little island lost among the northern mists which played so great a part in your early days and now regards you with admiration and pride".

Immigration Rise: Ottawa, June 30 (CP) -- Immigrant arrivals rose 15 per cent in the first four months of the year compared with a similar period last year.

The Immigration Department today reported that arrivals totalled 44,877 compared with 39,055. Increases were evident in all categories except arrivals from the United States which dipped six per cent.

Arrivals of English, Irish, Scottish and Welsh increased eight per cent to 13,245 from 12,216 while U.S. arrivals were down to 2,972 from 3,057.

Immigration by North Europeans rose to 15,541 from 15,492 but the biggest jump was a 59-per-cent increase in arrivals from other countries to 13,219 from 8,290. Main factor in this was an increase to 7,962 from 3,892 in arrivals of Italians.

Across Canada: Brig. John M (Rockey) Rockingham, DSO, 42, of Vancouver, will be promoted to Major-general and given command of the 1st Canadian Infantry Division, the Defence Department announced. . . . The Minister of Labour has announced that the Department of Labour is presenting a series of eight radio programmes which would be carried by 76 independent radio stations all across Canada with the aim of eliminating discrimination in employment because of race, religion, colour, or national origin. Mr. Gregg pointed out that the series was organized in connection with the administration of the Canada Fair Employment Practices Act which went into effect last year. . . . U.S. Defence Secretary Charles E. Wilson will visit Ottawa next week to confer with Canadian Government officials, it was announced yesterday in Washington, according to the Canadian Press.

# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 127.

Monday, July 5, 1954.

Busy Summer For Cabinet Ministers: Ottawa, July 3 (CP) -- Cabinet Ministers will be moving in and out of the capital this summer. The activity will be in sharp contrast to last summer's pre-election shortage of Cabinet Ministers in the capital city. The two newcomers in the Cabinet - Transport Minister Marler and State Secretary Pinard - can be expected to spend a considerable time becoming familiar with their jobs.

Mr. Marler resumed an interrupted 10-day vacation - only an absence from the office, he said - after being sworn in as successor to Mr. Chavrier, chosen head of the St. Lawrence Seaway Authority. Next week, he said, he plans to get his nose to the grindstone.

Mr. St. Laurent hasn't completed plans for his summer vacation. He spent the weekend at his summer home in St. Patrick, Que., and said he hopes to get a longer vacation later. However, there were so many pressing matters to consider he wasn't sure when that will be.

Mr. Howe spent a few days after Parliament adjourned with his family at Port Arthur, Ont., but he expects to be in Ottawa during a large part of the summer. He may spend a week or two at St. Andrew's N.B. Mr. Gardiner probably will be out of the capital all summer at his farm at Lembourg, Sask.

Mr. Martin will be in Ottawa most of the summer. Dr. McCann, as he has for several years, will be in Ottawa most of the week and at his Renfrew, Ont., home during the week-ends. He again is expected to act as Minister for those of the Cabinet who are out of town.

Mr. Gregg will spend a large part of the summer in Fredericton, N.B., but will visit the Shakespearean Festival at Stratford, Ont., this month.

Mr. Pearson will stick close to the capital. Mr. Garson plans to spend most of his summer in Western Canada. So does Mines Minister Prudham.

Mr. Lapointe and Finance Minister Harris plan to be in the Ottawa area. Works Minister Winters is due home from overseas where he signed several trade treaties for Canada.

Northern Affairs Minister Lesage has embarked on a tour of all the National Parks in the Western Provinces.

Fisheries Minister Sinclair went to Vancouver after completing a tour of Newfoundland during the latter part of the session. Later this year he plans to go to Tokyo.

Colombo Plan Aid: Ottawa, July 2 (Press Release No. 36) -- The Department of External Affairs on July 2 announced that an exchange of notes has taken place in Colombo between the Prime Minister of Ceylon and the Canadian High Commissioner providing for Canadian aid under the Colombo Plan for the economic development of Ceylon.

From the funds which the Canadian Parliament has voted for use in the Colombo Plan in 1954-55, it was agreed that slightly more than \$2 million would be provided to assist in the development of a variety of projects agreed upon by the two Governments. These projects, all of which have a high priority in the Ceylonese plan for economic development, include the fisheries harbour in which Canada is already participating, the improvement of the chief Ceylonese port at Colombo and of the airport at Ratmalana on which the transport system of the island is so largely dependent, and the agricultural development project in

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the Gal Oya region where people from congested centres are being re-settled. Canada will also provide three more diesel locomotives and a substantial quantity of railway ties for use by the Ceylonese railways which in recent years ( and particularly during the war) have been seriously overstrained. The assistance to the fisheries harbour will take the form of flour which will in turn be sold by the Ceylonese Government and the proceeds will be used for local expenditure connected with this project. For the remainder of the projects, capital assistance takes the form of equipment available from Canadian sources.

Out of funds which had been voted by the Canadian Parliament prior to the present fiscal year, it was agreed that Canadian aid to the pilot fisheries project should be continued. Beyond the \$1 million approved in 1952, an additional \$407,000 will be available in the form of equipment and services for the construction of a cold storage and fish reduction plant and the supply of additional fishing equipment. . . .

Schooner St. Roch For Vancouver City: Ottawa, July 2 (CP) -- The famed R.C.M.P. schooner St. Roch will begin her last voyage next week.

Defence Minister Campney announced today that he has arranged, with the co-operation of Mayor Fred Hume of Vancouver, to have the St. Roch presented to the City of Vancouver by the R.C.M.P. The schooner will be preserved and displayed there, at her home port.

The doughty St. Roch was the first ship ever to negotiate the north-west passage both ways. She sailed through Arctic waters from Vancouver to Halifax in 1940 and made the return journey in 1944. When she later sailed from Vancouver to Halifax through the Panama Canal, she became the first ship ever to circumnavigate North America.

Asks Aid For Textile Industry: Quebec, July 2 (CP) -- Premier Duplessis today urged federal Government action to bolster Quebec's shaky textile industry which he said directly affects 150,000 persons in the Province. He said he also wants federal action to curb "uneasiness" in the tobacco marketing industry.

Mr. Duplessis said at his weekly press conference officials of the textile industry told him recently production is continuing to drop and they suggested the federal Government take steps to put the industry back on its feet.

Women's Bureau: Ottawa, July 5 (Department of Labour Press Release No. 4445) -- Miss Marion V. Royce, M.A., has been selected for the position of Director of the Women's Bureau it has been announced by the Civil Service Commission and the Department of Labour.

The Women's Bureau has been established to promote a wider understanding of problems peculiar to women workers and to the employment of women. The Bureau will be a focal point for the preparation, distribution and continuing interchange of information concerning women in employment. It is expected that regular channels of communication will be developed between the Bureau and women's groups, employer and labour organizations as well as with various interested government agencies.

Across Canada: Canadian Trade Department spokesmen said today they are "delighted" with President Eisenhower's decision to reject bids for higher fish tariffs, according to Canadian Press. . . . The whooping crane's greatest secret - its nesting place - may soon be out. The Resources Department announced that six of these almost extinct birds, including young, were sighted from a helicopter in Wood Buffalo National Park, astride the boundary of Northern Alberta and the Northwest Territories. . . . The flooding Winnipeg River in Eastern Manitoba was reported on July 2 to have reached its previous peak flow set in 1950.



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Vol. 5, No. 128.

Tuesday, July 6, 1954.

Seaway Negotiations Start In Ottawa: Ottawa, July 5 (CP) -- Canada and the United States today opened preliminary negotiations for joint construction of the navigation works of the St. Lawrence Seaway.

After a 3½-hour session across the conference table, officials said they hoped that by tomorrow an agenda would be completed for later and final negotiations on the big job.

"We made excellent progress at this first meeting," Mr. Chevrier, who heads the agency in charge of Canada's part of the work, said after the conference broke off early tonight.

"A very satisfactory meeting," commented Mr. Lewis Castle, administrator of the St. Lawrence Seaway Development Corporation, the U.S. counterpart of the St. Lawrence Seaway authority headed by Mr. Chevrier.

The meeting was to resume tomorrow at 10:30 a.m. EDT, and spokesmen said it was expected the agenda would be ironed out at a morning sitting.

No statement was issued today, but it was understood an agenda was being drafted with about five main headings. This, it was expected, would have to receive approval of the two Governments before going before the final negotiating conference at Cabinet level.

Among matters to be discussed will be the location of the canals in the International Rapids section of the river, the amount of tolls to be set and how the toll revenues will be split, division of construction and other costs and miscellaneous points on how shipping would be handled in going through the deepened canals.

Another question which probably will have to be taken up, officials indicated, is whether the two Governments will need new authorization for the seaway from the International Joint Commission, the Canada-U.S. body that regulates the use of boundary waters.

The I.J.C.'s original permission was based on a joint Canada-U.S. application contemplating the construction of navigation facilities on the Canadian side of the international section.

This year, the U.S. Congress authorized the expenditure of \$105,000,000 on canals there, but with the proviso that they be built on the American side.

It has been generally conceded here that Canada now will fall in line with that plan, though it is expected to use a 1952 Canada-U.S. agreement for an all-Canadian seaway as a bargaining point to strengthen the Canadian hand in the negotiations.

The U.S. legislation is based on a set of canals generally following an arrangement worked out in a 1941 agreement between the two countries. Canada considers this superseded by the 1952 agreement, and officials said recently the Canadians would start negotiating from the 1952 pact.

Review Of 1953 Foreign Trade: Ottawa, July 5 (Globe & Mail) -- A decline in exports and a rise in imports converted a \$325,000,000 trade surplus in 1952 into a \$210,000,000 deficit in 1953.

This marked change in Canada's trade position was disclosed today when the Dominion Bureau of Statistics published its review of foreign trade in 1953. Exports totalling \$4,172,000,000 were 4.2 per cent below 1952 while imports at \$4,382,000,000 were 8.7 per cent higher. Canada remained the world's third greatest trading nation, being surpassed only by the United States and Britain.

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Ordinarily, the existence of an adverse balance of trade depresses the exchange value of a nation's currency. The Bureau explained why the Canadian dollar remained relatively unaffected:

"The inflow of capital investment to Canada, principally from the United States, continued to increase in 1953 and made an important contribution to the financing of the trade deficit. Also important was the sharp reduction in the outflow of short-term funds which had been especially large in 1952...."

Living Costs Rise: Ottawa, July 5 (CP) -- Living costs made their biggest jump in 30 months during May as food prices suddenly gained new life and power, soaring to a six-month high.

The consumer price index, yardstick for measuring living costs, rose by three-fifths of a point to 116.1 from 115.5, the Bureau of Statistics reported today. The only previous 1954 increase was one-tenth of a point in March.

The index, based on 1949 prices equalling 100, had been generally slipping from the 1953 high of 116.7 last September. But the food price reversal, combined with another sharp jump in rents, boosted the index to its highest point in seven months. Moves, up or down, of a tenth of a point have been the common thing in the last two years. But the May jump of three-fifths of a point is the biggest since the rise of four-fifths of a point in November, 1951.

The index, at 116.1, is 1.7 points higher than the 1953 low of 114.4.

Canadian Tourists Outspend U.S. Counterparts: Montreal, July 6 (Gazette) -- Canadian tourists to the U.S. spent more money last year than their U.S. counterparts did in Canada, according to recently released figures.

The U.S., with a population of 160,000,000, spent \$282,000,000 in tourist dollars in Canada, while Canada with a population of 15,000,000, spent \$307,000,000 worth of tourist dollars across the border.

A few years ago, more tourist dollars poured into Canada than went out, but figures reveal this trend has been reversed.

With the U.S. providing the major money magnet, Canadian tourist spending abroad increased four times over the past 15 years.

Across Canada: Canada's food bill rose by \$90,000,000 last year. The tab for tobacco and liquor increased by \$36,000,000. The national accounts, measuring statistically the size and character of the Canadian economy, estimated that Canadians boosted their spending on consumer goods and services last year to a record \$15,165,000,000. This is a jump of \$762,000,000 from the previous high of \$14,403,000,000 in 1952. By far the largest single amount was spent on food, but there were increases all along the line, from rents to hospital care, the Canadian Press reported. . . . Any day now four blue gularis will be delivered to Number 10 Downing Street, London. The rare tropical fish are a gift from the Montreal Aquarium Society to Prime Minister Sir Winston Churchill, in his spare time an aquarium enthusiast, according to C.P. . . . The British Columbia branch of the Canadian Manufacturers' Association called on the federal Government yesterday to counteract retail price maintenance which, it said is "causing chaos" in the retail trade on Canada's West Coast. Officers of the branch, appeared before the Restrictive Trade Practices Commission.

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Vol. 5, No. 129.

Wednesday, July 7, 1954.

Canada-U.S. Seaway Planning: Ottawa, July 6 (CP) -- The St. Lawrence deep waterway, to link inland North America with the seven seas, today drew near the last stage of planning. A Canada-United States conference completed a tentative list of subjects for two-country negotiations on a joint construction job and announced the final negotiations are expected to start this month.

The move could mean a start of building on the navigation phase of the big ditch this year, though officials after the 1½-day conference declined to say if that is in prospect for the river's International Section which the Governments have under discussion.

Work on a 2,200,000-horsepower hydro development on the section is due to start this year, but a time lag of some months is allowable for the navigation facilities. The whole \$900,000,000 job is expected to take between 4½ and five years.

The \$600,000,000 power undertaking is to be handled on a 50-50 basis by Ontario and New York State. The canals bypassing a big lake to be created in the International Section for hydro, and enlarging upriver and downriver facilities for ocean vessels, are to be constructed by the Canadian and United States federal governments.

After the meeting of Canada-U.S. officials that opened yesterday and ended today, the federal agency that will do Canada's share of the navigation works held the first meeting since its personnel was named by the cabinet last Thursday.

The agency is the three-man St. Lawrence Seaway Authority, authorized by Parliament in 1952 with power to raise and spend \$300,000,000 on the job. It is headed by Mr. Chevrier, former Transport Minister.

"We were drafting plans for getting our organization set up", Mr. Chevrier said later. "From now on, we hope to go full speed ahead."

At the earlier international meeting, no date or place for the opening of the final series of negotiations was set. Spokesmen said these will be settled later by the two Governments after they have approved the agenda drawn up by their officials.

The later talks will be between cabinet ministers, though they are expected also to include such officers as members of the St. Lawrence Seaway Authority and its American counterpart. Mr. Pearson and Mr. Marler, new Transport Minister, probably will head the Canadian team.

While the joint press statement issued after today's conference gave no details, it suggested the draft agenda for final discussion deals largely with changes to be made in a 1952 Canada-U.S. agreement which approved Canada doing the whole \$300,000,000 job of building the navigation facilities.

The changes are called for now in the light of 1954 U.S. legislation authorizing that country's Administration to set up the International Section canals but restricting them to the U.S. side of the river.

May Call Power Tenders Today: Toronto, July 7 (Globe & Mail) -- After several false alarms, Ontario Hydro is expected to call its first tenders today for the St. Lawrence River power development.

However, the official ground-breaking ceremony and a start on the first major phase of the work -- the cofferdams at the powerhouse site -- has been set back several weeks, probably until the second week of August.

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Also delayed at the request of the New York State Power Authority is a meeting originally scheduled for July 13 to discuss final arrangements for sharing the cost of rehabilitating the communities and individuals on both sides of the river to be flooded out by the project. Most of the acreage and people affected live along the Ontario shore of the river.

Hydro Chairman Saunders said a new date for the meeting will be set soon. Within the last week Hydro and New York officials have held meetings in Cornwall on procedures to be followed in acquiring property for the development.

Hydro had originally hoped to be able to call tenders the week of June 21, but delays in approval and in engineering work by the New York Authority have forced postponement of the date several times. . . .

U.S. Defence Secretary Greeted: Ottawa, July 6, (CP) -- U.S. Defence Secretary Charles Wilson today held a general discussion with the Canadian Cabinet and chiefs of staff.

Defence Minister Campney said after the brief meeting that the talks were mostly routine and that there was a general discussion of problems common to both countries.

On his arrival here from Washington at noon, Mr. Wilson said Canada and the U.S. are making progress in continental defence, but that the job takes time.

"But not as long as the St. Lawrence Seaway," he told newspapermen at Uplands Airport where he arrived in a U.S. Air Force Convair aircraft.

"Continental defence presents new problems, but our two countries are going to solve them," he said.

Mr. Wilson appeared a little bewildered by the full-dress Canadian military reception, including tri-service guard of honour, band and 17-gun salute. Mr. Wilson, on his first visit to Canada since he became Defence Secretary, was met by Defence Production Minister Howe, U.S. Ambassador Douglas Stuart, Mr. Campney and the chiefs of staff, Gen. Charles Foulkes, Lt.-Gen. Guy Simonds, Air Marshal Roy Slemmon and Vice-Admiral E. R. Mainguy.

He later conferred with the chiefs of staff and then the Cabinet. A dinner in his honour was held tonight at the Country Club.

Tomorrow, he will leave with Mr. Howe for a three-day fishing trip on the Gaspé Peninsula.

U.K. to Get Wheat Via Churchill: Winnipeg, July 6, (CP) -- Britain has made substantial commitments for shipments of wheat through the northern Manitoba port of Churchill, Mr. George McIvor, chairman of the Canadian Wheat Board, said today.

He was commenting on an Ottawa despatch today that Britain will buy an additional 10,000,000 bushels of wheat from Canada under terms of a deal completed within the last 10 days between interests in the U.K. and the Canadian Government.

Price to be paid for the wheat is expected to be the price effective at Churchill, approximately \$1.80 a bushel. The wheat is to be shipped at the start of the Churchill shipping season in late July.

Mr. McIvor said it was not the policy of the Wheat Board to disclose the quantity or price involved and therefore he would give no further details regarding the British purchase.

The wheat will be moved through Churchill during the 10-week shipping season at the port, with Dalgleish Shipping Lines of Britain carrying the bulk of the wheat. In storage at Churchill at present are about 2,516,000 bushels.

During the 10-month period ending May 31 this year, Canada has shipped a total of 65,100,000 bushels in wheat and wheat flour in terms of wheat to the United Kingdom. This total compares with 88,100,000 bushels in the corresponding period of the 1952-53 crop year, a drop of about 23,000,000 bushels.

Across Canada: Sqdn. Ldr. D.R. Cuthbertson of Brantford, Ont., commanding the R.C.A.F.'s 441 Sabre jet squadron yesterday received the Air Force Cross from the Queen at an investiture in Buckingham Palace, Canadian Press reported from London. . . . Canada will honour one of her most colourful military figures of the late 19th and early 20th centuries when a bronze plaque is erected to Sir Sam Steele at Orillia, Ontario.



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Vol. 5, No. 130.

Thursday, July 8, 1954.

Coastal Shipping Investigation Plans: Ottawa, July 7 (CP) -- Federal Government plans for a Royal Commission to investigate coastal shipping have been put off until the conclusion of coming negotiations between Canada and the United States on the St. Lawrence Seaway.

The negotiations for a joint construction job on St. Lawrence River deep waterway facilities are expected to start this month. Informants said today the three-man Royal Commission likely will be set up shortly after they end.

The Government has been planning to have the Commission study the question of whether the Canadian coastal trade should be restricted to Canadian ships, particularly in the light of development of the seaway which will give big ocean vessels access to far-inland ports.

The coastal trade under scrutiny would be strictly that between Canadian ports on the two seaboards, the St. Lawrence and the Great Lakes. This cargo business amounts to about 35,000,000 tons a year, centred mainly in the East.

Non-Canadian vessels - especially British - have been cutting into this commerce. With the approach of the seaway, concern has been growing on the part of the Government as to the eventual effects of throwing open the inland waterway to big ships.

Varying degrees of restriction against non-Canadian shipping have been suggested, and an interdepartmental committee has had the matter under study for two years. In the late days of the last Parliamentary session, informed sources said, the Government was on the point of announcing the Commission.

However, at that time the U.S. made approaches for new negotiations on a joint Canada-U.S. seaway job, and yesterday it was announced the final talks are expected to start later this month. The outcome of the discussions would leave the Cabinet in better position to define the Royal Commission's scope of inquiry. . . .

One point dealing with restrictions on seamen, it was learned, will be on the agenda. Canada has informed the U.S. it does not want tough immigration provisions of U.S. legislation applied to seamen sailing through canals on the U.S. side of the St. Lawrence's international section.

Apart from major financial points covering division of costs and toll revenues on the \$300,000,000 navigation works, Canada has indicated to the Americans she plans to open up two other questions arising from construction of canals on the U.S. side.

These are:

1. How would Canada get compensated for the "drowning" of existing 14-foot canals running past the International Rapids? Under an earlier arrangement for 27-foot canals on the Canadian side, Canada has expressed willingness to forego any compensation. The impending construction of U.S.-side canals has reopened the matter.

2. Under the all-Canadian plan, the Canadian Government had agreed to pay \$15,000,000 for dredging work to be done by the Ontario Government and New York State in connection with their hydro-electric works in the area. That was on the theory that the dredging would help the navigation works, but with the canals expected to be on the U.S. side, Canada now wants that reconsidered.

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Mr. Cromwell On North American Policies: Montreal, July 8 (Gazette) -- Former allies of the United States today have become more of a burden to her than an aid, Mr. James H.R. Cromwell, former American Ambassador to this country, said here yesterday.

Mr. Cromwell, now an industrial consultant in Washington, told a press conference that the foreign policies of both Canada and the U.S. should be directed to the rapid and extensive development of North America's strategic raw materials. He is in Montreal to be installed as a director of the Tri-Tor Oil Co.

The United States, he said, is spending hundreds of millions of dollars on European nations "and getting nothing for it".

"It is like carrying the old man of the sea on our backs," he said.

Mr. Cromwell said he didn't want the U.S. to desert the United Kingdom, but he occasionally wondered if Britain would desert the United States.

Development of North American raw materials, he said, would supply industry in the United States in event of war. More important, it would prevent war.

"While tremendous progress in digging these materials from the ground has been made, it is nothing to what will be needed. Canada, indeed, has only scratched the surface of her mineral reserves."

Mr. Cromwell advocated that mineral development in North America be financially assisted by the respective Governments. In line with this move, he said, the vast mineral wealth of South America should also be tapped.

"We should be prepared to 'go it alone' if necessary. After all, both Canada and the United States are in the same boat."

He said his views on foreign policies had undergone considerable change since his five-month term as U.S. Ambassador to Canada in 1940. At that time, he favoured immediate support to European nations which would be friendly to the U.S. in the face of approaching war.

Mr. Cromwell proposed recruitment of at least one division of foreign troops by Canada and 10 divisions by the United States.

"Each would necessarily have its own counter-infiltration corps in view of the fact that appalling expansion of communist power since 1945 has been accomplished without the firing of a single shot by the Red Army.

"These forces would be of vital importance in winning the cold war - or a possible hot war," he added.

Export And Import Cargoes: Ottawa, July 7 (CP) -- Export and import cargoes handled at customs ports were slightly lower last year than a year ago, the Bureau of Statistics reported today.

Loadings for foreign countries dropped 362,710 tons to 32,202,205 while cargoes unloaded from foreign countries dipped 64,329 to 38,691,877 tons. Trade with the United States and Britain accounted for 66.6 per cent of the loadings and 80.6 per cent of unloadings last year compared with 62.3 per cent and 80.9 per cent a year ago.

Loadings for U.S. ports rose to 13,278,376 tons from 12,416,657 while unloadings dropped to 29,715,411 from 30,085,202. Loadings for British ports rose to 8,167,085 from 7,863,175 and unloadings rose to 1,478,969 from 1,249,752.

Across Canada: The New Brunswick Electric Power Commission has engaged New York consulting engineers to investigate the possibilities of obtaining power from oil shale deposits in Albert County, Premier Fleming said yesterday. . . . A legal specialist in the Government service yesterday was named to head the Federal Air Transport Board which regulates Canada's \$80,000,000-a-year commercial aviation business. The \$13,500-a-year job went to Mr. W.J. Matthews, 54, chief law expert of the Transport Department. . . . Mr. H. Napier Moore, 60, has retired as Editorial Director of Maclean-Hunter Publishing Company. The firm, in announcing his retirement, said today he will retain a connection with the company as consultant and continue to write for its publications. . . . The Bank of Canada yesterday boosted its ranks of Deputy Governors to two from one, promoting Mr. L.P. Saint-Amour, Assistant Deputy Governor, to fill the vacancy. The expansion was allowed through Parliamentary approval of Government legislation which provides for additional Deputy Governors.



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Friday, July 9, 1954.

Mr. Holmes Returning From Geneva: Ottawa, July 9 (CP) -- Canada has pulled out of the Geneva Conference. Mr. John W. Holmes, Canada's last remaining delegate to the conference on Korea and Indo-China, now is on his way home by sea. He is expected here next week.

After collapse of the Korean part of the conference, Canada had no vital interest in the meeting because it was not a party to the Indo-China talks.

Mr. Holmes, Assistant Deputy Minister in the External Affairs Department, kept a watching brief on the Indo-China talks for a few weeks before leaving for home. The Indo-China talks now concern the possibility of reaching a cease-fire agreement.

Seaway Navigational Season: Montreal, July 9 (Gazette) -- Construction of a 27-foot ship channel from Montreal to the Great Lakes will not entail any lengthening of the navigational season between these centres, Mr. Lionel Chevrier, Chairman of the newly-created St. Lawrence Seaway Authority, said here yesterday.

He was commenting on suggestions that water used to feed power plants along the river could be diverted to the ship channel and thus hamper freezing over of the route.

Likewise, he said, there is no connection between the seaway and last year's initiation of a plan to keep a permanent channel open of the St. Lawrence between Montreal and Quebec.

"It would be impossible to keep navigation flowing between Montreal and the lakes and no consideration has been given it under the Seaway Act."

At present the channel between here and the lakes is frozen over during winter months. Sufficient water power would likely be required to maintain operation of the existing and proposed hydro developments with the seaway. Some sources have suggested that this flow of water might also keep the navigational channel from being frozen over during the cold months.

Says Pakistan Must Increase Exports To Canada: Montreal, July 9 (CP) -- Pakistan must increase her exports to Canada or be "faced with the problem" of curtailing purchases in this country, Dr. Nazir Ahmad, Chairman of the Pakistan Tariff Commission, said yesterday.

Trade between the two countries "is largely a one-way traffic," Dr. Ahmad said. He urged a group of Canadian cotton buyers to consider increasing their purchases from Pakistan to help balance the trade budget.

Pakistan had more than 1,500,000 bales of cotton for export last year, he said. Of this Canada bought only "a few thousand" bales although the price was at times below that of cotton purchases in the United States.

Exports from Pakistan to Canada amounted to only \$500,000 last year while purchases, including goods obtained under the Colombo Plan, totalled some \$30,000,000. Wheat and machinery made up a large part of the amount.

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Canada-U.S. Air Defences Workout: Ottawa, July 8 (CP) -- The R.C.A.F. and U.S.A.F. will give their continental defences a stiff workout this month in a joint air defence training manoeuvre called exercise Check Point. It will be the biggest exercise of its kind ever held in North America.

The R.C.A.F., in a statement today, did not disclose the actual date of the exercise on the grounds that that would remove the element of surprise for some participating units, such as the ground observer corps. However, it is believed that the exercise will start tomorrow and continue throughout the weekend.

Reserve as well as regular units of the R.C.A.F.'s air defence command will participate, along with the U.S. air defence command, anti-aircraft command and air national guard.

Steel Workers Voting On Strike: Sault Ste. Marie, Ont., July 8 (CP) -- Five thousand workers at the Algoma Steel Corporation plant vote tonight on the question of striking in their union's dispute with Canada's big three steel companies.

The firms have refused to pass on to 15,800 Canadian workers gains made in the United States by the United Steelworkers of America (CIO) during the last year.

As a result, the spread between the steelworkers' basic rates in Canada and the U.S. has widened to  $13\frac{1}{2}$  cents an hour - the difference between \$1.57 and \$1.43 $\frac{1}{2}$ .

In Hamilton, 7,000 members of the union last night empowered their executive committee to call a strike against the Steel Company of Canada if the committee considers a walkout warranted.

Negotiations between the union and Dominion Steel and Coal Company in Sydney, N.S., also have bogged down. Upwards of 3,800 workers are affected there.

Across Canada: Canada's first Arctic patrol vessel was commissioned yesterday to become the latest addition to the Royal Canadian Navy. The vessel, HMCS Labrador, has been described by navy officials as the largest and most complicated warship ever built in this country. It has just completed extensive trials on the St. Lawrence River. Top Canadian and U.S. naval and defence research officials attended ceremonies at Sorel, Quebec. . . . At Montreal three locals of the United Textile Workers of America (AFL), representing some 4,000 employees of the Dominion Textile Company Ltd., yesterday signed a new contract at the same wage scale as the previous agreement. . . . The resignation of Mr. Harry G. Ferguson as Chairman and Director of Massey-Harris-Ferguson Limited was announced in Toronto Wednesday by the company. Mr. Ferguson's 1,805,000 shares in the firm, worth more than \$14,000,000 at present market prices - have been sold but the purchaser has not been announced. . . . For the first time in months real hope was expressed that a final truce will be reached in the union jurisdictional war which has threatened to cancel the Canadian National Exhibition grandstand show.



# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 132.

Monday, July 12, 1954.

**Revenues At 11-Month High In May:** Ottawa, July 9 (CP) -- Despite a cut in personal and corporation income tax collections, Government revenues climbed to an 11-month high in May, resulting in a \$144,543,000 budgetary surplus.

This May balance combined with a smaller balance in April, boosted the total surplus for the first two months of the 1954-55 fiscal year to \$174,201,000, Finance Minister Harris announced today in the monthly Treasury statement.

The two-month total compares with a surplus of \$200,246,000 in the similar two months of 1953-54 when the Government completed the year with a balance on the black side of the ledger of an estimated \$10,100,000. The Government this year is aiming at a small over-all surplus of \$4,000,000.

While total revenues were higher than in any of the previous 11 months, they were down from May a year ago. In comparison, expenditures were higher than April's outlays but lower than those in the previous 10 months.

May's revenues rose to \$390,133,000 from \$245,100,000 in April, but were about \$19,000,000 lower than the \$409,858,000 collected in May, 1953. The main reason was lower Government tolls on corporation and personal incomes combined with some decline in wages caused by unemployment.

Personal income tax collections rose to \$141,900,000 from April's \$89,700,000, but were down from \$154,300,000 last year. Collections from corporations rose to \$90,719,000 from \$63,100,000 in April, but were down from \$107,508,000 a year ago.

Customs import duties dipped to \$32,073,000 from \$33,893,000 last year, while excise duties rose to \$21,082,000 from \$19,610,000; sales tax to \$53,403,000 from \$51,088,000. Other excise taxes dropped to \$22,937,000 from \$24,040,000.

Postal revenue increased to \$10,500,000 from \$8,500,000, reflecting the Government's boost in mailing charges.

Expenditures, rising to \$245,590,000 from \$215,800,000 in April, were lower than in any of the previous 10 months and down from \$289,038,000 in May last year.

Defence spending dropped to \$88,185,000 from \$112,498,000 a year ago, principally because of smaller Air Force charges. Spending on the R.C.A.F. dropped to \$36,011,000 from \$53,359,000 last year, on the Army to \$23,554,000 from \$25,193,000, while spending on the Navy rose to \$20,372,000 from \$18,390,000.

**Immigration Rises 13 Per Cent:** Ottawa, July 9 (CP) -- Substantially higher immigration from Italy and Portugal accounted for 70 per cent of an increase of 8,000 in the number of immigrant arrivals in the first five months of the year compared with a similar period last year.

Figures released today by the Immigration Department show that immigration rose 13 per cent to 67,955 in the five-month period from 59,960 last year.

Arrivals from Italy and Portugal - countries with which Canada has just concluded trade treaties - contributed 5,536 of the 7,995 increase in total arrivals. Italian immigration jumped 4,646 to 10,839 from 6,193 while Portuguese arrivals rose to 1,058 from 168, an increase of 890.

This pushed total arrivals in the category which includes all countries except Britain, the United States and Northern Europe to 18,563 in the five-month period from 12,895, an increase of 44 per cent.

Immigration officials said there is no connection between the higher arrivals from over-populated Italy and Portugal and recent agreements for selling more Canadian products abroad in those countries.

The Portuguese were largely farmers coming to Canada to work in vineyards and the increase in Italian arrivals resulted from greater movement of wives, children, parents, brothers and sisters of Italians now in Canada.

Each month's arrivals this year have been greater than in similar months last year. The percentage increase dropped from 44 in January, to 30 in February, 10 in March, three in April and spurted up again to 10 in May.

In the five-month period, arrivals of English, Irish, Scottish and Welsh rose to 20,571 from 18,745 while arrivals from the U.S. dropped to 3,644 from 3,956. Arrivals of North Europeans rose to 25,177 from 24,364.

Canada-U.S. Population Exchange: Toronto, July 12 (Globe & Mail) -- Canada piled up an unfavourable balance of trade with the United States in 1953, but nowhere was this deficit more pronounced than in the field of human resources.

The export of human brains and energy to the United States continues unabated in a period when Canada is reaching out to new horizons in the development of the natural resources of the country. Canada's export of population to the United States in 1953 reached a peak figure of 36,283, nearly 15,000 higher than in 1950.

But most serious is the loss of professional and semi-professional persons looking across the border for better and bigger opportunities. Last year the number of professionals who gravitated to the United States climbed to 3,600 - but most startling was the fact that in a period of a critical shortage of nurses, 1,055 trained and student nurses left this country for jobs in the United States, 230 more than in 1950.

On the other side of the ledger is the increased flow of professional people from the United States into Canada to take advantage of the developments in this country.

In 1953, 9,379 citizens of the United States took up residence in Canada, and of these 1,381 were of the professional class. The 1953 influx of professionals represents a jump of more than 100 per cent over the number who came to Canada from across the line in 1952.

Duke Of Edinburgh's Visit: Ottawa, July 9 (CP) -- The Duke of Edinburgh will make two speeches during his Canadian visit this summer - one to the Vancouver Canadian Club and the other over a network of ham radio stations from Yellowknife, N.W.T.

On his 15,000-mile tour, he will travel by R.C.A.F. C-5, Otter, Canso and Dakota aircraft, Navy cruiser, car, rail and Royal yacht.

The State Secretary's Department today issued a detailed itinerary for the Duke's visit, which starts at Ottawa, July 29 and ends at Goose Bay, Labrador, Aug. 17.

Philip will leave London July 28 aboard the R.C.A.F.'s luxury aircraft, the C-5, and arrive here the following morning.

Across Canada: Mr. Robert Saunders, Chairman of the Ontario Hydro Electric Power Commission, said Friday first tenders on the St. Lawrence power project have been called. Bids have been asked for a large office building in the area of the power dam near Cornwall. . . . Canadian music may soon gain wide audiences throughout the world through a pact between the British Broadcasting Corporation and the Canadian Composers' League. Prof. Alexander Brott, head of the string department of the McGill faculty of music, who arrived in Montreal Saturday aboard the Canadian Pacific liner Empress of Australia, said negotiations between the two bodies are expected to open shortly, according to the Montreal Gazette. . . . Prime Minister St. Laurent led his fellow citizens in a tribute to Senator W.A. Buchanan who died at his home in Lethbridge.



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Vol. 5, No. 133.

Tuesday, July 13, 1954.

Wheat Exports Drop 30 Per Cent: Ottawa, July 12 (Journal) -- Canada's wheat exports dropped by 30 per cent in the first 10 months of the current crop year, leaving a surplus of 614,500,000 bushels on June 1 - equivalent to all the wheat she produced in 1953.

The Bureau of Statistics, in its monthly review of the wheat situation, estimated today that Canada exported 208,700,000 bushels of wheat, and flour in terms of wheat, in the period August 1, 1953 - May 31, 1954.

This was a drop of 88,800,000 bushels or 30 per cent from the 297,500,000 shipped in the similar period of the previous crop year. However, the Bureau noted that United States exports dropped by 39 per cent and those of Australia, another major wheat exporter, by 38 per cent.

U.S. shipments declined to 169,900,000 bushels from 279,900,000 and those of Australia to 52,300,000 from 84,800,000. In contrast, Argentina, another big exporter, made a spectacular comeback from a crop failure year to boost exports to 94,100,000 from 19,200,000.

Though Canada's exports declined, her share of the world market remained fairly constant, the Bureau said. Her shipments in the 10-month period represented 39.8 per cent of the world market, down from 43.7 per cent in the previous year. The U.S. share dropped to 32.4 per cent from 41.1, and Australia's to 10 from 12.4. Argentina's share rose to 17.9 from 2.8.

Total shipments of all the four major exporting countries - Canada, U.S., Australia and Argentina - declined to 525,000,000 bushels in the 10 months, down from 681,500,000 in the similar period of the previous year. Their total stockpile on June 1 amounted to 1,725,100,000 bushels, some 40 per cent larger than the 1,232,100,000 a year ago.

World wheat production this year may drop slightly from the near-record 7,150,000,000 bushels produced last year, the Bureau reported.

Canada's unsold stockpile on June 1 totalled 614,500,000 bushels, 157,300,000 greater than the 457,200,000 on June 1 last year. The stockpile was equivalent to the near-record 614,000,000 bushels produced last year.

Exports under the International Wheat Agreement totalled 87,893,000 bushels in the period August 1, 1953 - June 22, 1954, just a little more than half the 163,231,000-bushel export quota set for Canada for the full year. Shipments of wheat and flour to Britain, which is not a member of the I.W.A., totalled 52,000,000 bushels in the August-May period.

C.C.L. Seeks Greater Unemployment Insurance Benefits: Ottawa, July 12 (CP) -- Greater unemployment insurance benefits were sought today by the Canadian Congress of Labour in a series of proposals to the Unemployment Insurance Advisory Committee.

The 375,000-member labour union urged that the present maximum benefits of about \$26 weekly for workers who earned \$48 or more weekly be increased to a figure calculated on a similar actuarial base for workers who earned \$48 and \$59.99 and those who earned \$60 or more weekly.

Among other C.C.L. proposals were:

1. An increase to \$15 from \$12 in the maximum amount a recipient of unemployment insurance may earn weekly at casual jobs in addition to his unemployment insurance.

(over)

2. That "participation in a work stoppage" be considered a reason for extending beyond two years the period of qualifying for unemployment benefits.

3. Elimination of the five-day waiting period before benefit payments start and payment of compensation for the first day of unemployment.

4. Elimination of a regulation requiring that married women must have worked 60 days following marriage in a different job from that held before marriage in order to qualify for benefits.

5. Higher supplementary benefits for those who have exhausted their regular benefits.

Grain Delivery: Ottawa, July 12 (T&C)-- Mr. Howe announced today that provision is being made for the full delivery of the general quota of 7 bushels per specified acre at all delivery points in the Prairie Provinces by July 31. Mr. Howe pointed out that producers' marketings of all grains during the crop year 1953-54 have now exceeded 525 million bushels, and that before the crop year ends on July 31 these marketings could range from 575 to 600 million bushels.

As far as producers' marketings are concerned, the crop year 1953-54 will be one of the larger years in history, although smaller than the record year of 1952-53. This is particularly gratifying, he said, in view of the fact that grain storage facilities in Canada were almost completely filled at the start of the present crop year.

Across Canada: Attendance for the second week of the Stratford Shakespearean Festival was better than 90 per cent of the seating capacity, 13,075 patrons seeing four showings of Measure For Measure and three of The Taming of the Shrew, C.P. reported from Stratford. . . . A giant refrigerator may prove the key to the first successful development of Saskatchewan's huge potash reserves. The refrigerator will have pipes running hundreds of feet into the ground around a 12½-foot shaft being bored by the Western Potash Company of Calgary in search of the fertilizing mineral near Unity, C.P. reports.

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Vol. 5, No. 134.

Wednesday, July 14, 1954.

Crude Petroleum Replaces Gold As Leading Mineral: Ottawa, July 14 (Dept. M. & T.S.) -- Canadian crude oil production in 1953 totalled 80,904,402 barrels, valued at \$197,294,232, an increase of 19,667,080 barrels over 1952. Average daily output was 221,656 barrels compared with 167,773 barrels in 1952 and potential output was estimated at 345,000 barrels a day, an increase of about 63,000 barrels a day over 1952.

Alberta accounted for 95 per cent of the production, and Saskatchewan, which doubled its 1952 production, 3.5 per cent. The remainder came from Manitoba, the Northwest Territories, Ontario, and New Brunswick. In value of production crude petroleum became Canada's leading mineral replacing gold which had held this position for over 20 years.

During 1953 the 718-mile Trans Mountain pipe line from Edmonton to Vancouver, was completed and the Interprovincial pipe line from Edmonton to Superior, Wisconsin, was extended 643 miles to Sarnia, Ontario, making the 1,765-mile line the world's longest oil pipe line.

Canadian refinery capacity was increased 70,250 barrels to 528,650 barrels a day, double that of 1947.

At present transportation costs, Canadian crude petroleum would not be competitive with imported oil in the large Montreal refinery centre but it is anticipated that export markets will be developed in the Puget Sound area of Washington and along the general route of the Interprovincial pipe line system, particularly in Minnesota. Access of Canadian crude oil to these markets would tend to offset imports into the Montreal area and the Maritimes, and thereby enable Canada eventually to become self-sufficient on trade balance in crude petroleum.

Imports into Canada in 1953 consisted of 81,627,467 barrels of petroleum for refining valued at \$213,093,794 and 33,858,946 barrels of refined petroleum products valued at \$149,809,704.

Exports of crude petroleum all of which went to refineries near Superior, Wisconsin, amounted to 2,507,314 barrels valued at \$6,227,828. Refined petroleum products exported totalled 352,413 barrels valued at \$1,613,581.

Dr. Guthrie To Return For 1955 Shakespearian Festival: Stratford, Ont., July 13

(CP) -- Dr. Tyrone Guthrie, internationally known director, will return next summer for his third year with the Stratford Shakespearian Festival, it was announced today.

But Mr. Cecil Clarke, also connected with the festival from its inception, said he cannot return for the 1955 season.

Dr. Guthrie is directing two of the three plays to be presented this year. Mr. Clarke is artistic director and is directing the third play.

Mr. Clarke's decision not to return means that his wife, Jacqueline Cundall, in charge of construction of all properties and jewelry for the two festival seasons, also will not be back.

This year one of her major tasks was the creation of the remarkable masks to be used in "Oedipus Rex", the one non-Shakespearian play on the list.

Dr. and Mrs. Guthrie and Tanya Weisewitch, designer for the Festival, will fly to England Friday, the day after "Oedipus Rex" opens.

Dr. Guthrie said there is a strong possibility that the 1955 season will see production of one of Shakespeare's major tragedies. Some re-

viewers criticized the choice of plays this year.

When he returns to England, Dr. Guthrie will start work on his production of Thornton Wilder's "The Matchmaker", for the Edinburgh festival.

Increases Unofficially Reported For Deputy Ministers: Ottawa, July 13 (CP) -- The Cabinet has increased the salaries of some Deputy Ministers to \$20,000 from \$15,000 a year, a Treasury Board official said today. The increases, approved by Order-in-Council a few days ago, are retroactive to July 1.

At the same time, the Cabinet increased the salaries of other Deputy Ministers in the \$13,500-class to a minimum of \$15,000.

Some of the Deputies have not had salary raises since 1947. Others have had periodic increases in the last seven years. At the same time, salary readjustments are expected to be made shortly for senior civil servants in the \$10,000-a-year group such as assistant Deputy Ministers and chairmen of various Government boards.

The increases follow a general salary revision for all civil servants in the last year and salary boosts for Cabinet Ministers and other Members of Parliament which were approved at the last session.

Across Canada: A brief representing the views of some of the residents who will be flooded out of their homes by the St. Lawrence seaway is expected to be presented to Premier Frost and his special St. Lawrence committee of the Cabinet on Wednesday. The committee probably will also hear from at least two municipalities opposed to the route of the 80-mile stretch of the trans-provincial highway which the Premier is expected to announce. . . . More than 30,000 acres of rich farmland in the Southwestern Manitoba district of Pipestone were under water Tuesday night as residents prepared for a still higher crest on the rampaging Pipestone Creek. Swollen by heavy rains in Saskatchewan, the creek swept over its banks during the weekend, forcing at least a dozen farmers to evacuate their homes and isolating many others. Crops in the flooded area were expected to be a total loss, according to C.P.



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Vol. 5, No. 135.

Thursday, July 15, 1954.

St. Lawrence Highways And Parks System: Toronto, July 15 (Globe & Mail) -- Premier Frost of Ontario officially unveiled plans for new highways and a parks system along the St. Lawrence River yesterday to representatives of the municipalities to be affected by the power and seaway project.

He confirmed newspaper reports of a new \$30,000,000 section of the Trans-Provincial Expressway from Brockville to the Ontario-Quebec border and of relocation and rebuilding of large sections of No. 2 Highway.

A series of parks selected for their scenic beauty, recreational possibilities and convenient location to communities along the river was proposed by Mr. Frost. He said a scenic highway will be built at the Long Sault connecting the islands in the river with the Ontario shore.

The pattern established at Niagara Falls will be followed in dressing up this scenic highway and the lands around it. Mr. Frost promised that ample funds would be available to finance the parks but would not say that water rentals to be paid by Ontario Hydro would be turned over, as they have been at Niagara, for parks purposes.

The needs of the communities to be re-established because of flooding will receive special attention, he said, and the parks and scenic highway should provide the area with a valuable asset for the convenience of the residents and as an attraction for visitors.

As agreed between the Province and the federal Government in 1951 a parks commission will be appointed to administer the parks in the vicinity of the St. Lawrence development and to safeguard and enhance the scenic beauty and historical nature of the area.

Air Cadets' European Visit: Ottawa, July 14 (CP) -- Thirty-four Air Cadets next month will return the visit made to Canada two weeks ago by Sir Winston Churchill.

A visit to the British Prime Minister at his country home at Chartwell Aug. 13 will highlight a summer tour of the United Kingdom and Europe by the teen-age Royal Canadian Air Cadets.

The group will leave Montreal July 22 by R.C.A.F. North Star and return Aug. 17. Early in their visit, they will tour London, Cambridge and two R.A.F. colleges.

Eight of the Cadets will make a 21-day side trip to Europe - two each going on sightseeing tours in Norway, Sweden, Holland and Denmark. The other 26 will visit York, Edinburgh, the Isle of Man and a number of other English centres.

The visit to Sir Winston will be followed by a final two days of sightseeing in London.

Says West To Supply Nation's Oil Needs: Calgary, July 15 (CP) -- Mr. R.H.C. Harrison, President of the Canadian Petroleum Association, said here that Western Canada will be producing enough oil within five years to meet the whole country's needs. Mr. Harrison spoke to more than 300 delegates to the 11th annual convention of the National House Builders' Association here.

He said that in 1946, Canadian production was able to supply only 9.4 per cent of the national demand of 222,000 barrels daily. In 1953, however, the daily demand had increased to 514,000 barrels of which home producers provided 221,000.

"The most important question facing the oil producers is that of markets," Mr. Harrison said. "If our crude oil is to find a market it must displace crudes which are being obtained from other sources. It must be available at a competitive price."

Top Civil Servants' Salary Increase: Ottawa, July 14 (CP) -- A general salary increase for top-ranking civil servants, the first since 1947, has put four men into the \$20,000-a-year class.

An announcement by the Prime Minister's office today said the Cabinet has boosted the pay of 27 officials - Deputy Ministers and a few other officers. The raises are effective last July 1.

Top pay of \$20,000 goes to Deputy Finance Minister Kenneth Taylor, Deputy Justice Minister F.P. Varcoe, Deputy Defence Minister C.M. Drury and Auditor General Watson Sellar. Mr. Taylor previously received \$17,000 and the others \$15,000.

Three others, in the group of senior officials whose minimum pay has been \$15,000 since 1947, have been raised to the \$17,500 class.

To Pilot Duke's Plane: Ottawa, July 14 (CP) -- The same pilot who led the global flight of Prime Minister St. Laurent this year has been chosen as captain of the Duke of Edinburgh's flight for his Canadian tour.

He is Wing Cmdr. H.A. Morrison, 33, of Winnipeg and Lauder, Man., who commands No. 412 Squadron which operates long-range aircraft from nearby Rockcliffe Airport.

During his tour, the Duke will fly in several different types of aircraft, making the longer trips in the C-5 luxury plane which is attached to No. 412 Squadron.

Crop Growth Rapid: Ottawa, July 14 (CP) -- Prairie grain crops, helped by warmer weather and adequate moisture supplies, are making rapid growth, the Bureau of Statistics reported today.

The Bureau noted a general improvement in prairie crop conditions during the last week, in the ninth of 14 telegraphic crop reports with data up to late yesterday.

Early-seeded grains are heading, especially in southern areas, but with a large part of the grain seeded late, development is varied, the report said.

Toronto Heat Wave: Toronto, July 15 (Globe & Mail) -- The mercury rose yesterday to the highest point it has reached on a July 14 in 86 years - 93.3 degrees, and there was a possibility it was the hottest July 14 for 113 years.

Records list July 14, 1868, with a temperature of 93 degrees, but Malton weather office said the tenths of degrees were disregarded in these records.

The heat caused a water-restriction order to be issued by the City of Toronto.

Across Canada: A monument to Sir Wilfrid Laurier will probably be erected in October in a Lower Town park of Quebec City. Mr. Emile Brunet, Canadian sculptor who has been commissioned for the work, visited Lt.-Col. Oscar Gilbert, Chairman of the Monument Committee, during the week-end and said the bronze statue will be shipped from Paris to Quebec in September, according to C.P. . . . Carloadings in Canada in the first half of 1954 totalled 1,745,416, a reduction of 193,778 or 9 per cent, from a year ago and 258,686 or 12 per cent below the 1952 period, according to the Bureau of Statistics. Chief decline from 1953 was 41 per cent in grain loadings at 151,169 cars against 259,917. . . . Kansas City Osteopath L. Raymond Hall says about 225,000 people will die from cancer in the United States this year, half of them needlessly. He told the American Osteopathic Association's annual convention at Toronto that the cancer death rate could be halved if all doctors used present-day methods of diagnosis and if people consulted their doctors in time.

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Vol. 5, No. 136.

Friday, July 16, 1954.

U.S. Capital Investment In Canada \$8,600,000,000: Ottawa, July 16 (DJ) -- United States investors poured \$600,000,000 into Canada in 1953, bringing the total of their capital investments to \$8,600,000,000 at the year-end, according to the annual report of the Bureau of Statistics.

The 1953 total is the highest on record and represents a 72 per cent increase in the postwar period from the \$5,000,000,000 total at the end of 1945.

Increase in direct investments during 1953 amounted to \$500,000,000 of which \$330,000,000 was new money and most of the rest was from re-investment of profits from Canadian subsidiaries.

Capital inflow from United States of \$155,000,000 for direct investment in oil exploration development and refining and \$104,000,000 in mining were at new peaks. . . .

U.S.-Canada Joint Expedition Into Arctic: Victoria, July 15 (CP) -- A Canadian scientist will head an expedition from here Saturday when a U.S. ice-breaker and a Coast Guard cutter sail for the Arctic.

Dr. William Cameron, of the Defence Research Board, Ottawa, will lead seven Canadian and seven U.S. researchers in USS Burton Island and the cutter Northwind.

The ships will penetrate the Northwest Passage to Banks Island and McClure Strait, approximately 1,500 miles north of Edmonton.

They will be the first ships to reach the area since the Investigator was abandoned there 100 years ago during the hunt for Arctic explorer Sir John Franklin. The expedition is due to return late in September.

Dr. Cameron, in an interview here, said the scientists will use every opportunity to chart the bottom of the ocean, ocean currents, temperatures and movement of ice.

They will also check the effect of wind on the ice movement, get corrected positions of land masses and conduct various biological studies.

Data compiled will be valuable in case of war, while biological investigations of fish may be of use to the Eskimo.

"The whole thing is really part of the North American continent's increasing interest in the Arctic, from a point of view of both defence and resources," said Dr. Cameron.

Stratford Shakespearian Festival: Stratford, July 15 (CP) -- A 2,500-year-old classic of the theatre, Oedipus Rex, had its premiere performance here tonight as the third production of the second annual Shakespearian festival.

The seldom-produced Greek tragedy, written by Sophocles in the 5th century B.C., was chosen by Director Tyrone Guthrie as a "decisive step forward this year" in the festival which has attracted international attention to this city.

James Mason plays the title role in the spectacular production, which follows some of the traditions of the ancient Greek stage ritual.

Mr. Mason also has a leading role in Measure for Measure - directed by Cecil Clarke - one of the two Shakespearian plays this summer. The other play, Taming of the Shrew, has Bill Needles of Kitchener and Toronto and Barbara Chilcott of Toronto in lead roles.

Eleanor Stuart of Montreal, one of Canada's most distinguished actresses, plays Jocasta, wife-mother of Oedipus in the Greek play.

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Mr. Coldwell On World Affairs: Saskatoon, July 15 (CP) -- The national leader of the C.C.F. said Wednesday if France had followed the policy of the British Labour Party in India there would be no war in Indo-China today.

Mr. M.J. Coldwell, speaking to the annual Saskatchewan C.C.F. Association convention, said: "We are still engaged in the great struggle for men's minds. If we are going to win the battle we must give people not lectures in democracy but the opportunity to live more fruitful lives in their own land."

He voiced criticism of U.S. handling of foreign affairs, but said: "I believe that our External Affairs Department in Ottawa has been wise in saying that it will not be involved in an Indo-China venture."

Speaking of farm prices and surpluses, Mr. Coldwell said "the nation must undertake the distribution of surpluses immediately. The great battle being waged in the world will not be won by bombs. It will be won only by raising our standards of living, the elimination of depression and want".

C.B.C. Signs Collective Agreement: Ottawa, July 15 (CP) -- The C.B.C. and the Association of Radio and Television Employees of Canada have signed their first collective agreement.

The agreement, covering more than 1,300 office and studio production workers across Canada, will take effect Aug. 1, but will bring a 6 per cent pay increase, retroactive to Feb. 1, for all employees in the bargaining unit.

The agreement was signed by Mr. J.A. Guimet, C.B.C. General Manager, and Mr. E.F. Wilcox, Executive Secretary of the Association a joint statement said today.

The C.B.C. and the Association agreed to a modified Rand formula of union security whereby union dues will be deducted at source from all Association members, and from all new employees.

Across Canada: One of Canada's top doctors will direct a new psychiatric and neurological treatment service for inmates of Ontario's prisons. He is Dr. F. Van Nostrand, now director of these services at Sunnybrook Hospital. His appointment was announced yesterday by Ontario Reforms Minister Foote who said the new director will assume his duties with the Department Sept. 1. . . . Hal. C. Banks, Canadian Director of the Seafarers' International Union, has been granted leave to appeal an order for his deportation, Mr. C.E.S. Smith, Director of Immigration, at Ottawa, told The Gazette last night. Banks, an American citizen, has been under attack in the House of Commons by Opposition members who charged that he should never have been admitted to Canada because of his court record in the United States. . . . Veterans Affairs Minister Lapointe was slightly injured yesterday in a head-on automobile collision just east of Ottawa. . . . Premier Duplessis is on a visit to the United States to take in some of his favourite sport - baseball - and visit friends, a National Union Party spokesman said last night.

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Vol. 5, No. 137.

Monday, July 19, 1954.

Planes For Turkey, Greece: Ottawa, July 18 (CP) -- Prime Minister St. Laurent said today the transfer of 82 Canadian Sabre jets to Turkey will increase confidence in Turkey's ability to contribute to the defence of peace under the North Atlantic Treaty Organization.

The statement was contained in a message, released here, which was read at Ankara at a ceremony in which the first six planes were turned over to the Turkish air force.

Mr. St. Laurent's message, read by the Canadian Ambassador to Turkey, Mr. H.O. Moran, said some of the Canadian jets undoubtedly will be flown by Turkish pilots trained in Canada under the NATO air training programme. "In giving these fighter aircraft to the Turkish air force," he said, "Canada will feel an even greater confidence -- which will be shared by your other NATO partners -- in your ability to continue to contribute to the defence of peace and the promotion of security."

The External Affairs Department also released the text of a message from Lord Ismay, NATO Secretary-General, read at the ceremony. He said the planes are being given under mutual aid "for assignment in a new country, but always for the same cause, the preservation of peace."

A further 82 planes are being turned over to Greece by the RCAF, with the first six to be delivered on Tuesday at Athens. They are being taken from the RCAF air division in Europe, and will be replaced by improved models of the Sabre jet now being produced in Canada.

Wheat Price Maintained at \$1.40: Ottawa, July 16 (CP) -- In the face of heavy stocks and lagging markets, the Government today maintained the initial price of wheat at \$1.40 a bushel.

The initial price is unchanged from the last three years. So are the initial prices of oats and barley -- 65 cents a bushel for oats and 95 cents a bushel for barley.

The initial price is that paid by the Canadian Wheat Board for farmers' deliveries at the opening of the crop year, August 1. About the middle of the year, when the Board has made sufficient sales to indicate profits, an interim payment of about 20 cents a bushel is usually made, covering all deliveries since the start of the crop year. However, there has been no interim payment on the 1953 wheat crop beyond the initial price.

When the crop year ends and the Board settles its accounts, it distributes remaining profits to farmers in the form of a final payment.

The \$1.40 initial wheat price is that for No. 1 Northern at the Lakehead or West Coast. The 65-cent price for oats is that for No. 2 Canada Western at the Lakehead and the 95-cent price for barley for No. 3 C.W. Six-Row at the Lakehead.

Harold C. Banks To Remain In Canada: Ottawa, July 16 (CP) -- Harold C. Banks, Canadian Director of the Seafarers' International Union (AFL-TLC), was allowed to remain in Canada after it was learned he had been pardoned following a conviction in the United States, Finance Minister Harris said today.

Mr. Harris, acting in his former capacity as Immigration Minister, made the statement in a press release outlining the Government's grounds for reversing a deportation order against Mr. Banks.

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Mr. Butler's Son Aide-de-Camp: Ottawa, July 16 (CP) -- Canada's Governor-General has again drawn the son of a British Cabinet Minister as his aide-de-camp.

Adam Butler, 22, son of the Rt. Hon. R.A.B. Butler, British Chancellor of the Exchequer, has arrived at Government House to take up his new job.

He has served with the King's Royal Rifle Corps and is being commissioned a captain in the Queen's Own Rifles of Canada.

Wheat Exports Drop 30 Per Cent: Ottawa, July 17 (CP) -- Canada's wheat exports dropped by 30 per cent in the first 10 months of the current crop year, leaving a surplus of 614.5 million bushels on June 1 -- equivalent to all the wheat she produced in 1953.

The Bureau of Statistics, in its monthly review of the wheat situation, estimated that Canada exported 207.7 million bushels of wheat, and flour in terms of wheat, in the period August 1, 1953 to May 31, 1954. This was a drop of 88.8 million bushels or 30 per cent from the 297.5 million shipped in the similar period of the previous crop year.

Across Canada: The Ontario Federation of Agriculture said at the week end, according to the Globe and Mail, that Trade Minister Howe has given assurances that steps are being taken to provide storage for Ontario winter wheat in eastern terminals which normally handle this grain, but which at present are glutted. The Federation said in a statement that Mr. Howe had advised that steps to this end now are being taken by the Federal Transport Controller. . . . Maj.-Gen. George P. Vanier, honorary colonel of the Royal 22nd Regiment and former Canadian Ambassador to France, has completed a two-day visit to the 1st Canadian Infantry Brigade in Germany, according to C.P. from Soest. . . . Auditor-General Watson Sellar said today the Government can't raise his salary \$5,000 a year -- at least, not the way it was done. Mr. Sellar was one of 27 top civil servants, deputy ministers and senior officials, whose salaries were increased July 6 by order-in-council. Mr. Sellar's pay was boosted to \$20,000 from \$15,000. The Auditor-General, whose job is to see that all Government spending is done in legal fashion, said his salary is set out by statute. . . . The executive of the B.C. Progressive Conservative Association approved by a 40-24 vote Saturday night a motion of non-confidence in Mr. Drew, C.P. reported from Vernon, B.C.



# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 138.

Tuesday, July 20, 1954.

Indo-China Armistice Commission: Ottawa, July 19 (CP) -- Canada is willing - in principle, at least - to serve on an Indo-China armistice commission, informants said today. But until there is a formal request from Geneva, outlining the status of such a commission and what exactly it would be expected to do, no decision can be taken.

Press despatches from Geneva said Canada, India and Poland had been asked to serve on an armistice commission, but at a late hour today no request had been received here from the Geneva conference.

Alberta's Crude Oil Production Jumps: Calgary, July 20 (CP) -- Alberta's daily average crude oil production amounted to 271,313 barrels during the week ending July 12, according to the Petroleum and Natural Gas Conservation Board.

This figure betters the previous week's output by 76,439 barrels per day, and exceeds production for the same period a year ago by 5,848 barrels daily.

The past week's production came from a total of 4,801 wells capable of producing, an increase of nine over the previous week and 696 more than a year ago.

Redwater, Canada's prolific D3 oilfield, had a daily average of 87,778 barrels, an increase of 33,110 barrels per day over the week previous. Leduc-Woodbend averaged 56,050 barrels per day, to show an increase of 2,192 barrels daily.

Drilling in Western Canada during the past week resulted in the completion of 47 wells while 56 new locations either started drilling or were staked. In preceding week there were 41 completions and 48 new starts.

Of the completions, 24 were new oil producers, 21 were abandoned and two were completed as potential gaswells.

Sale Of Liquor On Trains: Toronto, July 20 (Globe & Mail) -- Canada's two main railways have been licensed by the Ontario Liquor License Board to sell liquor on transcontinental trains passing through Ontario but lack of supplies and minor legal obstacles will delay sale for some time, it was learned last night.

Queen's Park officials said licenses were mailed to the railways over the weekend. These licenses permit the railways to sell beer, wine and liquor in dining cars and club cars but sale will not start until officials of the various provincial liquor boards affected have agreed on a procedure for handling liquor being transported across provincial boundaries.

The first legal obstacle in the path of selling liquor on the trains is a federal Government statute which says that no liquor may pass from one province to another unless it is consigned to the executive officer of the liquor board of the province concerned.

This statute, Queen's Park officials explained, would stop Quebec liquor coming into Ontario on the transcontinental train which leaves Montreal at 8:30 p.m.

What will probably happen is that Quebec liquor will be locked up at the provincial boundary and Ontario liquor sold while the train is in this province. Another provincial boundary will loom up when

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the train reaches Manitoba and here the Ontario liquor will have to join the Quebec liquor under lock and key. Through Manitoba, Saskatchewan and Alberta the drinker faces drought.

When the train reaches the British Columbia boundary, only liquor sealed by that province's liquor control board can be legally sold. . . .

C.N.E.'s Problem Of Feuding Unions: Toronto, July 20 (Globe & Mail) -- It became official last night the Canadian National Exhibition grandstand show will be less grand than in former years. C.N.E. General Manager, Hiram McCallum had set Monday night as the deadline for two feuding unions to iron out their differences.

The day passed with only an angry statement from the American Guild of Variety Artists, which referred to Mr. Walter Murdoch, President of the Toronto Musicians' Union as "Dictator Murdoch," and an angry statement from Mr. Murdoch on the subject of a news story in The Telegram.

A meeting between C.N.E. officials and Mr. Murdoch is scheduled for Thursday, but Mr. Murdoch said matters other than the grandstand show will be discussed, the Labour Day parade and C.N.E. band concert.

"As far as we are concerned, the show is cast," the Musicians' Union President declared.

This means the presentation of cowboy star Roy Rogers, his wife Dale Evans and their respective horses, with a group of imported variety acts, Toronto performers who resigned from A.G.V.A. to join the Musicians' Union will be left out. A.G.V.A. says they must come back into A.E.V.A. to play the C.N.E., and their contract with the exhibition makes this a condition of employment.

20,000 Delegates For Witnesses' Convention: Toronto, July 20 (Globe & Mail) -- Three special trains, two from New York and one from Montreal, will bring many of the 20,000 delegates from the United States and Canada to attend a five-day assembly of Jehovah's Witnesses starting here Wednesday.

Meetings in the Canadian National Exhibition grandstand will open with an hour-long session in French for the 1,700 delegates from Quebec.

Across Canada: The International Nickel Company of Canada charged before a conciliation board that sabotage occurred in Sudbury district nickel mines during a dispute between the company and the International Union of Mine, Mill and Smelter Workers (Ind.). . . . The North-West Line Elevators Association and the Terminal Elevator Operators of Fort William and Port Arthur yesterday asked the Board of Grain Commissioners to increase rates for handling grain and to increase terminal storage charges, C.P. reported from Winnipeg. . . . The Progressive Conservative party yesterday lost its lone representative in the British Columbia Legislature when Dr. Larry Giovando quit the party and said he would sit as an Independent.



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Vol. 5, No. 139.

Wednesday, July 21, 1954.

Supervisory Commission For Indochina: Ottawa, July 20 (Globe & Mail) -- The Government today indicated Canada's willingness to serve on an international commission if such were set up at the Geneva Conference to supervise an armistice in Indochina.

The following statement was issued by the External Affairs Department: "The Government will give immediate and sympathetic consideration to any request from the Geneva Conference to serve on the international supervisory commission for Indochina.

"No final decision, however, can be reached pending the receipt of a formal invitation from the Conference and of full information as to the functions and terms of reference of the commission and the obligations which membership on it will entail."

Sharp Increase In Employment: Ottawa, July 21 (Dept. of Labour) -- There was a sharp increase in employment in outdoor activities during the four weeks ending June 19. It is estimated that the number of persons at work increased by about 90,000, compared with about 64,000 during the same period in 1953. Unemployment fell during the month, although proportionately slightly less than last year, the Department of Labour announced in a statement on July 21.

While all labour market areas felt the effects of the seasonal increase in employment, the areas in the Prairie region showed the greatest change largely because of high levels of construction activity. For Canada as a whole, 41 areas were in the balanced labour market category, compared to 79 last year; 62 were in the moderate labour surplus category, 21 a year ago; five areas were in the substantial labour surplus category, none last year; one was in the shortage category compared to nine a year ago.

Manufacturing employment showed no marked change over the month apart from substantial lay-offs of short and indefinite duration in the motor vehicles and parts industries.

The civilian labour force totalled 5,462,000 in the week ended June 19, 1954, compared with 5,392,000 in the week ended May 22, 1954. These estimates are obtained from the monthly labour force survey conducted by the Dominion Bureau of Statistics.

Of the 5,462,000 in the labour force, 4,826,000 or 88.4% worked full-time (defined as 35 hours or more) in the June survey week. 345,000 or 6.3% worked less than 35 hours, 106,000, or 1.9% had jobs but did not work during the survey week, and 185,000, or 3.4% did not have jobs and were seeking work. Classed as not in the labour force are such groups as those keeping house, going to school, retired or voluntarily idle, too old or unable to work, and these numbered 4,778,000.

In the past, certain remote and relatively inaccessible areas of Canada have not been included in the estimates. In May, 1954, the sample design was altered so that totals would include estimates for these areas in Ontario, although, for cost reasons, they are given no chance of selection for enumeration. This resulted in an increased wood has about 0.6 per cent for Canada as a whole and this percentage can be applied to previous figures for purposes of comparability in characteristics.

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During the corresponding week in 1953, there were 5,387,000 in the labour force of whom 4,888,000 worked full-time. 284,000 worked less than 35 hours, 125,000 had jobs but did no work during the week, and 90,000 did not have jobs and were seeking work. There were 4,633,000 classed as not in the labour force.

Mr. Justice Abbott: Ottawa, July 20 (CP) -- Mr. Justice Douglas Abbott will step into the robes, though not the position, of former Chief Justice Thibaudeau Rinfret who retired June 22.

Following the practice of the last few decades, the former head of the Supreme Court of Canada has handed down his expensive scarlet silk and ermine robes to the former Finance Minister, who was appointed July 1.

Mr. Justice Abbott will wear the robes first at the opening of the Supreme Court's fall term, expected to be on the traditional first Tuesday in October, this year Oct. 5.

25th's Adopted Village: With Canadians in Korea, July 20 (CP) -- Canadian soldiers in Korea have contributed more than \$3,000 in a voluntary fund-raising campaign to support their recently-adopted village of Chirmokchong. The tiny community is located within the Canadian sector of the truce demarcation zone.

Lt.-Col. W.M. Sinclair, of Halifax, chairman of the campaign committee, said that already 600 live chickens have been bought and distributed among the village's inhabitants. Next step is to buy other livestock to assist the destitute Koreans in their rehabilitation.

Since resettling on the 400-acre site recently - the village was demolished during the Korean War - some 100 families have cultivated nearly all their land.

Construction will start soon on a five-room school and later a warehouse for storage of crops will be erected. Both projects will be financed from money contributed by the 6,000-member 25th Canadian Infantry Brigade.

Across Canada: More than 230 French-Canadians from Quebec will invade the Edmonton district today on a 16-day tour of Western French Canadian communities. They are travelling by a special C.P.R. "friendship train". The group will visit Calgary Thursday, then proceed to Banff, Vancouver and Victoria. . . . Cheaper air freight rates could open up an entirely new field in strategic minerals in Canada's northlands, says Mr. Norman W. Byrne, consulting engineer with the Consolidated Mining and Smelting Co. of Canada Ltd., who made this statement yesterday at an Air Transport Board hearing. . . . Canada's British Empire Games team was at full strength, except for one member, yesterday at Empire Village, Vancouver. The final contingent, 45 boxers, wrestlers, weight lifters and fencers to complete the 200-member team arrived from Eastern Canada during the day.

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Vol. 5, No. 140.

Thursday, July 22, 1954.

Indo-China Armistice Commission: Ottawa, July 21 (CP) -- The question of whether Canada will serve as a member of the Indo-China Armistice Commission probably will be discussed by the Cabinet tomorrow.

However, the discussion may be somewhat academic unless the Government has received by that time a formal invitation from the Geneva conference for Canada to serve as a member.

The External Affairs Department said tonight no invitation has yet arrived, though one is expected soon. It said yesterday the Government will give immediate and sympathetic consideration to such a request but that no final decision can be reached until it is informed of the terms of reference of the commission and exact details of its job.

No Cabinet meeting had been scheduled for this week but one was arranged today.

If Canada accepts a request to serve on the commission with India and Poland, it will be accepting one of its most ticklish jobs in years, officials said.

Employment Increases Sharply: Ottawa, July 21 (CP) -- The ranks of Canada's unemployed dwindled during June, continuing the trend away from the post-war unemployment peak of last March. However, the number of jobless still ran well ahead of last year. Meanwhile, employment increased sharply to a point only slightly below last year, the Government reported today.

The Bureau of Statistics, in a survey of sample Canadian households, estimated that 185,000 persons were without jobs and seeking work in the week ending June 19, a drop of 32,000 from a month earlier but still more than double the 90,000 of a year ago.

With the Bureau's estimate, the Government released Labour Department figures showing 295,747 persons registered for work at National Employment Offices on June 17, a drop of 62,333 from the May 20 figure of 358,080 but 116,466 more than last year's total of 179,281 on June 18, 1953.

The Government said there was a sharp increase in employment in outdoor work in June and estimated the number of persons at work jumped 91,000 during the month to a high for the year of 5,171,000 in the week ending June 19.

The number of workers compared with 5,080,000 a month earlier and was only 1,000 below the 5,172,000 at work on June 20 last year.

The unemployment report brought pessimistic comments from officials of the country's big union organizations.

Find Prehistoric Indian Site Near Midland: Midland, Ont., July 21 (CP) -- An archaeologist said today he has found evidence of a palisaded Indian village, 400 feet long by 200 feet wide, built long before the white man came to Huron country near here.

"For the first time we have an opportunity to uncover in this part of Ontario a substantial prehistoric Indian site which is relatively undisturbed," said Mr. Wilfrid W. Jury, curator of the Museum of Indian Archaeology and Pioneer Life at the University of Western Ontario.

He said the site, on a farm six miles south of here, has only been surface plowed. Seven to ten inches down in the sandy loam carbonized wood has been excellently preserved.

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Uncovered were more than 500 feet in the post molds indicating extensive palisades, a protected entrance gate and a well-supported north-east corner that may have been a look-out bastion.

Mr. Jury said he discovered the remains of three longhouses -- the Indians' barrack-like dwellings -- with a long line of fire pits down the centre and a large fire pit containing big stones and chunks of clay, which may have been an oven for making pottery.

More than 8,750 artifacts so far had been removed from the site for cataloguing by the university.

"There is not the slightest evidence of European contact," Mr. Jury said. "Indeed we do not know that this is a Huron site. Certainly its Indian occupants lived many years before the natives described so fully by Champlain, Sagard and the Jesuits.

Ambassador of Uruguay: (Press Release No. 40, July 21.) -- The Department of External Affairs announced on July 21 that His Excellency Dr. Cyro Giambruno has presented to the Honourable Justice J.W. Estey, Deputy Governor General, his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Uruguay to Canada. The ceremony of presentation took place on July 21.

Across Canada: The \$4,000,000 Ontario Food Terminal in Etobicoke township of Toronto's western outskirts was officially opened Wednesday. Premier Frost, five Cabinet Ministers and 25 members of the Ontario Legislature watched as Col. T.L. Kennedy unfurled a Union Jack on top of the big wholesale produce market at the corner of the Queen Elizabeth Way and Park Lawn avenue. . . . A conciliation board majority report issued in the dispute between Ford of Canada and United Automobile Workers' Union (CIO-CCL) recommended no increase in wages for Ford workers but supported the union in refusing changes in seniority regulations. . . . The Air Transport Board reserved decision at Edmonton on an application by Associated Airways Ltd. of Edmonton for a licence to operate a scheduled air freight line from Edmonton to Yellowknife, N.W.T., Uranium City, Sask., and other northern points.

GOVERNMENT  
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Vol. 5, No. 141.

Friday, July 23, 1954.

Invitation Being Studied: Ottawa, July 22 (CP) -- Canada made it plain today that the Indo-China armistice commission must be able to act effectively before it will accept membership on it.

The Government postponed its final decision until next week on whether to accept a request from the Geneva Conference to serve on the commission with India and Poland.

Mr. Pearson told a press conference after a Cabinet meeting which discussed the request that the final decision will depend on clarification of exactly what the commission will be required to do. These details were expected in a day or two.

"If that information and the terms of reference and procedure and details are all such as to give us reasonable assurance that the commission can operate effectively and do the job it is set up to do, I think the Government will accept it."

As an example, he said there would be little likelihood that the commission could operate effectively if all its decisions had to be unanimous. If that were the case, any one of the three countries would hold veto power.

Mr. Pearson said it had been shown only too clearly in Korea that the Communist representatives could hamstring a truce body unless details of procedure and terms of reference were spelled out exactly beforehand.

Indochina Commissions: The following is the text of the formal invitation to Canada from the Geneva Conference to serve on the International Supervisory Commissions for Vietnam, Laos and Cambodia:

"July 21, 1954.

"We have the honour to address you as co-Chairmen of the Geneva Conference on Indochina which concluded its work on July 20th 1954. The Conference took note of agreements ending hostilities in Vietnam, Laos, and Cambodia, and organizing international control, and the supervision of the execution of the provisions of these agreements. In particular it was agreed that an international commission should be set up in each of the three countries for control and supervision of the application of the provisions of the agreement on the cessation of hostilities in Indochina. It was further proposed that these commissions should be composed of an equal number of representatives of Canada, India and Poland, presided over by the representative of India.

"On behalf of the Conference, we accordingly have the honour to invite the Canadian Government in consultation with the Governments of India and Poland to designate representatives to form the International Supervisory Commissions for Vietnam, Laos and Cambodia as envisaged in the agreements on the cessation of hostilities, and on supervision in those three countries.

"It is hoped that the three International Supervisory Commissions can be established on the spot as soon as possible from the date on which the cease-fire comes into force.

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"The text of the final declaration adopted by the Conference, and of all other agreements and declarations concerning the cessation of hostilities, and the organization of supervision in the three countries of Indochina will be transmitted to you as soon as possible.

"We have the honour to request an early reply which we shall at once transmit to the members of the Conference.

Signed: Anthony Eden  
V. Molotov."

Universities Show Collective Profit: Ottawa, July 22 (CP) -- Canada's larger universities and colleges, helped by increased Government grants, made a small profit, collectively, in their 1951-52 year, the Bureau of Statistics reported today.

Student fees accounted for only 30.2 per cent of their revenues, the Bureau found in a survey of 47 institutions which account for about 80 per cent of Canada's full-time enrolment in universities and colleges.

As a whole, they had a 2 per cent surplus with total revenues of \$48,221,000 and expenditures of \$47,194,000. The previous year they had a deficit of 1 per cent.

The Bureau's report shows the effect of the new federal programme of university grants based on recommendations of the Massey Commission on Arts, Letters and Sciences.

Grants are paid on the basis of 50 cents per head of population in each province and in the year under review \$6,991,000 was paid to 83 institutions in the 10 provinces.

Total federal grants that year were \$7,235,000 as against \$1,706,000 the previous year.

Grants by provincial and municipal Governments also increased so that 52.4 per cent of university income came from Government sources, compared with 24.6 per cent in 1950-51.

Student fees averaged \$286 for each full-time student. Endowments, investments and other sources made up the rest of the income. Total revenues averaged \$949 for each full-time student.

\$200,000,000 Short-Term Bond Issue: Ottawa, July 22 (CP) -- The Government has completed arrangements for selling a \$200,000,000 issue of short-term bonds to help bridge a financial gap between revenues and expenditures.

The Finance Department announced that the bonds are being sold to the Bank of Canada and the chartered banks. They are dated July 23 and mature next November 15, bearing interest at the rate of  $1\frac{1}{2}$  per cent per annum.

The issue price was 99.97, yielding about 1.50 per cent.

Across Canada: Mr. A. Gordon Murphy, port manager of Montreal for the last seven years, yesterday was appointed to the post of chief engineer of the St. Lawrence Seaway Authority. His new duties will commence almost immediately. The announcement was made by Mr. R.K. Smith, Q.C., chairman of the National Harbours Board, which administers Canada's eight major ports, according to the Montreal Gazette. . . . More than 100 members of the French Canadian Weekly Newspaper Association of Canada and their wives left Montreal and Ottawa Thursday for the 22nd annual convention of the Association to be held at the Fort Garry Hotel in Winnipeg. . . . The Canadian Trucking Association has asked the federal Government for the third successive year to amend the Transport Act to designate trucking companies as carriers. The truckers seek the change so that they may submit objections to the Board of Transport Commissioners against railway-agreed charge applications. . . . Damage up to 100 per cent to about 50,000 acres of grain was reported Wednesday following a hailstorm which swept across central Alberta.



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Vol. 5, No. 142.

Monday, July 26, 1954.

Indochina Armistice Commission: Ottawa, July 25 (CP) -- The Government faces decision on probably its most important peacetime international responsibility without an opportunity to consult Parliament.

Request from the Geneva Conference that Canada act with Poland and India on a commission to supervise the Indochina armistice found Parliament in recess until late Autumn and most of the Cabinet Ministers absent from Ottawa.

It is believed here that there would be few if any members of Parliament who would oppose Canada's acceptance of this delicate and expensive responsibility. But there is every likelihood of criticism if the Government takes on a hopeless task in the Far East.

That would partly explain why the reaction of the Government was to wait for complete details of what the supervision task would involve before making any decision.

There would also be criticism in some quarters if participation by Canada in the Geneva Conference decisions involved this country in any conflict with the United States.

However it is known to be the feeling of the Government that this country's participation in the supervisory task probably would meet with complete approval in the United States. . . .

Canada In NATO Exercise: Ottawa, July 25 (CP) -- Ships, aircraft and army units of North Atlantic Treaty forces will participate in a Northeast Europe exercise dubbed Morning Mist from Sept. 23 to Oct. 3, Defence Headquarters announced today.

Canada's part in the manoeuvres will be limited to an escort squadron composed of the destroyer Algonquin and the frigates Lauzon, Prestonian and Toronto.

The announcement said the exercise will emphasize co-ordination of inter-command operations, air-land-sea co-operation and naval control and protection of shipping.

It will take place in the northeastern Atlantic, the Norwegian Sea, the southwestern approaches to the English Channel and the Biscay area, as well as in land areas of Norway and Denmark.

Naval forces from Denmark, France, the Netherlands, Norway and the United Kingdom, as well as Canada, will take part, while the land forces of Norway and Denmark will also be exercised.

Empire, Commonwealth Games: Montreal, July 26 (Gazette) -- Friday, July 30 will bring the climax of months of planning and preparation for the C.B.C.'s coverage of the 5th British Empire and Commonwealth Games. C.B.C. radio and T.V. will combine forces to bring listeners and viewers a full view of all the major events, and the C.B.C. International Service will send daily shortwave reports to other Commonwealth countries.

More than 800 athletes from 25 nations in the British Commonwealth, from Fiji to the U.K., from the Barbadoes to India, will compete in a variety of sports events, including track and field, swimming and diving, cycling, rowing, weight lifting, fencing, lawn bowling, boxing and wrestling.

The 1954 Games will be opened on Friday evening, July 30, by Lord Alexander, the U.K. Defence Minister and formerly Governor General of

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Canada. They will be closed on Saturday, Aug. 7, by His Royal Highness the Duke of Edinburgh, who will attend the Games as official representative of the Queen. . . .

Shipments Of Newsprint: Montreal, July 26 (Gazette) -- Shipments of Canadian newsprint during June totalled 523,966 tons, an increase of 7.7 per cent over last year's June aggregate of 486,389 tons, the Newsprint Association of Canada reports. Production was also up slightly.

Canadian producers shipped 2,896,556 tons to all markets in the first six months of the current year, an increase of 4.5 per cent over the 2,770,683 tons shipped in the like period of last year.

Production during June totalled 490,726 tons compared with 463,193 tons in June, 1953. This brought production for the first six months of the year to 2,937,706 tons, an increase of 4.1 per cent over the year ago cumulative total of 2,820,831 tons.

Shipments to the U.S. during June amounted to 418,831 tons, 3.2 per cent higher than the June, 1953 figure of 405,896 tons, and bringing the six month total to 2,425,492 tons against 2,387,349 tons. U.S. consumers' stocks increased by 12,555 tons during the month, to 725,708 tons, compared with 748,474 tons at the same time last year.

Across Canada: Mr. Ernst Neumann, Montreal etcher and painter has been appointed by the Canadian Arts Council to represent Canada at the first General Assembly of the International Association of Plastic Arts, provisional commission of UNESCO, in Venice in September. Two other delegates will be appointed next month, the Gazette reports. . . . Donations by English-speaking industrialists to Laval University are "an example of co-operation" between English and French-speaking Canadians, Premier Duplessis said Friday. Mr. Duplessis enumerated some of the donations during his press conference, while talking of a recent \$100,000 gift by Mr. Vernon Johnson, President of the Canadian International Paper Company, to the faculty of forestry engineering and land-surveying at Laval. . . . Ontario's \$300,000,000 share of the mighty St. Lawrence River power project will be known as the Robert H. Saunders-St. Lawrence Generating Station, it has been announced.



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Vol. 5, No. 143.

Tuesday, July 27, 1954.

Indochina Commission: Ottawa, July 28 (CP) -- Canada will tell India and Poland that she will serve with them on the three-nation Indochina truce commission, informants said today.

Announcement that Canada will take on this ticklish international job is expected to be made late Wednesday following a meeting of the Cabinet.

Mr. Pearson said last week that the Government wanted reasonable assurance that the commission could operate effectively before Canada accepted membership on it. He added that there wasn't much chance of this if votes by the commission on all questions had to be unanimous.

Informants said today that close study during the weekend of additional information supplied the Government from Geneva on the commission's terms of reference, voting procedure and other factors showed that the truce body is workable.

They said unanimous votes will not be necessary for all questions to be decided by the commission. . . .

It is clear now that there will actually be three armistice commissions - one each for Vietnam, Laos and Cambodia.

But many other questions still are unanswered, such as co-ordination among the three commissions, who will pay for them and their composition.

Canadian make-up of the commissions probably will depend on what India does. If India picks a military man as its top commission official, Canada probably would do the same.

It has been estimated that between 100 and 200 Canadians will be needed. The big majority are likely to be drawn from the military and the rest from the External Affairs Department.

Mr. Escott Reid, Canadian High Commissioner to India, could take on the preliminary work at New Delhi until the Canadian staff had been selected. The Government wants to lose no time in the matter.

Prospective Wheat Buyers Are Guests: Ottawa, July 26 (Globe & Mail) -- With the hope of getting more wheat to the customers, the Government has embarked on a programme of bringing customers and prospective customers to the wheat.

Three representatives of the Brazilian Government arrived at Uplands Airport here today to spend some days in the country as guests of the Canadian Wheat Board.

They will remain in Ottawa until Wednesday. While here they will have talks with Government officials concerned with grain trade and will visit the Dominion Experimental Farm.

Subsequently they will travel to Fort William, Winnipeg, Regina, Calgary and Vancouver, and back to Montreal. They will be shown how the grain is grown, graded, stored, shipped and milled. . . .

The Brazilian group is the first of an as yet undecided number of small groups which will be brought to Canada to see our wheat situation.

They will be drawn from Europe, the Far East and Latin America, and from countries which are present customers and prospective customers.

R.C.M.P. Officer To Head Duke's Escort: Ottawa, July 26 (CP) -- The Duke of Edinburgh's personal escort for his 20-day Canadian visit will be headed by a 51-year-old R.C.M.P. officer selected by Buckingham Palace.

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R.C.M.P. Headquarters said today Buckingham Palace requested that police detail be placed in charge of Assistant Commissioner M.F.E. Anthony. He was chosen for the job by Palace officials on the basis of his performance as head of the police escort during the 1951 Royal tour.

The Duke's escort will also include Sgt. Charles E. Gray, 45, and Cpl. Joseph C. Stein, 41, of the R.C.M.P., and Inspector Frank Kelley of Scotland Yard. The R.C.M.P. escort detail now is in England and will fly to Canada with the Duke and his party.

Plan Metallurgical Empire For Northern B.C.: Victoria, July 26 (CP) -- The first major step towards converting Northern British Columbia and Southern Yukon wastelands into an industrial empire was taken Monday by a giant Canadian enterprise.

Frobisher Ltd., which plans a multi-million dollar hydro-electric and metallurgical empire in the area, applied to the B.C. Government for conditional water rights licences for the B.C. section of the Yukon River watershed.

A spokesman said the application was to be made "contemporaneously" with one to the federal Government for about 50 per cent of the watershed that is in the Yukon.

If the licences are granted by the end of the year, the company plans to start work on the first step in the development which will see an expenditure of about \$270,000,000 by 1962.

The eventual development could reach an expenditure of \$700,000,000.

Across Canada: Tenders were called yesterday for projects launching the power part of the vast St. Lawrence Seaway and power development. The Ontario Hydro Chairman, Mr. Saunders, said the tenders will close Aug. 24. They are for the construction of two powerhouse cofferdams and the de-watering of the powerhouse site in the International Rapids section of the St. Lawrence River, two miles west of Cornwall. . . . In large areas of Southern and Western Ontario, half-grown crops stand parched and stunted, and day after day farmers squint anxiously into the hot, rainless sky, the Globe and Mail reports. Almost all crops are suffering from lack of rain in an exceptionally dry July, according to officials of the Ontario Department of Agriculture, and there is widespread fear that yields will be drastically reduced if the weather does not change soon. . . . Durum wheat producers in Manitoba and Saskatchewan are again facing heavy losses from race 15B stem rust, Dr. F.J. Greaney of the North West line elevators said in an interview.



## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 144.

Wednesday, July 28, 1954.

Armistice Commissions Speculation: Ottawa, July 27 (Globe & Mail) -- A statement explaining the responsibilities being assumed by Canada as a member of the Indochina Armistice Commissions will be issued here tomorrow, it is expected.

The statement will be made by Mr. Pearson and will set forth the Government's reasons for accepting the invitation of the Geneva Conference to act with India and Poland on the three Commissions being set up to supervise the truce in Vietnam, Laos and Cambodia.

Before the statement is issued, it will be considered at a Cabinet meeting at which Prime Minister St. Laurent will preside. The Prime Minister is returning here from his summer home at St. Patrick, Quebec, to attend this Cabinet meeting and on Thursday to welcome the Duke of Edinburgh to the capital.

Shakespearian Festival Extended: Stratford, July 27 (CP) -- The Stratford Shakespearian Festival today announced the addition of an extra week to its season - extending the festival to August 28.

Only two plays will be presented in the added week, with Oedipus Rex being dropped from repertory for this period. Measure for Measure and Taming of the Shrew are to be presented.

Because of prior commitments, Festival star James Mason will be unable to remain for the ninth week. The role of Angelo in Measure for Measure will be played by understudy Donald Davis of the Crest Theatre, Toronto. Mr. Mason returns to Hollywood August 22.

Wheat Crop Survey: Winnipeg, July 27 (Globe & Mail) -- Prairie Canada's new wheat crop can be the smallest in five years. It may not total 500,000,000 bushels.

Wheat exceeded 600,000,000 bushels in both 1952 and 1953. This year a 10 per cent acreage cut has curtailed seeded land to 22,500,000 acres. This is the chief known factor in prospects for a smaller harvest.

Moisture conditions in Saskatchewan and Manitoba are good and in Alberta fair. Late condition figures of pools, grain companies, Government and other reporting agencies show crops ahead on most counts except acreage and time. Saskatchewan is two weeks late. This leaves too much time for new strains of rust and frost damage.

The overall moisture condition figure of 107 issued July 22 by the Searle Grain Co. would seem to suggest a potential crop of 480,000,000 to 500,000,000 bushels, except that you can't tell by moisture alone.

The Saskatchewan Wheat Pool has a different approach. It's crop index figure for July 20 was 148 or slightly down from a year ago. This figure can be projected to indicate an average of 22 bushels to the acre for Saskatchewan, which normally produces about half the Prairie wheat.

But the Saskatchewan Pool warns that this year's crop "is decidedly later than normal and therefore more menaced by frost and rust". Three years ago a mid-August frost did widespread damage in a half hour. Early seeded grain has headed out but late wheat was still in shot blade. Big frost menace is when night temperature drops

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to 28 while grain kernels are in the soft milk or dough stage. Rust is serious but so far not widespread. Lateness of the season may give the new 15b strains more scope.

There'll be very little cutting before the third week in August and operations will not be general before September. So all agencies are wary about forecasts. The Pool's index figure is excellent but few people figure on much more than a 20-bushel average yield for all three provinces. So, barring major disasters, the new harvest could be in the neighbourhood of 500,000,000.

General American Oil Co. Buyers: Regina, July 28 (CP) -- An approximate half-interest owned by Canada Southern Oils Ltd., in the Coleville-Banff heavy gravity oil field in West-Central Saskatchewan, has been bought for a reported \$4,000,000 by General American Oil Co. of Dallas, Tex.

The field was developed by the team of Canada Southern and Royalite Oil Co. Ltd. There now are 97 wells capable of production. Proven reserves have been estimated unofficially at more than 60,000,000 barrels of 14-degree gravity crude.

The transaction concerns only the Banff sand oil reserves.

Across Canada: The C.C.F. national convention opens in Edmonton today with more than 200 delegates in attendance from across the country. The delegates, including most of the party's 23 members in Parliament, will spend three days examining progress during the last year and determining party lines and policy for the future. The convention proper has been preceded by two days of behind-door deliberations by the C.C.F. National Council. . . . The sun-baked farmlands of Central and Southwestern Ontario need many hours of steady rainfall to save the parched crops, a meteorological office spokesman said last night. The weather office in Toronto said July may break all low rainfall records. Only .08 of an inch of rain has fallen at the Toronto station, compared with the normal average of  $2\frac{1}{2}$  inches. . . . The Duke of Edinburgh, a qualified R.A.F. pilot, will be able to add more than 78 passenger flying hours to his log book when he completes his Canadian tour next month, according to Canadian Press. Flying aboard the R.C.A.F.'s aircraft from London, and later in Otter and Canso planes as well, Philip will cover more than 8,000 air miles during his trip. He arrives in Ottawa on Thursday.



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Vol. 5, No. 145.

Thursday, July 29, 1954.

Indochina Truce Commissions: Ottawa, July 28 (Press Release No. 44) -- The following is the text of the statement on Canadian membership in the International Commissions for Vietnam, Laos and Cambodia, issued by the Department of External Affairs on July 28:

"The Canadian Government has today transmitted to Mr. Anthony Eden, co-chairman, with Mr. Molotov, of the Geneva Conference on Indochina, its acceptance of the invitation forwarded by him on July 21 to designate representatives to form, with India and Poland, the International Supervisory Commissions for Vietnam, Laos and Cambodia. Officials are being sent to New Delhi this week to take part in preliminary organizational discussions, prior to the actual establishment of the Commissions in Indochina. The Canadian representatives on the Commissions will be named shortly.

"The Government has decided to accept this invitation only after detailed study of the cease-fire and armistice agreements which are to be supervised by the International Commissions, and with full knowledge and appreciation of the responsibilities and difficulties that will go with membership. There are no illusions about the magnitude and complexity of the task.

"Canada is geographically remote from Indochina and her collective security responsibilities in Southeast Asia are limited to those that arise from membership in the United Nations. We know from experience, however, that just as local conflicts can become general war, so conditions of security and stability in any part of the world serve the cause of peace everywhere. If, therefore, by participating in the work of these Indochinese Commissions, Canada can assist in establishing such security and stability in Southeast Asia, we will be serving our own country, as well as the cause of peace.

"While it is a matter of regret to us that the settlement in Indochina and the supervision of that settlement are not directly under the aegis of the United Nations, the Government is satisfied that Canadian participation will be fully in harmony with our responsibilities as a member of the world organization.

"It should be emphasized that acceptance of membership on these Commissions does not mean that we have been called upon to guarantee or enforce the Indochina cease-fire. Nor does it involve any new military or collective security commitments for Canada.

"The actual execution of the cease-fire agreements is the responsibility of the two sides directly concerned, functioning through Joint Commissions established by the Armistice Agreements. The International Commissions themselves have no enforcement obligation or responsibility. Their function will be solely supervisory, judicial and mediatory. Under Indian chairmanship, the Commissions will be responsible for supervising the proper execution of the provisions of the agreements by the parties directly concerned; will assist these parties with the interpretation of those provisions; will be available to settle disputes; and, in cases where disputes cannot be settled, will report the matter to the members of the Geneva Conference. India, Poland and Canada are also expected to assume responsibility at a later stage for supervising elections.

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"In carrying out their tasks the International Supervisory Commissions should be able to function more effectively than the Neutral Nations Supervisory Commission in Korea which, because of equal Communist and non-Communist representation, very often had effective action blocked, and which could report only to the two military commands.

"The Indochina Commissions will each consist of three members - Indian, Polish and Canadian - and in most cases will be able to take decisions by majority vote. In those special and designated cases where unanimity is required by the cease-fire agreements but cannot be obtained, the commissions will submit majority and minority reports to the Geneva Conference powers. It will then be the responsibility of those powers to deal with the matter.

"In addition to providing representatives for each of the three Supervisory Commissions, India, Poland and Canada will supply a number of military officers for the fixed and mobile inspection teams which will supervise the execution of the cease-fire agreements in the field, under the direction of the Supervisory Commissioners.

"A study of the information available has led us to the conclusion that the Commissions have a reasonable chance of operating effectively and of making a constructive contribution to the successful implementation of the cease-fire agreements, and hence to peace in Southeast Asia. If our expectations unfortunately prove ill-founded, and the Commissions are frustrated by obstruction, then, of course, no useful purpose would be served by continuing their existence.

"The exchange of views which we have had with those powers with whom we are especially closely associated in efforts to maintain peace and strengthen security, has confirmed our conviction that we ought to accept this onerous but honourable assignment.

"Finally, we have been conscious of the serious consequences which might follow if we were to decline the invitation, since this could delay and complicate the implementation of the cease-fire agreements with unhappy, and possibly even serious results. We have no illusions that the task we are undertaking will be either easy or of short duration, but we take satisfaction from the fact that in performing it Canada will be playing a worthy and responsible part in an effort to strengthen peace."

Mr. Macdonnell Leaves For New Delhi: Ottawa, July 28 (Press Release No. 44) --

Mr. R.M. Macdonnell, Assistant Under-Secretary of State for External Affairs, and Air Commodore H.H.C. Rutledge, O.B.E., C.D., Coordinator Joint Staff, Department of National Defence left Ottawa on July 28 by air for New Delhi to take part with Mr. Escott Reid, the Canadian High Commissioner to India, in preliminary negotiations to consider arrangements for the International Supervisory Commissions in Vietnam, Laos and Cambodia.

GOVERNMENT  
  
OF CANADA

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Vol. 5, No. 146.

Friday, July 30, 1954.

Ambassador To Egypt: Ottawa, July 28 (Press Release No. 42) -- The Department of External Affairs announced on July 28 that the Governments of Canada and Egypt have agreed to an early exchange of diplomatic representatives. A Canadian Embassy will be established in Cairo during the coming autumn and the Egyptian Government has intimated that before the end of the present year it will open an Embassy in Ottawa. Since 1949 Egypt has been represented in Ottawa by a Consul General. . . .

Ambassador To Israel: Ottawa, July 28 (Press Release No. 41) -- The Department of External Affairs announced on July 28 that the Governments of Canada and Israel have agreed to an early exchange of Ambassadors.

When the Legation of Israel was established in Ottawa on September 1, 1953, it was understood that because of a shortage of personnel and prior commitments elsewhere Canada would not be able to reciprocate immediately. Now, however, the Canadian Government finds it possible to establish an Embassy in Tel Aviv and to send an experienced officer of the Department of External Affairs to serve as Chargé d'Affaires ad interim during periods when the Ambassador is resident in another state to which he will also be accredited. These appointments will be announced later. Israel's Legation in Ottawa will be raised to Embassy rank.

It is confidently expected that these arrangements will help to promote trade and the many other interests which Canada and Israel have in common as well as to facilitate a two-way exchange of views in the field of international co-operation and on other matters of concern to both countries.

The Duke Of Edinburgh In Ottawa: Ottawa, July 29 (CP) -- The Duke of Edinburgh today stepped into the heat - 80 degrees and more - of a Canadian summer.

He promptly shed his uniform of a marshal of the R.A.F. and went for a swim in the nippy waters of an outdoor pool.

It was typical of his relaxed day after arrival at Uplands Airport by R.C.A.F. plane to begin a three-week visit to Canada.

The formalities were over in just 10 minutes. Governor-General Vincent Massey and Prime Minister St. Laurent greeted the Duke on a red carpet at the foot of the aircraft ramp.

There was a royal salute, inspection of an Air Force guard of honour, presentation of Cabinet Ministers, diplomats and the Chiefs of Staff and then Philip, looking relaxed and genial, was off to Government House with a smile and a wave for the applauding crowd of 2,000.

He then drove with his party and the Governor-General to the Country Club northwest of the city, on the Quebec side of the Ottawa River. The Duke and Mr. Massey swam and then sat in the sun talking about Canada.

The only formal touch outside the brief arrival ceremony came around 5 p.m. when the Duke, who takes an interest in science, was presented with a certificate of honorary membership in the Engineering Institute of Canada. The presentation was made by Institute President D.M. Stephens of Winnipeg.

Tomorrow, Philip will put in most of the day with a visit to Canada's atomic energy plant at Chalk River, Ont., 120 miles northwest of here.

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Urges \$1,000,000,000 Technical Assistance: Edmonton, July 29 (CP) -- The C.C.F. party called upon Canada today to boost its contributions for technical assistance to under-developed countries to a whopping \$1,000,000,000 a year.

The 200 delegates went on record as favouring the increase after hearing party spokesmen suggest the country's economy could handle a payment of that magnitude for Canadian goods.

One delegate described Canada's present contribution of \$25,000,000 yearly under the Colombo Plan as "measly" while another expressed fear "big shots" abroad might use the money to exploit their people.

The debate on technical assistance came as the three-day convention, ending tomorrow, turned to study of foreign affairs and sent back to its Resolution Committee for revamping the main motion expressing support for the United Nations. Many felt it was not forceful enough.

Mr. David Lewis of Toronto, National Vice-Chairman, suggested the delegates condemn "the faint hearts and capital greed people" who represent Canada in international councils. The Canadian Government had "betrayed" the principles of the United Nations.

Mr. Henry Weisbach of Toronto, political action director of the Canadian Congress of Labour, said Canada is contributing a "measly" \$25,000,000 a year at a time when two-thirds of the people of the world go to bed hungry every night. More work would be provided for Canadians if these nations were assisted.

Premier Douglas of Saskatchewan said he believes the people of Canada are ahead of their Government in their willingness to assist the under-privileged countries.

Mr. Hazen Argue, C.C.F. Member of Parliament for Assiniboia, accused the Government of making Canadian farmers dependent on the United States market and called for the recognition of Red China and the opening of trade channels with the Chinese.

All-Nation Weather Code: Ottawa, July 28 (CP) -- The East and West have come to an agreement on at least one point - how to discuss the weather.

Two international conferences of weathermen last year - one at Washington, the other at Geneva - worked out a new weather code which all countries have agreed to use. It goes into effect Jan. 1, 1955.

At present, Russia and her satellites use one code to exchange weather observations, the rest of the world another.

The Transport Department's icebreaker "D'Iberville" will distribute the new code books to weather stations in the Canadian Arctic on this season's run.

Dr. Hopkins To Moscow: Ottawa, July 28 (CP) -- Four Canadian farm experts will get a look next month at what Soviet agricultural science is doing.

Dr. E.S. Hopkins, Director of the Federal Government's Experimental Farms Service, and Mr. S.J. Chagnon, Vice-Chairman of the Agricultural Prices Support Board, left by air today for Moscow to attend the Soviet Union's all-union agricultural exhibition.

In England they will be joined by Dr. W.F. Hama, Chief of the Agriculture Department's plant pathology division, and Dr. Orlan Hall, Assistant Veterinary Director-General, who are touring Britain.

Across Canada: The Government yesterday announced approval for the establishment of four new privately-owned television stations at Peterborough and Sault Ste. Marie, Ont., Moncton, N.B., and Brandon, Man.... The first evidence of prehistoric habitation of the St. Lawrence Valley has been reported by archaeological survey groups from the University of Toronto working near Cornwall, Ont. . . . The Government has decided to extend the duck-hunting season in most parts of central and western Canada this year to chase lingering birds out of northern areas before the winter freeze-up. . . . Canadian farmers sowed 24,266,800 acres to wheat this year, down 1,254,800 from last year's 25,512,600. . . . Veterans' allowances will be the main topic of discussion at the 15th biennial convention of the Canadian Legion, which starts its five-day sessions in Toronto Sunday.



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Vol. 5, No. 147.

Tuesday, August 3, 1954.

Budgetary Surplus Cut To \$109,044,000: Ottawa, July 30 (CP) -- The Government went into the red by \$65,157,000 in June, cutting the budgetary surplus for the first three months of the 1954-55 fiscal year to \$109,044,000, the lowest in the post-war era.

Revenues declined, particularly in the field of corporation and personal income taxes, and while there was some reduction in defence expenditures, these were almost offset by heavier public debt charges, payments to provinces and family allowances.

The June Treasury statement, issued today by Finance Minister Harris, showed that revenues for the month dropped to \$319,585,000 from \$371,932,000 in June last year. This cut total revenues for the first quarter of the current year to \$955,138,000, a sharp decline from \$1,050,564,000 a year ago.

Personal income tax collections during June dropped to \$73,333,000 from \$95,613,000 last year, while collections from corporations declined to \$89,866,000 from \$109,047,000.

Other declines were noted in customs import duties which slipped to \$34,439,000 from \$39,824,000; excise duties to \$21,756,000 from \$22,766,000; sales taxes to \$49,666,000 from \$50,958,000; and other excise duties to \$24,939,000 from \$30,477,000. Postal revenue rose to \$9,500,000 from \$8,000,000.

June expenditures eased to \$384,742,000 from \$387,141,000 last year, mainly because of smaller spending on the army and air force. This reduced spending for the first quarter to \$846,094,000 from \$865,527,000 in the first three months a year ago.

Gen. Crerar Urges Universal Service: Toronto, Aug. 1 (CP) -- Universal military training and service to strengthen Canada's reserve forces was urged tonight by Gen. H.D.G. Crerar, Second World War Commander of the Canadian Army overseas.

The policy of the Government and Parliament against peacetime conscription "is just as mistaken as it can be", he said at the opening ceremonies of the Canadian Legion biennial convention.

Gen. Crerar, Grand President of the Legion, recalled that in 1951 he proposed compulsory military training of six months followed by several years' compulsory service in the reserve forces.

While Canada should prepare for all-out war, the world struggle would more likely take the form of small wars like Korea and Indoehina.

"The democracies cannot go on indefinitely allowing these small wars to result in practical victories for the Communist powers. Eventually we shall have to fight one, or several, to a successful finish, if we are not going to be nibbled to death."

Canada would have to carry its proportionate military share in other parts of the world besides Korea.

Maj.-Gen. Burns' Appointment: Ottawa, Aug. 3 (Press Release No. 46) -- The Department of External Affairs announced today that the Secretary-General of the United Nations has appointed Major-General E.L.M. Burns, DSO, OBE, MC, of Canada Chief-of-Staff of the United Nations Truce Supervision Organization in Palestine, to succeed Major-General Vagn Bennike of Denmark.

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For the duration of his service with the United Nations General Burns will be on leave of absence from his position as Deputy Minister of the Department of Veterans Affairs.

N.Y., Ontario Agree On Plan For New Towns: Toronto, July 30 (CP) -- Ontario Hydro Chairman Robert Saunders said today Ontario Hydro and the New York State Power Authority have reached "complete agreement except for a few details" on a plan for rehabilitating St. Lawrence River communities which the seaway will flood.

Back from discussions in New York, Mr. Saunders said a complete statement of plans will be made next week.

National Group Of Canada: Ottawa, July 30 (Press Release No. 45) -- The Department of External Affairs announced on July 30 that the National Group of Canada met in Ottawa on July 29 to nominate candidates for the elections to replace five retiring judges on the International Court of Justice which will take place during the Ninth Session of the General Assembly this autumn.

Across Canada: The Canadian Legion's 15th biennial convention at Toronto heard Mr. Lapointe say the Government cannot accept its long-standing request for improvements in war veterans' allowances. Delegates then voted unanimously to endorse the Legion stand on the contentious issue. Mr. Lapointe, dealing briefly with the subject, said granting of the request would seriously affect the Government's social welfare programme. . . . When the S.S. Hawaiian, a 20,000-ton carrier slipped out of her berth at Seven Islands, Que. Saturday, a milestone was reached in Canada's industrial growth. The converted C-4 ship put out to sea with the first shipment of iron ore mined some 360 miles north for America's blast furnaces. . . . The Duke of Edinburgh left Ottawa in pelting rain Sunday to continue his Canadian visit to the west. . . . Lands Minister Sommers of B.C. on Monday announced that a conditional water licence will be issued at once to the Northwest Power Industries Limited for a gigantic power development in the Atlin Lake region of Northern British Columbia.



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Vol. 5, No. 148.

Wednesday, August 4, 1954.

**Extension Of Radar System:** Ottawa, Aug. 3 (CP) -- Canadian and American defence planners are giving close study to the next move in extending the continent's early-warning system.

Officials here said today there is no doubt that the system will be extended farther north but no final decision has yet been taken.

They were commenting on a statement at Washington Saturday by retiring U.S. Assistant Defence Secretary John A. Hanna that Canada is going ahead with a "third" cross-country radar chain.

Actually, former Defence Minister Claxton announced last November that Canada was going to build this chain, known as the "mid-Canada" line.

This will be the second radar chain in Canada and it won't be finished for several years. The first is the "Pine Tree" chain, now almost complete, which has been built "upward and outward" from main target areas in parts of Canada and the U.S. and extends roughly along the Canada-U.S. border.

Officials said Mr. Hanna apparently referred to the mid-Canada line as the "third" chain because the Americans have built what is known as the "Dew Line" in Alaska. The word "line" is a misnomer at present because this network comprises only a few stations. There are also a small number of these stations in Canada's far north. . . .

Officials denied reports published in the U.S. that Canada has not been kept informed by the U.S. of its early-warning plans. They said there has been the closest co-operation in this field between the two countries. . . .

**First B.C. Aluminum Produced For Duke:** Kitimat, B.C., Aug. 3 (CP) -- British Columbia produced its first aluminum today while the Duke of Edinburgh looked on.

Pouring of the ingot marked the completion of the first stage of the vast hydro-electric and aluminum smelter project started 3½ years ago by Alcan in a northern wilderness.

Ten thousand men laboured to bring the Kitimat smelter and the Kemano power project into operation. The cost was \$270,000,000.

As the Duke watched, the inaugural 50-pound ingot clattered down a slide and stopped just a couple of feet away. He stepped forward and gave it a couple of pats. Then he was presented with a miniature ingot.

The Royal party went directly to the smelter after arriving in a Mallard amphibian from Kemano, end of the multi-million dollar project which in its initial stages will produce 91,500 tons of aluminum annually.

First shipments of primary aluminum ingot will leave Kitimat shortly, bound for world markets.

**Seaway Appointments:** Ottawa, Aug. 3 (Press Release No. 1) -- In his first official announcement since assuming the post of President of the St. Lawrence Seaway Authority, Mr. Lionel Chevrier today listed the appointment of three senior officials to the staff of the newly created Authority. All three appointments are effective August 1.

The three senior posts filled provide for the supervision of engineering and financial undertakings and that of Secretary. They are:

Mr. A. Gordon Murphy, Port Manager of the Harbour of Montreal, has been appointed Chief Engineer of the Authority.

Mr. David W.G. Oliver of the Department of Finance and Treasury Officer with the Montreal Harbour has been named Comptroller.

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DEPARTMENT OF EXTERNAL AFFAIRS  
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Mr. Raymond Beriault, of the Canadian Broadcasting Corporation,  
International Service, to be Secretary of the Authority.

British Empire Games Standing: Vancouver, Aug. 3 (CP) -- A big 68-point day in track and field and a gold medal winner in fencing shot England past Australia and into the No. 1 spot in the unofficial team point standing at the British Empire Games.

The Aussies, who started the day with a seven-point lead, picked up only 36 points to drop into the runner-up position. Canada garnered 21 points to take over third place from South Africa - 91 to 86. The rest of the field is nowhere.

Standings by countries based on 10-5-4-3-2-1 for first six places:

England-----	180
Australia-----	137
Canada-----	91
South Africa-----	86
New Zealand-----	38
Trinidad-----	33
Nigeria-----	22
Northern Ireland-----	20
Northern Rhodesia-----	19
Wales-----	19
Scotland-----	16
Pakistan-----	9
Jamaica-----	7
Uganda-----	6
Hong Kong-----	5
British Guiana-----	4
Kenya-----	3
Gold Coast-----	3

Across Canada: Delegates from 50 countries, including the Soviet Union, will attend a two-day meeting at McGill University before moving to New York City for the 17th International Congress of Ophthalmology Sept. 13-17. About 1,000 international delegates will hold scientific sessions in Montreal Sept. 10-11 - part of the national session of the Canadian Ophthalmological Society - before attending the international congress. . . . Showers which dumped an inch of rain over parched Southern Ontario farmlands have ended prolonged drought conditions which some officials had estimated would cost Ontario farmers \$40,000,000, the Globe and Mail reports. . . . The Resources Department yesterday called for tenders for the Alexander Graham Bell Memorial Museum to be built at Baddeck, N.S., in memory of the inventor.



## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 150.

Friday, August 6, 1954.

Mr. Pearson On World Affairs: Vancouver, B.C., Aug. 5 (CP) -- Mr. Pearson said tonight that Western Europe's growing strength and the co-operation of the North Atlantic Treaty Organization powers "have convinced any would-be aggressor that an easy victory now is impossible".

He made the statement shortly before leaving by air for Ottawa to help organize Canada's team to supervise the Indochina truce. Only a mistake can now start a third world war, he suggested.

"I agree with Lord Alexander that the danger in the world at present is not so much a calculated aggression as a miscalculated one which might lead to war," he said in an interview.

The three Canadian commissioners in the Indochina truce negotiations will be appointed within the next week or 10 days, he said. Canada has no illusions about the job it has undertaken on the Indochina truce. "It could be a long difficult, complicated at times, and thankless task," Mr. Pearson said.

But if Canada had not accepted the invitation she had not sought, the truce in Indochina might have been delayed.

"No consideration is being given by the (Canadian) Government at the present to a change in policy," regarding recognition of Red China, Mr. Pearson said.

"It should be noted that Geneva was unable to bring about a peace settlement in Korea and that the Chinese Red forces are still facing the United Nations forces which include Canadian troops."

Exports Down By \$144,000,000: Ottawa, Aug. 6 (CP) -- Canada's exports fell by \$144,000,000 in the first half of 1954 to a three-year low of \$1,875,700,000. Sales were down in all major markets.

Imports slipped by \$165,000,000 to \$2,051,600,000, with the major drop showing in purchases from the United States.

This drop in both exports and imports narrowed Canada's foreign trade deficit to \$175,900,000 from \$196,900,000 in the first half of last year, the Bureau of Statistics estimated in a preliminary report on foreign trade.

Lower wheat sales accounted for much of the decline in exports. Shipments dropped by \$105,000,000 to \$166,483,000 from \$271,529,000 in the first half of 1953.

Exports in the first half of the year dropped from \$2,019,700,000 in 1953 and \$2,122,000,000 in 1952. Sales to the U.S. declined to \$1,144,800,000 from \$1,209,600,000 last year, while those to Britain fell to \$290,700,000 from \$315,800,000.

Total imports were down from \$2,216,600,000 last year but were up from \$1,950,000,000 in 1952. Imports from the U.S. declined to \$1,505,300,000 from \$1,672,400,000 last year. Purchases from Britain dropped to \$203,900,000 from \$219,600,000.

Immigration Expansion: Ottawa, Aug. 5 (CP) -- Immigration officials today welcomed a Canadian Chamber of Commerce report urging greater immigration. But they said an expanded programme may not be immediately feasible.

A report of the Chamber's immigration committee, released today in Montreal, said the Canadian people will lose out "if short-sighted

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opposition to immigration impairs the country's future development.

Immigration Department officials said they agree with the stand of the Chamber. However, the political acceptability of increased immigration depends to some extent on whether Canadians generally believe there are greater benefits than drawbacks to more immigrants.

Discrimination By Law Societies: Toronto, Aug. 6 (Globe & Mail) -- Discrimination by law societies against students taking the law course at universities, is condemned by Mr. Justice Rand of the Supreme Court of Canada, in a recent issue of the Canadian Bar Review.

In a lengthy analysis of legal education in Canada, and of the mounting criticism of it in recent years, the eminent jurist says young men entering the legal profession are entitled to equality of treatment.

"The law societies of the provinces have had committed to them the administration of the profession as a public trust," declares Mr. Justice Rand. "It is elementary that such a relation excludes any interest other than that of the beneficiary, and any deviation at once engages its condemnation". . . .

National Marian Congress: Cap de la Madeleine, Que., Aug. 5 (Globe & Mail) -- What promises to be one of the largest religious celebrations ever held in Canada - the National Marian Congress here and at Three Rivers, Aug. 5-15 - got off to a good start today with the celebration of an open air pontifical high mass by Paul Emile Cardinal Leger, Archbishop of Montreal....

Across Canada: Conviction of two navy officers on charges of negligence in the grounding of a Canadian destroyer in Korea was quashed yesterday by the Court-Martial Appeal Board. The decision wiped out the convictions and sentences of severe reprimands by a navy court-martial against Cndr. Richard Chenoweth of Montreal and Lt.-Cndr. T.J.C. Thomas of Dartmouth, N.S. . . . The Duke of Edinburgh, dressed in a grey lounge suit, watched the British Empire Games at Vancouver yesterday. He sat with Lord Alexander. . . . Three by-elections were announced by Premier Frost of Ontario for Sept. 16. These will be in Leeds, Russell and Nipissing, all vacant since the spring session of the Ontario Legislature, when their members died. . . . Twenty-five R.C.A.F. Sabre jet fighters arrived Aug. 5 at their NATO bases in Europe, two days after they took off from St. Hubert, the R.C.A.F. announced.

Note: Yesterday's Aug. 5 issue of the Daily Airmail Bulletin should be numbered 149.



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Vol. 5, No. 151.

Monday, August 9, 1954.

Seaway Valley Relocation Problem: Toronto, Aug. 7 (Globe & Mail) -- Ontario Hydro and the New York State Power Authority have reached complete agreement on the sharing of costs of the compensation-relocation programme which is expected to turn seaway valley into a model regional community in the wake of the St. Lawrence River power development. Total bill to be shared equally by the two agencies may be as high as \$80,000,000.

The agreement means far more to Ontario than it does to New York because a greater area will be flooded and many more persons affected on this side of the river than in the United States. Cost of the programme on the U.S. side of the river has been estimated recently at \$13,000,000. Cost of buying land and relocating people in the two affected Ontario counties of Dundas and Stormont has been estimated at \$65,000,000 but could be higher.

Without revealing what it was, Hydro Chairman Saunders said a figure was agreed on. However, it will be open for review in six months after both agencies have had some solid experience in the early stages of carrying out the programme on which to base a final estimate.

The agreement was reached at a meeting in New York Thursday between Mr. Saunders and officials of the New York Authority. . . .

Role Of TV In Political Field: Ottawa, Aug. 8 (CP) -- The role Canadian television will play in the field of politics may be decided in the next few months.

Talks on the possible use of TV for political broadcasts are expected to open here late this fall. They will be attended by representatives of the Liberal, Progressive Conservative, CCF and Social Credit parties and the CBC.

Discussions likely will decide whether the country's political parties are prepared to use TV to make their views known to the public and whether the CBC thinks the time is ripe for this new broadcasting venture.

If the decision is to use TV for political broadcasting, time will be allotted on CBC stations for speeches by members of the four main political parties. Such a decision also would involve the framing of regulations on the way political speeches may be given and whether political meetings should be telecast.

While the talks will be of an exploratory nature, informants in the capital are convinced it is only a matter of time before political speeches will be on TV.

"It is a logical thing to happen in this country," one official said.

NWT Council Election September 7: Ottawa, Aug. 8 (CP) -- It's nomination day tomorrow for the Canadian North's Mackenzie River district, where a candidate does his campaigning on both sides of the Arctic Circle and where he finds a voter every 80 square miles.

In the elections to be held Sept. 7, the 6,000 Indians, Eskimos and whites will pick four men to represent them for the next three years on the Northwest Territories council.

The council for the 500,000-square-mile area consists of nine men, five appointed by the federal Government.

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Vol. 5, No. 152.

Tuesday, August 10, 1954.

Postings To Indochina: Ottawa, Aug. 9 (CP) -- Six officers of the Canadian Infantry Brigade in Korea have been posted to Indochina to serve with the Armistice Supervisory Commissions, the Army said today.

The six are: Major E.B. McCorkell, Toronto, 4th Battalion, Canadian Guards; Major E.D. Price, Ottawa, 2nd Battalion, Queen's Own Rifles; Major J.G. MacMurdo, Ottawa, Royal Canadian Army Service Corps; Capt. W.J. Newlands, Kingston, 2nd Battalion, Black Watch; Capt. G.M. Rodgers, Halifax, 3rd Regiment, Royal Canadian Horse Artillery; and Capt. E. Thirgood, Langstaff, 4th Battalion, Canadian Guards.

Major MacMurdo arrived in Indochina yesterday and the other five last Thursday, the Army said.

Previously, Brig. R.E.A. Morton, Head of the Canadian Military Mission in Tokyo, was sent to Indochina.

St. Lawrence Sod-Turning Ceremony: Ottawa, Aug. 9 (Journal) -- Tuesday, August 10 is D-Day for the giant St. Lawrence Power Development at Cornwall and at Massena, N.Y., across the river.

Beginning at 11 a.m. special "ground-breaking" ceremonies will be held near both communities in the presence of Prime Minister St. Laurent, New York State Governor Thomas Dewey, Ontario Premier Leslie Frost, Seaway Authority Chief Lionel Chevrier, Mr. Robert Saunders, Chairman of the Hydro-Electric Power Commission and Mr. Robert Moses, Chairman of the New York State Power Authority.

The morning inauguration of the powerhouse construction of the American side will be followed immediately by a similar turning of the first sod on the Canadian side three miles west of Cornwall and attended by the same leaders of public life. It is primarily a power development gathering.

Cornwall Armories will be the scene of a luncheon at which guests will include representatives of the St. Lawrence Valley municipalities to be directly affected by the power development and subsequent flooding of shoreline communities. Hydro-Chairman Saunders will preside at the luncheon and introduce the chief guests.

For All-Canadian Seaway: Cornwall, Aug. 9 (Globe & Mail) -- If Canada permits U.S. participation in the St. Lawrence Seaway, it will be over the opposition of a growing movement centred in this city to keep the deep waterway all-Canadian.

Mr. Lionel Chevrier, President of the St. Lawrence Seaway Authority, will be the target of a 30-car motorcade which will drive to Ottawa Aug. 19 to present a petition supporting a brief.

The petition, to be made public at a mass meeting here Thursday, will carry the signatures of people representing a cross-section of the population of this district as well as the names of influential men and women who will be approached by members of the committee organizing the campaign. They call themselves the Citizens Joint Action Committee for the All-Canadian Seaway.

Supplies For Allies: Ottawa, Aug. 9 (CP) -- Canadian military supplies were shipped last week to Italy, Portugal and Belgium under terms of the North Atlantic Alliance Mutual Aid Programme, the Army said Saturday.

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The shipments comprised artillery equipment for the Italian Army, vehicle spare parts and artillery equipment for the Portuguese Army and ammunition for the Royal Belgian Army. Shipping points were Hamilton, Montreal and Quebec City.

Canadian Post-War Economy: Ottawa, Aug. 9 (CP) -- Canada's post-war economic expansion outpaced the United States and the drop in physical output in recent months was less marked in this country, the Bureau of Statistics said Friday.

In a special comparison of the U.S. and Canada economic activity, the Bureau said that physical output rose 34 per cent in Canada between 1946 and 1953. In the same period in the United States it rose 29 per cent.

The decline in physical output from the middle of 1953 to the first quarter of this year was four per cent in the United States, but only two per cent in Canada.

Lord Alexander At Connaught Ranges: Ottawa, Aug. 9 (Journal) -- Close to 700 top-notch Canadian and United Kingdom marksmen spread out over the Connaught Ranges today to open the 86th annual Dominion of Canada Rifle Association Prize meeting.

On hand to see the matches away to a fine start under ideal weather conditions was the former crack-shot of the Irish Guards, United Kingdom Defence Minister Lord Alexander.

Flying Saucer Sighting Station Report: Ottawa, Aug. 9 (CP) -- Is Canada the first country in the world to record a flying saucer with instruments?

That question is being debated here today after the Transport Department's flying saucer sighting station reported that it had detected an unexplainable object in the atmosphere over Ottawa Sunday.

Mr. Smith said he is convinced that the deflection on the gravimeter was not caused by an aircraft. It was either something scientists did not know about or an instrument failure.

Across Canada: Universities may have to re-examine closely their entrance minimums if they hope to attain better standards, the Couchiching Conference was told yesterday. M.St.A Woodside, Dean of the Faculty of Arts at University of Toronto, said first year failures showed the universities' technique was unable to determine which applicants would be successful, according to the Globe and Mail. . . . Emilie Marie Jeanne Dionne was buried at Corbeil, Ont., yesterday. Hundreds watched as the body of the world-famous quintuplet was laid to rest in the small Roman Catholic cemetery. . . . Mr. M.J. Coldwell, Leader of the C.C.F. party left Tuesday for Europe on the Empress of Scotland, the Montreal Gazette reports.

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Vol. 5, No. 153.

Wednesday, August 11, 1954.

## Canada-U.S. Ceremonies Launch St. Lawrence Development: Cornwall, Ont., Aug. 10

(Ottawa Journal) -- Joint development of the hydro-electric potential of the International Rapids section of the St. Lawrence River is a tangible example of the friendship and co-operation between Canada and the United States, Prime Minister St. Laurent said here early this afternoon at the ground-breaking ceremony of the \$600,000,000 Power Project.

The Prime Minister was speaking at the turning of the first sod of the Power Project on the Canadian side of the river. With him on the platform was New York State Governor Thomas Dewey, Trade Minister Howe, Mr. Robert Moses, Chairman of the New York State Power Authority, Seaway Authority President Lionel Chevrier, Hydro Chairman Robert Saunders and other notables.

The power development and seaway were important for their economic significance, the Prime Minister said. But also the two factors of the St. Lawrence development employing the latest technological achievements represented a strengthening of the Western World. It is in keeping with the policy of NATO, he recalled, to build up and maintain the strength of member states to discourage and deter aggression. On this account the Seaway and Power Project will be making a contribution to world peace.

Mr. St. Laurent said it was a special pleasure for him to take part in the gathering attended by representatives of United States and Canada, which marked the beginning of a vast international project. He forecast "very great benefit" to the residents on both sides of the St. Lawrence in the vicinity of the power development area.

The St. Lawrence River, the Prime Minister continued, was a bond rather than a barrier between the two countries. Thousands of people crossed it in both directions every day at Cornwall and other border points, and there is a strong community of interests binding together all the residents of the St. Lawrence Valley. The Power Project, he emphasized, will bring Canadians and Americans more closely together than ever before. The new electrical energy which will be created in the Cornwall-Massena section, he said, will enable the district to reach an era of expanding economy. . . .

## Rail Strike Vote Announcement Today: Ottawa, Aug. 10 (CP) -- The federal Government is expected to try to restore railway-union negotiations after tomorrow's announcement of the result of a strike vote among non-operating unions.

On present indications, the move will be made in advance of resorting to the Government's ace-in-the-hole card of a special session of Parliament that could be called to stave off a rail tie-up.

It would be the second time during their long current dispute over fringe benefits that the disputants were recalled into negotiations at the request of the Government. The first ended in failure when discussions broke down June 22.

While official comment is lacking here, the Government's intention shapes up as that of renewing its request for negotiations provided the next moves of the unions leave enough time leeway for talks before any strike date.

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That would mean a Government attempt some time after tomorrow if:

1. Tomorrow's Montreal announcement of the result of the union strike vote - which could only authorize union chiefs to call a strike - was not accompanied by the actual strike call, or
2. A strike were called but with its effective date set well ahead. . . .

The Duke At Coppermine: Coppermine, N.W.T., Aug. 10 (CP) -- The Duke of Edinburgh today met some of the Queen's northernmost subjects - Eskimos and a handful of whites who call this Arctic Ocean outpost home.

Some 200 Eskimos were waiting to greet the Duke on a grassy bank at the mouth of the Coppermine River. The men, bright parkas over their old clothes, formed one line and the women, clad in gaily-coloured outer garments with fur collars, made another.

The Duke, who arrived in an amphibious R.C.A.F. Canso plane from Port Radium, N.W.T., at Coppermine 100 miles inside the Arctic Circle, came through a choppy sea in an open launch. Bareheaded, he wore a brown jacket and grey slacks. The sun shone but there was a cool breeze.

Canadian Travellers Heavy Spenders in U.S.: Ottawa, Aug. 10 (CP) -- Canadian travellers in the United States have become such big spenders that Americans travelling in Canada look like tightwads by comparison.

While the number of visits by Canadians in the United States reached the record of 23,300,000 last year, they were still short about 5,000,000 the number of visits by Americans to this country. But Canadians out-spent their American counterparts by \$25,000,000 in travel expenditure.

The Bureau of Statistics said today in its report on travel for 1953 that Canadians visiting the U.S. longer than 48 hours spent an average of \$86, compared with \$52 by the average American in Canada for a similar period.

The averages in 1953 were slightly lower than in 1952 when they were \$88 for Canadians and \$52 for Americans. The difference was much smaller for travellers spending less than two days in either country.

On a population basis, Canada's travel expenditures of \$307,000,000 in the U.S. averaged \$20.79 per person, far higher than the average of \$1.77 for Americans who spent \$282,000,000.

The expenditures last year were higher than in 1952 when Canadians spent \$294,000,000 and Americans \$257,000,000.

Across Canada: Seven provincial Governments will be controlling their trans-border highway traffic by Sept. 15. Federal legislation conferring this jurisdiction on Ontario is proclaimed in the current issue of the Canada Gazette. It had already gone into effect August 1 for British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia and Prince Edward Island, C.P. reports from Ottawa. . . . Chrysler Corporation of Canada yesterday announced indeterminate layoffs caused by "rearrangement of manufacturing facilities in its passenger car plant with a view to bringing the huge new plant addition into production on a progressive basis". The statement said the passenger car plant will start its annual vacation August 15 and it is expected the rearrangement will begin after that, the C.P. reports from Windsor. . . . The Government of France's tourist bureau in Montreal is promoting an exhibition in the Show Mart September 10 to 26, which will feature booths demonstrating trade, industry, artistic works and attractions for the visitor in that European country, the Gazette reports.



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Vol. 5, No. 154.

Thursday, August 12, 1954.

Rail Wage Disputants Summoned To Ottawa: Ottawa, Aug. 11 (CP) -- The Government today summoned the railway wage disputants to Ottawa, and tomorrow Prime Minister St. Laurent personally will urge company and union heads to resume their deadlocked negotiations in the hope of staving off a general rail strike.

The Prime Minister announced late today - soon after the unions made public the result of a strike-authorizing vote of 145,000 non-operating workers - that the antagonists accepted a Cabinet invitation to meet here tomorrow with himself and Labour Minister Gregg.

High informants said later the main purpose of the conference - there will be at least two and likely three during the day - is to press the companies and unions to get back into the negotiations that have been broken off since June 22. . . .

The Duke At Churchill, Man.: Churchill, Man., Aug. 11 (CP) -- The Duke of Edinburgh landed in a swirling sea mist today at this Hudson Bay port where civilization meets the frontier on a bleak rocky peninsula, 610 miles north of Winnipeg.

The R.C.A.F.'s C-5 raced a fog to carry the Duke 700 miles from Yellowknife, N.W.T., ahead of schedule. He will fly to Quebec tomorrow.

The Royal Canadian Regiment, of which he is an honorary colonel, turned out a guard of honour at the big military base where Canadian and United States forces work together on Arctic training and research.

Later, the regiment presented the Duke with an inscribed cigaret box. Two children presented mats made from polar bear skins for Princess Anne and Prince Charles.

At the nearby town of Churchill where many buildings sparkled in a new coat of paint, the Duke saw Eskimo handicrafts and visited the Arctic Museum of the Oblate Fathers.

He also visited the waterfront where, in the three-month ice-free shipping season, ships unload goods from Britain and take Canadian wheat aboard.

"Medium-Range", Five-Day Weather Forecasts: Montreal, Aug. 12 (Gazette) -- The Dominion Public Weather Bureau, Dorval, announced yesterday that "medium-range" (five-day) forecasts will be issued by weather stations across the country. Canada has only "short-range" (24-hour) forecasts now.

Weather offices in the United States have been issuing the five-day kind for several years, and officials are now studying the possibility of issuing "long-range" - 30 days - predictions.

In Canada the five-day forecasts will be issued twice weekly, but it will take between six months and a year before they are country-wide. A shortage of trained personnel has caused some delay in establishing the new system.

"Long-range" forecasts are not being contemplated in Canada at the present time, officials said.

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Few Real Communists In Middle East: Montreal, Aug. 12 (Gazette) -- There are few real Communists in the Middle East, but their influence is out of proportion to their numbers because of "spite-Communism", a Lebanese professor visiting Montreal said yesterday.

"The great majority of people in the Arab states are anti-American. They have no faith at all in Western political integrity and maturity," Dr. N.A. Faris, Professor of History and Director of the Arab studies programme at the American University of Beirut told The Gazette yesterday.

"There are few ideological Communists in the area," he said. "But the majority of the people are close to what might be described as 'spite Communism'. That is, they are so anti-Western and anti-U.S. that they may fall in with Communist plans."

The experiences of the Arab peoples with the West have not been happy, said Dr. Faris. He cited the disputes over the Suez Canal, over Palestine, over the oil-fields, as examples which are looked upon by the Arabs as "colonialism" and "imperialism". . . .

Rich Ferguson Named Outstanding Athlete: Vancouver, Aug. 11 (CP) -- Ace Canadian miler Rich Ferguson of Toronto, today was named Canada's outstanding male athlete of 1954.

Mr. Fred Rowell, Chairman for Track and Field, Amateur Athletic Union of Canada, said the 23-year-old runner has been awarded the Norton Crowe Trophy, awarded annually to the outstanding athlete in track, boxing, wrestling, weightlifting or gymnastics.

Couchiching Conference: Geneva Park, Ont., Aug. 11 (CP) -- Professor Paul Lemkau, psychologist at Johns Hopkins Hospital in Baltimore, said today elderly persons have been driven into Canadian and United States psychiatric wards because they have lost the respect they once commanded.

Prof. Lemkau, speaking to the week-long 23rd Annual Couchiching Conference, said these persons have been cut off from family contact at an age when they are in need of it by the same independence which they instilled in their children.

A personal survey, he said, which included Yugoslavia, Italy, Chile, and Japan, showed a much lower rate of hospital admissions of elderly persons in Yugoslavia, Italy, Chile and Japan than in Canada and the United States.

Prof. Lemkau attributed this to the tradition retained in the European countries where the father, even in old age, remains the head of the home and a respected individual.

Across Canada: Canada's forestry and paper industries have been offered as much engineering help from Finland as that little northern European nation can provide. Jarl Torbjorn Norell, newly-appointed Finnish Vice-Consul in Montreal, said engineering "know-how" was one of the commodities Canada might conceivably want from Finland. A surplus of college and university graduates exists in Finland today, he stated, and if Canada's basic industries are in need of engineering aid, "we have it", the Montreal Gazette reported today. . . . Average hourly earnings in Canadian manufacturing reached a high at the start of June but weekly wages fell off slightly from May 1 because of fewer hours worked. The average hourly wage was \$1.42. The weekly average dropped to \$56.78 from \$57.57. . . . A 100-man Royal Canadian Navy guard of honour and a 21-gun salute yesterday marked the arrival of Governor-General Vincent Massey for a two-month stay at his residence in the Quebec Citadel.



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Vol. 5, No. 155.

Friday, August 13, 1954.

Rail Strike Threat Recedes: Ottawa, Aug. 12 (CP) -- Mr. St. Laurent today brought railway-union disputants close to resumed contract negotiations and indicated confidence Parliament will not have to step in to head off a general rail strike.

The Prime Minister, beaming after two "satisfactory" meetings with the long-deadlocked antagonists, said late today he expects to see them re-open bargaining early next week, possibly Monday in Ottawa.

Then he left to continue an interrupted vacation at St. Patrick, Que., saying he doesn't expect the rail situation will bring him back to the capital and manifesting belief a settlement will be worked out before the end of next week.

He met the disputants in separate conferences at which he appealed to them to resume negotiations and got their reaction to his own expressed view than there would have to be more compromise.

Spokesmen for the railways and their 145,000 non-operating union employees, summoned here yesterday by the Cabinet, immediately indicated willingness to start new talks.

The company group gave unqualified assent. The union officials, only a small group from their general negotiating committee, had to take the proposal back to a committee meeting in Montreal tomorrow, promising to give an answer tomorrow.

But the Prime Minister told reporters after the meetings that he expects the union answer will be yes. And Frank H. Hall, chief union spokesman said:

"When the Prime Minister asks you to do something, I suppose that's the proper thing to do". . . .

Seaway Negotiations At Ottawa: Ottawa, Aug. 12 (CP) -- A Canada-United States St. Lawrence seaway agreement providing for canals on the U.S. side of the International Rapids would not preclude Canada's building canals in the section at any time in the future.

Mr. Pearson made that statement to reporters today following the first day of talks by Canadian and American officials on problems to be solved in advance of joint construction by the two countries of the \$300,000,000 project.

Mr. Pearson said each country made clear to the conference its present position on all issues to be solved. The conference delegates then separated to discuss the other country's stand.

"We are looking at what they said and they are looking at what we said," Mr. Pearson stated.

One of the main problems is to reach agreement on the construction of canals in the International Rapids section.

A 1952 Canada-U.S. agreement for an all-Canadian seaway provides for construction of these canals on the Canadian side of the international section. However, U.S. legislation approved this year enables the U.S. to build the canals only on the U.S. side of the river.

It is expected that Canada will agree to construction of the canals on the American side and will use the existence of the agreement to bargain for Canadian-sought points.

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Mr. Pearson said, however, that "we have made it clear that nothing is to interfere with Canada's right to build canals on the Canadian side of the river". The United States delegates have accepted "this statement of position".

Predicts Doubling Of Gross National Product: Geneva Park, Aug. 12 (Globe & Mail) -- Cut free from the financial apron string of foreign investment, Canada has at last embarked on an economical cruise as master of her own ship.

Mr. O.J. Firestone, economic adviser in the Department of Trade and Commerce, told the Couchiching Conference tonight of an exciting future in the world's most rapidly growing nation.

In the postwar period, 85 per cent of capital needed for expansion has come from Canadian savings, he said.

"No longer does Canadian economic progress depend on money borrowed in London or New York. The bulk of resources development industrial expansion and other capital development, capital facilities," he said, "is now financed by Canadians."

Just returned from a 7,000-mile trip through the country, Mr. Firestone said prospects were of more than doubling the gross national products in this quarter century. "We're already off to an auspicious start," he said.

"Our gross national product is now over \$24,000,000,000, more than 17 per cent larger in volume terms than in 1950."

He predicted a repeat of the last 25-year expansion period ending in 1950. During that time, gross national product and commodity imports and exports were both doubled, and living standards and population increased by 50 per cent.

Ambassador Of Israel: Ottawa, Aug. 12 (Press Release No. 47) -- His Excellency Michael Saul Comay presented today to the Honourable Mr. Justice C.H. Locke, Deputy Governor General, his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Israel to Canada.

Across Canada: The Duke of Edinburgh arrived yesterday in Quebec City after a 1,225-mile flight from Churchill, Man., on the last lap of his three-week tour of Canada. . . . The end of an arduous four-month search for a new site for the remote Arctic community of Aklavik appears to be in sight. The Deputy Minister of Northern Affairs, said yesterday. Government surveyors believe they have found a suitable location about 50 miles east of the present settlement. . . . Goa, capital colony of Portuguese India, and British Malaya, will be brought within reach of telephone users in all of Canada (except Newfoundland) when overseas telephone service to the two distant lands is introduced on Sunday, the Bell Telephone Company of Canada announced yesterday.



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Vol. 5, No. 156.

Monday, August 16, 1954.

Rail Talks Resume Aug. 16: Ottawa, Aug. 13 (CP) -- Company-union negotiations in the strike-threatened rail dispute will re-open here Monday for the first time in almost eight weeks.

Answering a personal appeal from Prime Minister St. Laurent, chiefs of non-operating unions agreed to the step today after the railways had consented in a conference here yesterday.

The discussions that started late last year and ran into a series of deadlocks will start all over from scratch when the disputants gather in the Senate's railway committee room Monday.

The Prime Minister, who brought union and company heads to Ottawa yesterday to hear his appeal, said at the time they will be new negotiations. However, he did not expect them to last long, and he expressed optimism over the prospect of a settlement without Parliament being called in to legislate against a strike that would tie up Canadian railways generally.

The 15 spokesmen for the negotiation unions - whose 145,000 members have authorized them to stage a strike to enforce contract demands - will be headed by Mr. Frank H. Hall when they face the railways across the table Monday. Main railway officers are expected to be President Donald Gordon of the Government-owned C.N.R. and Vice-President N.R. Crump of the C.P.R.

Seaway Joint Announcement: Ottawa, August 13 (Press Release No. 48) -- Following is the text of a joint announcement issued on the conclusion of the Canada-United States intergovernmental talks on the St. Lawrence Seaway held in Ottawa, August 12 and 13, 1954:

"Discussions between representatives of Canada and the United States on the St. Lawrence Seaway were held in Ottawa on August 12 and 13. The United States representatives were headed by the Deputy Secretary of Defence, Mr. Robert B. Anderson. Canada was represented by the Minister of Trade and Commerce and Defence Production, Mr. C.D. Howe, the Secretary of State for External Affairs, Mr. L.B. Pearson, and the Minister of Transport, Mr. G.C. Marler.

"The representatives of the two countries explored possible modifications of the existing arrangements for the development of the Seaway as embodied in the Exchange of Notes of June 30, 1952. The various factors involved were examined in a friendly and constructive manner and proposals put forward by the representatives of both countries are being referred to the Canadian and United States Governments for consideration.

"The next stage is expected to be an Exchange of Notes modifying the arrangements made in the Notes of June 30, 1952. The working out of these arrangements will not delay the beginning of construction work, as the engineering preparations are going forward. It is now expected that construction will be completed by the end of 1958."

Defence Cuts Hoost Surplus: Ottawa, Aug. 13 (CP) -- An unexpected cut in defence spending more than quadrupled the Government's estimated budgetary surplus for 1953-54.

Finance Minister Harris announced today that the surplus for the 1953-54 fiscal year actually totalled \$45,797,000 - not the \$10,000,000 estimated by former Finance Minister Abbott last spring.

(over)

The increased balance was applied against Canada's national debt now reduced to a net of \$11,116,000,000, down from \$11,162,000,000 last year.

Revenues in the last fiscal year which ended March 31, 1954, were \$4,000,000 below the \$4,400,000,000 estimated by Mr. Abbott in his last budget statement. Mr. Abbott now is a Supreme Court of Canada justice.

Expenditures, however, dropped to \$4,351,000,000 about \$39,000,000 less than the budget estimate of \$4,390,000,000.

The spending drop was due "mainly to a shortfall in defence expenditures", Mr. Harris said. The Department had planned to spend \$1,839,000,000, but the bills came to \$1,806,000,000, lower by \$33,000,000.

Mental Illness Major Problem, Says Mr. Martin: Toronto, Aug. 15 (CP) -- Health Minister Martin Saturday night told the Fifth International Congress on Mental Health that mental illness in Canada is a problem of the first magnitude.

Mr. Martin said that mental illness in Canada accounts for more time lost than tuberculosis, cancer and polio combined. The number of patients in mental hospitals reached a record high of 65,827 last year.

"There can be no doubt that - with one out of every 225 Canadians listed as a mental hospital patient last year - the problem of caring for the mentally ill has taken on added urgency in recent years," he said.

Across Canada: The Duke of Edinburgh flew in to Goose Bay Sunday after a whirlwind tour of the Ungava iron ore project at Knob Lake, Que. The Duke's plane touched down at 3:18 p.m. (EDT) at the last stop on his Canadian tour. Tuesday he will board the Royal yacht Britannia for the voyage back to England. . . . Torch-bearing prisoners rioted for two hours in the big Kingston Penitentiary yesterday and set a dozen fires within the high gray walls before armed soldiers, police and guards brought them under control. The riot, led by some 50 prisoners and joined by about 400 others, broke out in the prison exercise yard. Before it was over, sporadic fires had been set in various parts of the cellblocks, guards had fired over the heads of rioters and the call was sent for military and police reinforcements. . . . Canadian and U.S. fisheries experts were meeting in Bellingham, Washington, Friday amid mounting fears that the stalemated B.C. fishing strike could seriously damage the fabulous Adams River sockeye salmon run, a Vancouver despatch reports. . . . The air age has caught up with the buffalo in Wood Buffalo Park. Instead of trying to capture the animals for branding purposes, a mammologist just leans out of a helicopter and squirts paint at them. He uses a small firefighter's pump. C.P. reports from Edmonton.



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Vol. 5, No. 157.

Tuesday, August 17, 1954.

Indochina: Ottawa, August 17 (Press Release No. 49) -- The Canadian Government today designated the three Canadian representatives for the International Supervisory Commissions for Vietnam, Laos and Cambodia which are to supervise the cease-fire and armistice agreements in Indochina. The final cessation of hostilities took place August 11, 1954.

Mr. Sherwood Lett has been appointed the Canadian representative on the International Supervisory Commission for Vietnam; Mr. Leon Mayrand on the Commission for Laos and Mr. R.M. Macdonnell on that for Cambodia. The Commissioners will have the rank of Ambassador.

Mr. Lett served with gallantry and distinction in the First and Second World Wars, and retired from the Army with the rank of Brigadier. He is Chancellor of the University of British Columbia and a past President of the Vancouver Law Society. He will return to his law practice in Vancouver after a year's absence with the Commission in Vietnam, which is now established at Hanoi.

Mr. R.M. Macdonnell, an Assistant Under-Secretary of State for External Affairs, has served in Washington, Kuibyshev, Prague and Paris. He attended the preliminary discussions in New Delhi, proceeded to Indochina with the advance mission and is temporarily serving as Acting Commissioner in Vietnam. Meanwhile, the Canadian Trade Commissioner in Hong Kong, Mr. T.R.G. Fletcher, is presently serving as Acting Commissioner in Cambodia.

Mr. Mayrand has been the Canadian Ambassador to Chile since 1951. A member of the Department of External Affairs for twenty years, Mr. Mayrand has held diplomatic appointments in London, Rio de Janeiro and Moscow, as well as Santiago. Mr. Frank Ballachey of the Department of External Affairs, who reached Laos on August 10, is meanwhile serving as Acting Commissioner in the Laotian capital, Vientiane.

Railway-Union Contract Negotiations: Ottawa, Aug. 16 (CP) -- Negotiations in the strike-threatened railway-union contract dispute re-opened today at the federal Government's request and adjourned overnight with no statement on developments from the parties.

After morning and afternoon sittings in the main Parliament Building, the talks recessed at 6:30 p.m. EDT until 10:30 a.m. tomorrow.

President Donald Gordon of the C.N.R. told reporters that the unions and railways had agreed to say nothing for publication on the outcome of the initial meetings.

The overnight adjournment came shortly after the 15 union spokesmen had spent an hour and 40 minutes in discussion among themselves in a separate room from the main conference room.

The development appeared to indicate that the union group was considering a proposition from the railways, but members of both parties refused to confirm or deny this.

U. Of Rochester's Canadian Studies Programme: Montreal, Aug. 17 (Gazette) -- About 80 government, business and educational leaders of the United States and Canada, among them Dr. F. Cyril James, Principal of McGill University, meet Sept. 1 and 2 for a series of informal "shirt sleeve" discussions at the University of Rochester on the theme "What Future for Canada-U.S. Economic Relations".

The conference, sponsored by the University of Rochester's Canadian Studies Programme, will have a dual purpose - "to provide opportunity for free and frank discussion among Canadian and American executives, and to define and explore areas where research and teaching by universities would benefit Canada-U.S. relations".

About 40 Canadians and an equal number of Americans will attend the sessions.

Only one open meeting has been scheduled for the two-day conference, a dinner Sept 2 at which the Secretary of State for External Affairs, Mr. Pearson and Mr. George M. Humphrey, U.S. Secretary of the Treasury, will be principal speakers.

Among Canadians at the conference will be Mr. N.J. McKinnon, General Manager of the Canadian Bank of Commerce; Mr. C.M. Isbister, Canadian Director of International Trade Relations; Dr. F.A. Knox, Professor of Economics at Queen's University, and Dr. Yves Dube, Professor of Economics at Laval University.

15,000 Attend Catholic Rites: Ville Marie, Que., Aug. 16 (CP) -- An estimated 15,000 French-speaking Roman Catholics attended 14 hours of religious ceremonies at the grotto of Our Lady of Lourdes near Ville Marie, 60 miles south west of Kirkland Lake.

They came from Northern Ontario and Northwestern Quebec in an annual assumption day pilgrimage and to pay tribute to Bishop Louis Rheaume of the diocese of Timmins, marking his 50th year in the priesthood.

Across Canada: Canadian department stores sales rose to an estimated \$465,-774,000 in the first half of 1954, an increase of 2.7 per cent over the \$453,747,000 last year. The Bureau of Statistics said in a monthly report that sales rose to \$84,886,000 last June from \$79,927,000 a year ago, an increase of 6.2 per cent. . . . The Industrial Development Bank reported that at the end of July, 1954, the amount owing on the various forms of financial assistance extended by the bank was \$40,617,421.



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Vol. 5, No. 158

Wednesday, August 18, 1954.

Mr. St. Laurent Meeting Rail Disputants: Ottawa, Aug. 17 (CP) -- Mr. St. Laurent, after flying to Ottawa to take a hand in railway-union negotiations, said tonight there will not be a rail strike. As he alighted from his plane after flying from Quebec City to intervene personally in stalled contract talks, he said he hoped it will become clear tomorrow that there is to be no strike.

"If not," he told reporters at the airport, "it will be made definite some day because we are not going to have a strike."

Mr. St. Laurent said at the outset of a brief interview that he hopes a rail strike will be eliminated.

"I do not expect to do that myself," he added.

Asked how this would be done he said it would be accomplished through the intelligence of employers and employees.

"I am convinced they are not going to go on strike."

It was after saying this that he added flatly: "We are not going to have a strike."

Mr. St. Laurent had decided in early afternoon to fly to the capital after railway-labour contract negotiations snagged in the face of a rail strike threat from non-operating unions.

The Government dispatched a Transport Department plane to Quebec City to bring him to the capital this evening in time for conferences here tomorrow with the railways and the chiefs of unions representing 145,000 employees who are threatening a strike for fringe benefits. He was to see the disputants separately tomorrow morning.

His first meeting was scheduled for 10 a.m. EDT with representatives of the non-operating unions who have been empowered by their memberships to stage a strike if negotiations fail.

At 11 a.m., he was to confer with representatives of the four major railways involved in the dispute over concessions which the railways contend would cost them \$60,000,000 a year.

Before these sessions, he was to have a meeting with Labour Minister Milton Gregg, who today intervened personally in the strike for the first time - apart from normal Labour Department conciliation procedure - as he sat in on a series of meetings with the opponents.

Meanwhile, tomorrow's customary Wednesday morning meeting of the Cabinet was put off until the afternoon. . . .

Canada's Wheat Carryover: Ottawa, Aug. 17 (CP) -- Canada's farms and elevators bulged with 587,487,000 bushels of unsold wheat on July 31, the highest carryover in 11 years.

The big surplus, just 7,100,000 bushels below the record wartime carryover of 594,600,000 in 1943, establishes a new high for postwar years. It is more than triple the 184,000,000-bushel average for the 1944-53 decade.

Added to the estimated 1954 crop of 513,000,000 bushels, it heightens prospects for formidable supplies in 1954 - a peak 1,100,000,000 bushels - at a time when world markets for wheat are none too strong.

The 1954 carryover, with which Canada began the new crop year on Aug. 1, compares with unsold stocks of 369,200,000 on July 31 last year and 217,200,000 in 1952. It is just 26,500,000 bushels below the total 1953 crop of 614,000,000 a Bureau of Statistics estimate showed today.

(over)

Easing Of Controls On Soviet Trade: Ottawa, Aug. 17 (CP) -- The Canadian Government likely will ease restrictions on Soviet trade within the next two weeks, but authorities here say they feel it will do little to help Canadian exporters.

Chopped away from strategic controls may be a group of heavy machinery items, such as machine tools, machinery for making textiles and other processing plant equipment.

Of the entire group, the only items which may help exporters likely will be elimination of controls on railway rolling stock and electrical apparatus.

Trade officials said today the Soviet has been making inquiries about buying flat cars and box cars and certain electrical products from Canada. Canadian manufacturers may be able to swing a deal on these goods after the controls are lifted.

But on the whole the general softening of restrictions - the second cut this year - will mainly help keep Canadian strategic controls in line with those of other Allied countries.

Mr. Gardiner Erroneously Reported In Moscow: London, Aug. 17 (CP) -- Agriculture Minister Gardiner of Canada, now enjoying a holiday in Saskatchewan, would be surprised to learn that Moscow Radio reported him in the Soviet capital yesterday.

The Russians last night quoted the Canadian Minister as saying after a visit to Moscow's huge All-Union Agricultural Exhibition yesterday that he had "conclusive evidence that Soviet and Canadian scientists need the exchange of scientific information."

The report, heard in London by Reuters News Agency and carried in Canada by The Canadian Press, caused some wonderment in Ottawa, since the Agriculture Minister now is relaxing at Lake Waskesiu in Prince Albert National Park.

Apparently the Russians had confused the Agriculture Minister with someone on a delegation from his department currently visiting the Russian exhibition. The Canadian agriculture party is made up of S. J. Chagnon, Vice-chairman of the Agricultural Prices Support Board, Dr. W. F. Hanna, Chief of the Botany and Plant Division of the Science Service; and Dr. Orland Hall, Assistant Veterinary Director.

Across Canada: CBC this morning reported the departure of the Duke of Edinburgh on the Royal Yacht Britannia. . . . Brig. C. S. Booth, senior Canadian representative to the International Civil Aviation Organization, at Montreal, has been appointed assistant Deputy Minister of Transport, it was announced yesterday. . . . Mr. Charles Hoffman, of Montreal, has resigned as administrator of Canada's International Trade Fair, trade officials said yesterday.



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Thursday, August 19, 1954.

Canada-U.S. Seaway Agreement: (Press Release No. 50, Aug. 18) -- The Department of External Affairs on August 18 made public the text of an Exchange of Notes with the United States modifying the existing arrangements on development of the St. Lawrence Seaway that had been concluded by an Exchange of Notes of June 30, 1952. . . .

In its new Note, dated August 17, 1954, the Canadian Government informed the United States Government that it was prepared to modify the June 30, 1952 arrangements to the extent that Canada would be relieved of one obligation, namely to provide forthwith the navigation works in the vicinity of Barnhart Island on Canadian territory and to carry out the dredging in the Thousand Islands section.

The United States Government, by its Note of August 17, 1954, agreed to this modification of the earlier exchange of Notes.

The following points should be noted:

(1) The Canadian Government - as stated in its Note - will construct forthwith a canal and lock in the international section at Iroquois.

The Canadian Government was informed by the United States Delegation that the United States Government is committed by Congressional legislation to the construction of a canal and lock on the United States side at this point. Nevertheless, the Canadian Government hopes that the United States may subsequently decide not to proceed with this work at this time.

(2) While Canada has been relieved of its immediate obligation, it has lost none of its rights to build navigation facilities in the vicinity of Barnhart Island on Canadian territory.

The Canadian Government has been informed that the United States will provide navigation works in the vicinity of Barnhart Island and do the dredging in the Thousand Islands section, in accordance with Public Law 358.

The Canadian Government in its turn has stated its intention of constructing a canal and locks on the Canadian side of Barnhart Island, if and when it considers that parallel facilities are required to accommodate existing or potential traffic. This would complete the 27-foot works required for uninterrupted navigation between Lake Erie and Montreal on the Canadian side.

(3) An important factor bearing on the requirement for parallel facilities on the Canadian side, near Barnhart Island, would be increasing volume of traffic. Another factor, which however we hope and expect would not materialize, would be unreasonable or unwarranted interference with, or delays to, Canadian shipping.

In the new Exchange of Notes the two countries recognized that it was of great importance to both that the St. Lawrence Seaway be used to the maximum extent, and they therefore agreed to use their best endeavours to avoid placing unreasonable restrictions on the transit of passengers, shipping or trade in the international section of the Seaway. They also agreed to consult before the enactment of any new law, or the promulgation of any new regulation, applicable on either side of the international section which might affect Canadian, United States or third-country registry shipping.

Arbitration To Settle Rail-Union Dispute: Ottawa, Aug. 18 (CP) -- The threat of a general rail strike ended today.

Strike-shadowed railway-union negotiations fell through, despite a personal attempt at mediation by Prime Minister St. Laurent, but the opposing railways and non-operating unions later agreed to accept binding arbitration.

(over)

The unions called off moves aimed at a crippling tieup of rail transport to enforce demands for fringe benefits and, under the impetus of a prospective emergency session of Parliament that would have forestalled a strike, agreed to abide by arbitration.

So did the railways which, it was learned late today, had proposed the same move yesterday as the series of renewed negotiations which opened Monday morning appeared to be heading for the shoals.

Mr. St. Laurent, after a morning of unprecedented shuttling between the disputants in separate rooms near his office as he tried to bring them together, made the no-strike announcement at 1.15 p.m. EDT.

"There won't be a strike and there won't be a special session of Parliament," he said to reporters after a talk with the 15-man union negotiating committee that had been meeting in the East Block after negotiations fell through.

Earlier, the Prime Minister had made it clear to the disputants that he was prepared to call in Parliament to pass emergency legislation that would head off a strike rather than stopping one after it started as was done in 1950.

In a day of fast-developing moves, the action this morning and afternoon also included the resignation of Frank H. Hall, union chief, as chairman of the labour negotiating committee and the committee's subsequent rejection of his resignation. . . .

Report Finding of Brebeuf's Casket: Midland, Ont., Aug. 18 (CP) -- Archaeologists have uncovered what they believe is the casket of the Jesuit missionary who became one of Canada's first religious martyrs.

The wooden casket, thought to have contained the missing bones of St. Jean de Brebeuf, was discovered in excavations at nearby Fort Ste. Marie, the more than 300-year-old Jesuit headquarters in Huronia.

Today, a lead plate bearing the inscription "Pere Jean de Brebeuf..." and some further markings that could not be deciphered was found where parts of his broken body were buried three centuries ago.

Around the plate were the outlines of what seemed to be a wooden casket, and inside were ancient nails and traces of black ash. . . .

Across Canada: Prairie harvesting will be abnormally late this year, though swathing has started in the southern parts, the Bureau of Statistics said in the seventh telegraphic report on Canadian crop conditions. Biggest requirement in the West is an extended period of warm, dry weather to speed crop growth, to lessen ravages of rust and to escape the danger of frost, the Bureau said . . . . Mr. St. Laurent indicated Wednesday that Federal by-elections to fill six vacancies in the House of Commons will be held after the middle of October. He told reporters after a Cabinet meeting that enumeration of voters' lists will not start until after Labour Day, Sept. 6, C.P. reports. . . . Twenty United Kingdom school teachers who will teach across Canada under a teacher exchange scheme arrive at Montreal Saturday aboard the Empress of Australia. . . . The Duchess of Kent and her daughter, Princess Alexandra, fly to Quebec Saturday in an RCAF plane for a tour of Canada it was reported from London. . . . Mr. A. A. Smith, Ottawa school principal, has started a tour of Canadian Army and RCAF units in Europe to assist in organization of schools there for the children of Canadian servicemen, the Defence Department said Wednesday. . . . Telephone service between Canada and East Germany will be resumed Aug. 23, for the first time since the Second World War, the Bell Telephone Company of Canada announced.



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Vol. 5, No. 160

Friday, August 20, 1954.

Expect Reduction In Number Of Troops In Korea: Ottawa, Aug. 19 (CP) -- Canada is expected to start a gradual withdrawal of its 6,000-man brigade in Korea in the next few months. Officials said today a very substantial proportion of the brigade almost certainly will be back home by the end of this year.

"We expect to reduce our forces in Korea proportionately to the Americans," one authority said, commenting on the U.S. Army announcement that four of its six divisions will be pulled out in the next several months. The U.S. withdrew two divisions earlier this year. . . .

Exactly when and in what proportion Canadian forces in Korea - the brigade and three destroyers - will be withdrawn now is being discussed here and at Camberley, England, where senior Commonwealth Army commanders are in conference. Canadian, Australian and British units form the 1st Commonwealth Division in Korea.

Canada has never had any intention of keeping its troops in Korea indefinitely. Some time ago, tentative plans were drawn up for gradual withdrawal of the brigade and destroyers when the situation was considered stable.

Officials said they do not believe the Communists intend to start the war again and that the Reds "probably will be content to sit on their side of the line looking at us."

Canada, with relatively few fighting men in Korea compared to the American forces, didn't want to lead the parade out of the Asian peninsula.

But with the U.S. taking out six of its eight divisions in a year, the Government feels it also can reduce its military strength in Korea.

Possibly one or two of the three infantry battalions and some artillery and armour might be withdrawn for a start, with the rest of the brigade to return home at a later date. There has been some thought that the Commonwealth Division should be reduced by about two-thirds to brigade strength.

Mr. Howe Awarded Guggenheim Medal: New York, Aug. 19 (CP) -- The Minister of Trade and Commerce and Minister of Defence Production, Mr. C. D. Howe, today was named 1954 winner of the Daniel Guggenheim Medal, one of the most prized awards in aviation.

The medal will be presented in Los Angeles, October 8, at a meeting of the Society of Automotive Engineers, which sponsors the award jointly with the American Society of Mechanical Engineers and the Institute of the Aeronautical Sciences.

The Guggenheim Medal Award Board said that Mr. Howe is being honoured for "initiating and organizing commercial air routes and services, promoting aeronautical research, development and production of aircraft and engines and advancing the art of aeronautics".

The announcement said that ever since 1935 Mr. Howe as a Canadian Cabinet Minister, has been responsible for "most of his Government's developments in aviation."

(Mr. Howe was reported as saying at his summer home in St. Andrews, N.B., that he is greatly honoured by the announcement naming him 1954 winner of the Daniel Guggenheim Medal. "I would like to look on it as recognition of Canada's great aviation advances in recent years, rather than as a personal tribute," Mr. Howe said).

Customs Problems Of St. Lawrence Works: Ottawa, Aug. 19 (Globe & Mail) -- Several international zones may be created on the St. Lawrence where materials and equipment for power and navigation works will be admitted free of customs duties and sales taxes.

(over)

The projects on the river which are properly international raise special problems, and these have been the subject of recent discussions in Washington. The probability is that border-spanning river works will be treated as border-spanning bridges have been for years.

In international bridges, customs duties and sales taxes are waived on everything that goes into the spans. Purpose of the arrangement is to avoid the complications which would arise with having the materials used in the one structure subject to two different sets of conditions.

The Government has received from the Canadian Manufacturers' Association a request to "make no changes in the present provisions of the Customs Act and customs tariff, and to remit no duties and taxes which would result in the displacement of Canadian-made goods by imported goods." . . .

Mr. St. Laurent Resumes Vacation: Ottawa, Aug. 19 (CP) -- Mr. St. Laurent returned to his summer home at St. Patrice, Que., today to continue his vacation.

Mr. St. Laurent's holiday has been interrupted twice since the prorogation of the first session of Parliament, June 26. He returned to Ottawa late in July to attend a Cabinet meeting to decide whether Canada should be a member of the Indo-China truce commissions and made another trip this month to take part in negotiations to prevent a threatened railway strike.

Across Canada: Emile Dionne died accidentally of asphyxiation during an epileptic stroke Aug. 6, a coroner's jury ruled last night at St. Agathe, Quebec. . . . Sir Savarpalli Radhakrishnan, Vice-President of India and noted philosopher, will be the first Sir Edward Beatty Memorial lecturer at McGill University under a \$100,000 grant from the will of the late Dr. Henry A. Beatty, former chief surgeon of the Canadian Pacific Railway, the Montreal Gazette reports. The will was filed yesterday in Surrogate Court, Toronto. . . . An emergency consignment of radio-active gold has been shipped from London, Eng., to Winnipeg to treat a cancer patient. The U.K. Information Office at Ottawa said the gold was for the treatment of a particular cancer patient but had no other details. Radio-active gold, when injected into the body, localizes a particular disease without entering the bloodstream. . . . The Income Tax Appeal Board ruled today that "psychological" discounts granted to people in an effort to make them pay their bills on time are not taxable. The Board made the ruling in a judgment allowing an appeal by the McDonald-Dure Lumber Co., Ltd., Winnipeg, against the Minister of Revenue.



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Monday, August 23, 1954.

Facilitating Seaway Construction: Ottawa, Aug. 20 (CP) -- Canada and the United States are negotiating "piecemeal" arrangements to reduce tariff and immigration restrictions on the border movement of goods and labour for the power phase of the big St. Lawrence Seaway development.

Qualified officials said today that the first administrative pact between the two Governments likely will be completed in a few weeks and that it will cover labour and material for the huge coffer dams required to dry out the river bed.

Canadian Seaway authorities favour the creation of a series of international free zones in the river's International Rapids section to eliminate all border restrictions. But officials said this will involve too many technical and administrative problems.

The decision has been taken therefore to approach the problem of easing border curbs on a "piecemeal basis." Each phase of the \$900,000,000 power-Seaway scheme is to be treated separately.

"We'll cross our bridges as we come to them," an official said.

"Whenever the two countries agree on tackling one particular phase of the project, then we'll decide what action they should take to simplify and ease border restrictions to facilitate that particular construction."

"Mind you, we cannot guarantee that all restrictions will be eliminated. All we can hope for is a reduction of the tariff and immigration restrictions that now exist, but not complete elimination." . . . .

Guided Missile Report: Ottawa, Aug. 20 (CP) -- Canadian development of an air-to-air guided missile is in its final stages, defence officials said today.

For nearly four years, scientists have been working at the Canadian Armament Research and Development Establishment at Valcartier, Que., to produce a guided missile to arm fighter aircraft. It is hoped that the missile will be at least part of the answer to the threat of long-range Russian jet bombers.

One authority said that rapid progress has been made in aircraft development since the Second World War but that there has been little advance up to now in aircraft armament.

Canada's new missile is not the be-all and end-all of fighter aircraft armament. But, fired at a plane from within a certain range, its ratio of kills probably will be extremely high.

The missile can be carried by either the CF-100 long-range jet interceptor or the Sabre jet fighter.

Working models of the missile, or the outer shell without the internal gadgetry, have been testfired from time to time as various stages of development were reached.

The weapon itself has not yet been fired. When it is, the RCAF probably will use pilotless jet aircraft as test targets for the missiles at its new \$30,000,000 weapons range at Cold Lake, Alta.

The range of the missile is one of the most secret things about it but is probably several miles.

The guided missile, as its name implies, is directed to the target by its built-in electronic brain. At some vulnerable point, the brain could be wholly or partially paralyzed, thus turning the weapon off course. . . .

(over)

Withdrawal Of Some Troops From Korea: Ottawa, Aug. 20 (CP) -- The Army plans to bring hundreds of Canadian troops home from Korea by Christmas, defence officials said today.

However, it was not yet decided which units in the 6,000-man brigade would be withdrawn. The 2nd Battalion, Black Watch, is scheduled, in any event, to be rotated home in October after a year's garrison duty.

It was to be relieved by the 1st Battalion of the same regiment but this now may be cancelled.

The other major Canadian units in Korea are the 2nd Battalion, Queen's Own Rifles, the 4th Battalion, Canadian Guards, 3rd Regiment, Royal Canadian Horse Artillery, and D Squadron, Royal Canadian Dragoons.

113 School Teachers To Europe: Ottawa, Aug. 20 (CP) -- A total of 113 Canadian school teachers are on the way to staff the schools for children of Canadian soldiers and airmen serving with NATO forces in France and Germany.

A group of 26 sailed from Montreal Aug. 17 bound for army schools in Soest, Germany. The next day, 41 teachers sailed from Quebec to teach at RCAF bases in Germany and France.

A third group of 46 sailed from Quebec Thursday night, 23 going to army schools, 23 to air force schools. The superintendent of the service schools, A. C. Ritter of Kingston, sailed earlier this month. He will be stationed at Metz.

The army will have schools near Soest, Werl and Hemer in Germany. The air force's schools will be at Zweibrucken and Baden-Soellingen, Germany, and Metz and Gros Tenquin, France.

The schools will be operated along Canadian practices and standards, including conversational French and German and religious instruction for both Protestant and Roman Catholic children.

Chargé d'Affaires In Warsaw: (Press Release No. 51, Aug. 20) -- The Department of External Affairs announced on August 20 the appointment of Mr. Jean-Louis Delisle as Chargé d'Affaires a.i. at the Canadian Legation in Warsaw to succeed Mr. Thomas LeM. Carter, M.C., who is returning to Ottawa for duty in the Department.

Across Canada: Britain's Chancellor of the Exchequer, Mr. R.A. Butler, will stop over in Canada in mid-September on his way to Washington for the annual sessions of the World Bank and International Monetary Fund, beginning Sept. 24, Treasury officials said Friday, according to a press report from London. . . . Premier Duplessis of Quebec on Friday, announced projected construction of two mental hospitals at a cost of \$17,000,000 and a \$3,000,000 grant for mentally-retarded children in Montreal. Mr. Duplessis told his press conference the grant was made to Mont-Providence Hospital to permit expansion of its facilities. . . . A joint Canada-U.S. Arctic weather station about 700 miles from the North Pole has its supplies put away for another year. The Transport Department received a radio message Aug. 20 that its icebreaker d'Iberville arrived at Eureka, on the west coast of Ellesmere Island, with 300 tons of supplies. . . . Premier Duplessis said Friday the Quebec Government is studying ways and means to applying censorship to television films and live programs. . . .



## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 162

Tuesday, August 24, 1954.

New Government Bond Issue At Lower Interest: Ottawa, Aug. 24 (CP) -- The ninth series of Canada Savings Bonds will go on sale Oct. 18, but will bear a lower interest rate than the one a year ago.

Mr. Harris announced yesterday the bonds will pay  $3\frac{1}{4}$  per cent interest annually. The eighth series floated last year had an interest rate of  $3\frac{3}{4}$  per cent.

Bank of Canada officials explained that the drop in rate is in line with current bond market trends. Bond buyers have been bidding up prices and yields have been declining.

The Government raised about \$900,000,000 in the eighth Canada Savings Bonds drive last year and officials expect to raise a like amount this year.

The new bonds, will be dated Nov. 1 and will mature in 12 years. They will be offered for sale at 100 per cent up to Nov. 15. The maximum that can be held in any one name is \$5,000 of this issue.

The new bond drive opens at a time when the Government has to do some heavy refinancing. It has to pay off a \$200,000,000 short-term loan floated earlier this year and to pay off the fourth Victory Loan series called for redemption Oct. 1, three years before maturity.

Top Polar Airman Posted To U.S. Command: Ottawa, Aug. 23 (CP) -- Wing Cmdr. Keith Greenaway the RCAF's top polar navigator, will leave here late this month for a two-year exchange posting with U.S. strategic bomber command, the Air Force announced today.

It was Greenaway who discovered the floating ice island T-3 in the Arctic Ocean in April, 1947. Both he and the RCAF kept quiet about the discovery even when the U.S. Air Force announced years later it had made the find in 1950. Recently, the Russians claimed that T-3 was first spotted by a Russian flier named Perov in March, 1950, shortly after the Americans saw it. Greenaway, who will be stationed at MacDill Air Force Base at Tampa, Fla., has been described by former Defense Minister Claxton as the greatest Polar aerial navigator in the world today.

His formal education went only to the end of high school and he is largely self-taught in his chosen field.

He joined the RCAF in 1940 as a wireless operator but later became a navigator. By the end of the war he was instructing the RCAF's top navigation instructors.

He now is one of a small band in the Air Force, increasing slowly in numbers, that is trying to make Polar navigation easier so that in event of war, many navigators could be trained rapidly.

Greenaway won the McKee Trophy in 1952 for meritorious service in the advancement of Canadian aviation. In the same year, he also won the Thurlow Award, given annually by the U.S. Institute of Navigation to the person making the most outstanding scientific and practical contribution to navigation.

Labour Urged To Avoid Political Ties: Regina, Aug. 23 (Globe & Mail) -- Cheered by two standing ovations, Percy Bengough gave his farewell address to the Trades and Labour Congress today, advising the national labour body to retain its aloofness from party politics.

(over)

"My advice," the Congress president told 700 TLC delegates, "is to stay with the purposes of the trade union movement and avoid becoming the tail on any political kite."

The 71-year-old one-time machinist from Vancouver got his loudest applause when he declared that MP's and MPP's haven't lived up to their responsibilities in meeting the problems of unemployment.

But there was nothing political in that statement. "None can deny," he said, "that Canada is usually a well-run and prosperous land."

He called for higher unemployment insurance benefits, to run for a longer time. He asked that unemployment insurance be paid to those who lose jobs because they fall ill.

He urged greater efforts to convince provincial governments they should let loose their jurisdiction over health so that a national health insurance scheme would be possible. . . .

To Fly Military Personnel To Indochina: Ottawa, Aug. 23 (CP) -- Canadian military personnel on the Indochina truce commissions will be flown to the Far East in RCAF North Star transport, it was learned today.

Some 80 army and navy officers now are assembling at Kingston and probably will leave for Indochina at the end of this week.

The ferrying job, it is understood, will be carried out by No. 426 Thunderbird Squadron, stationed at Dorval, Que. It was this Squadron, which made 1,200 Pacific crossings in three years on the Korea airlift.

Record Oil Production In Alberta: Calgary, Aug. 24 (CP) -- Alberta's oil wells reached a record high production of more than 60 barrels each daily in the week ended Aug. 16, according to statistics released by the Conservation Board.

Total production from the 4,856 wells was 294,775 barrels a day, 925 barrels a day more than the previous record set last July and 30,000 barrels more than the previous week.

The prolific Devonian area at Redwater had the largest field production, with a daily average of 88,767 barrels from 924 wells.

Drilling operations in Western Canada during the past week saw the completion of 58 wells while 42 new locations either started drilling or were staked. There were 29 completions and 44 new starts in the previous week. Of the completions in the latest week, 35 were new oil producers, 19 were abandonments and four were completed as gas producers.

Across Canada: The Duchess of Kent and her daughter, 17-year-old Princess Alexandra, called on Premier Duplessis at the Legislature buildings and visited City Hall in Quebec. . . . Closer working relationships between farm and labour groups were urged yesterday before the Trades and Labour Congress of Canada by Mr. J. L. Phelps of Saskatoon, President of the Interprovincial Farm Union Council. "We must realize that the welfare of one is the welfare of the other," said Mr. Phelps, whose organization has branches in British Columbia, the Prairie Provinces and Ontario. He said it would be necessary to heal a breach that had developed over the years between farm and labour people.



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Vol. 5, No. 163

Wednesday, August 25, 1954.

Unemployment Insurance Amendments Heralded: Regina, Aug. 24 (Globe & Mail) -- Canada's bout with unemployment last winter will probably bring amendments to the unemployment insurance system, the Minister of Labour, Mr. Gregg, told the Trades and Labour Congress in convention here today.

"Our unemployment insurance programme is under study and I hope to bring legislation to the next session of Parliament, to make it an even more effective instrument of social policy," Mr. Gregg told 700 TLC unionists.

The Government, he said, will attempt to level out the peaks and valleys of seasonal unemployment by letting more of its own construction contracts in the wintertime.

Referring to the compulsory arbitration which forestalled a railway strike last week, the Labour Minister said federal authorities do not like the idea of compulsion any more than do labour leaders.

The imposition of compulsory arbitration was attacked here yesterday by Mr. Frank Hall, the union's chief negotiator until his resignation, who predicted that compulsory settlement of union disputes might spread outside the railway field.

Canada, he said, was vitally dependent on uninterrupted railway service, and this imposed a duty and was a "compelling influence" to bring arbitration to railway dispute. . . .

Report Threat Of Strikes Involving 17,000: Ottawa, Aug. 25 (CP) -- A threat of strikes involving more than 17,000 workers in three of Canada's largest industrial plants appeared Tuesday as two of the country's biggest unions expressed dissatisfaction over conciliation board findings.

Involved are the Steel Company of Canada at Hamilton, the Ford of Canada plants at Windsor and Oakville, the United Steel-workers of America (CIO-CCL) and the United Automobile Workers (CIO-CCL).

A conciliation board report handed down in Toronto, Tuesday, recommended a general wage increase of five cents an hour for the 7,000 workers at the Steel Company of Canada plant but turned down a union request for an additional hourly boost of  $1\frac{1}{2}$  cents in about 30 job classifications.

The union had demanded a general increase of  $8\frac{1}{2}$  cents an hour over the present basic rate of \$1.43 $\frac{1}{2}$ . Negotiations between the union and the company began last January.

Another conciliation board, in a report released Monday, rejected a request by the 2,600 workers in the Ford Oakville plant for a 15-cent-an-hour increase, plus fringe benefits. A similar ruling was made on the same request from more than 8,000 workers in the Ford plant at Windsor several weeks ago.

The Ford Local 200 at Windsor has given authority to union officials to call a strike meeting if the negotiating committee thinks it is necessary. The committee is scheduled to resume talks with management later this week.

Seaway Construction Proposals: Ottawa, Aug. 24 (Montreal Gazette) -- Authorities here said today that the interests of Canadian contractors, suppliers and labour would be protected under a proposal that customs and immigration regulations be waived for the construction of certain sections of the huge St. Lawrence power project.

(over)

The proposal - advanced by Canada and still under consideration in Washington - has aroused fears in Canadian business and labour quarters that such concessions would result in the U.S. supplying the lion's share of the labour, equipment and materials for the project.

Federal officials, however believe that it would operate with quite different results.

The Canadian proposal, in general outline, is that customs and excise provisions, plus immigration formalities, be waived only in respect of those sections of the power project which straddle the border. But Canada would collect the usual taxes and apply the normal immigration regulations in connection with the construction of works lying wholly on Canadian soil. And the U.S. would do likewise with respect to parts of the project to be built wholly on the American side of the border. . . .

Mr. Saunders On Joint Seaway: Ottawa, Aug. 24 (CP)--Mr. Robert H. Saunders, Chairman of the Ontario Hydro-Electric Commission, said today the St. Lawrence Seaway is being built with U.S. participation because Washington finally was convinced Canada would go ahead with the project alone.

Speaking at an International Day luncheon at the Central Canada Exhibition, Mr. Saunders said the Seaway would have been started two years ago except that U.S. authorities thought talk of an all-Canadian Seaway was bluff.

Across Canada: At a meeting yesterday Hydro Chairman Saunders promised Reeve Lloyd Davis of Iroquois that the plans prepared by the villagers' consultant and approved by the council and residents would be considered before any final plan for re-location is established, according to the Globe & Mail. . . . The Textile Workers Union (CIO-CCL) has sent a letter to Prime Minister St. Laurent asking aid for Canada's textile workers, CP reports from Toronto. . . . An automobile executive predicts that by 1965 there will be 50 per cent more cars in Canada. Mr. E. J. Umphrey, Vice-President of General Motors of Canada, told the Canadian Weekly Newspapers Association convention there will be one car for about every four persons by that date.



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Vol. 5, No. 164

Thursday, August 26, 1954.

**Government Refinancing:** Ottawa, Aug. 25, (CP) -- The Government will shortly launch the biggest refinancing job in postwar history and officials hope it will result in a saving for Canadian taxpayers. With little extra cash available in the treasury, the Government within the next few weeks likely will be in the market for some \$1,100,000,000 required to pay off the Fourth Victory Loan called for redemption Oct. 1. This will be the biggest single Government borrowing operation since 1945 when the Ninth Victory Loan brought the treasury some \$2,000,000,000.

The Fourth Victory Loan carried an interest rate of three per cent and officials likely will offer a mixture of short and long-term bonds aimed at reducing the public debt carrying charges borne by the taxpayer. Those interest charges are formidable, rising last year to \$476,000,000 from \$451,300,000 in 1952-53.

However, interest rates on Government bonds have been declining since mid-1953 and a major refinancing job earlier this year resulted in an interest charge saving. That was the \$850,000,000 bond operation to pay off the Third Victory Loan on June 1. The Government offered \$300,000,000 worth of long-term, 22-year bonds at  $3\frac{1}{4}$  per cent and \$550,000,000 short-term,  $2\frac{1}{2}$ -year issues.

The average cost to the Government was 2.7 per cent, compared to the three-per-cent rate borne by the Victory Bonds. Since the Government had no trouble disposing of its earlier offerings, it may try the same plan again.

The trend towards lower interest charges was reflected in the announcement of the new Canada Savings Bond issue to be offered next month. The rate is  $3\frac{1}{4}$  per cent, down from  $3\frac{5}{8}$  per cent offered in the last year's campaign. . . .

**TLC Endorses Agreement With CCL:** Regina, Aug. 25, (CP) -- The Trades and Labour Congress of Canada took a step in the direction of amalgamating Canada's major labour forces today by endorsing a proposed no-raiding agreement with the Canadian Congress of Labour.

The pact, a history-making one for Canadian labour, is yet to be approved by the CCL but is expected to get the signature of that congress at its national convention in Toronto late next month.

As approved almost unanimously by 650 TLC convention delegates, it would bind the two central labour bodies - the TLC with 580,000 members and the CCL with 375,000 - not to do any membership raiding among the 80,000 members directly chartered to them and would apply influence on autonomous unions against raiding.

It sets up procedures for ironing out jurisdictional disputes between unions of each congress, with the final decision as between any two unions going to an umpire chosen jointly by officers of the two congresses.

The TLC urged that administration of immigration matters be placed under a government-labour management commission.

The convention adopted a resolution blaming last winter's postwar unemployment largely on cold-weather immigration and criticized "unplanned" immigration policies.

It said immigration programmes should be planned in relation to national development requirements, which could best be done through the Department of Labour.

(over)

Unemployment Drops By 13,000: Ottawa, Aug. 25, (CP) -- Unemployment in Canada during July continued to dip downwards from last winter's high point but a labour leader said the situation is still serious enough to warrant special action by Government and Parliament.

The Government reported today that 172,000 persons were without jobs and seeking work during the week of July 24, a drop of 13,000 from a month earlier but still nearly double the 90,000 listed a year ago as jobless.

The Labour Department's figures of job applications on file at National Employment Service offices showed 263,514 persons registered as seeking work on July 22, a drop of 32,233 from the June 17 total of 295,747 but still higher than the 165,884 NES applicants on July 23 last year.

The peak in postwar unemployment was in March, with 570,000 new job applicants.

Electronic Watchdog: Ottawa, Aug. 25, (CP) -- The Defence Research Board has installed an electronic watchdog in its offices at defence headquarters to guard Canada's military secrets at night.

An elaborate audio-monitoring system picks up, locates and relays the slightest sound in any of the board's offices to listening security guards at a master control panel.

The system consists of a network of microphones concealed in rooms and corridors on the fourth floor of the defence headquarters buildings. They will detect and amplify any movement or noise, enabling security officers to make an immediate investigation.

However, the system is designed to prevent office conversations being monitored by security guards during working hours.

Witnesses Ruled Not Religious Denomination: Rouyn, Que., Aug. 25, (CP) -- Mr. Justice Eugene Marquis of the Quebec Superior Court today ruled that the belief shared by Jehovah's Witnesses cannot be considered a religion or a religious denomination.

The judgment, delivered three months after the hearing of what was considered a test case, ends a three-year fight between a Jehovah's Witness, Paul Emile Perron, and the Rouyn Protestant School Board.

Mr. Perron claimed the board had refused to admit his three children to the school and was asking \$1,000 damages. The court in dismissing the case, ruled it was ill-founded. The plaintiff is to pay costs.

Across Canada: Manufacturers of automobiles should spend more time in production of more efficient methods of safe transportation and less in developing cars which can go at speeds far above the legal limits, the Ontario Professional Engineers Association urged yesterday. In a brief presented to the Legislature's Select Committee on Highway Safety, the Association said there is no justification for highways designed for speeds higher than 70 miles an hour. . . . The Ontario textile town of Almonte today added its voice to those pressing the Government to boost tariffs on competing British wool fabrics. Mayor G. M. Dunfield said in a brief to the Tariff Board that he personally is not an advocate of high tariffs, but Almonte has been hit by unemployment. . . . The Bureau of Statistics reported that the number of motor vehicle registrations rose almost nine per cent in Canada in 1952. There was one vehicle registered for every 4.3 persons, compared with one for every 4.6 in 1952 and 4.9 in 1951. Registrations rose to a record total of 3,429,706 in 1953, a boost of 273,882 over 1952. . . . William Pate Mulock, former Postmaster-General, died at his home in Newmarket yesterday following a heart attack. He was 57.



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Vol. 5, No. 165

Friday, August 27, 1954.

Canada And Lebanon To Exchange Diplomatic Representatives: (Press Release No. 52, Aug. 26) -- The Department of External Affairs announced on August 26 that the Governments of Canada and Lebanon have agreed to exchange diplomatic representatives at an early date with a view to developing the bonds of friendship between the two countries which have, during recent years, become closer through common membership in the United Nations and specialized agencies.

It is planned to open the Canadian Legation in Beirut within the next two months. During the absences of the Minister, who will also be accredited as head of the Canadian Mission in Cairo, a senior officer of the Department of External Affairs will act as Chargé d'Affaires ad interim. The Canadian Government Trade Commissioner in Beirut will be attached to the Legation with the rank of Commercial Secretary. Lebanon, now represented in Canada by a Consul General, will open a Legation in Ottawa.

It is hoped that this step will help to promote trade between the two countries as well as other economic, social and cultural interests which they have in common.

Montrealer President Of Trades And Labour Congress: Regina, Aug. 26 (CP) -- Mr. Claude Jodoin, 41, of Montreal, today was elected president of the Trades and Labour Congress of Canada, the youngest head of the TLC in its 70-year history. Mr. Jodoin, who has been an organizer for the Ladies' Garment Workers' Union and Quebec Vice-President of the Congress, succeeded Mr. Percy Bengough of Vancouver, who had retired after a dozen years as President.

He won over Mr. R. K. Gervin, of Vancouver, British Columbia Vice-President, and Mr. Allister F. MacArthur, of Toronto, President of the TLC's Ontario Federation of Labour.

In the TLC's first presidential election in 12 years - Mr. Bengough was always acclaimed - Mr. Jodoin won Canadian labour's most influential post on the first ballot. . . .

Mr. Rhys M. Sale On Economic Outlook: Toronto, Aug. 26 (CP) -- Canadians have become accustomed in recent years to a steady climb in production, sales volume and employment income and almost forget that even the healthiest economy has to take a breathing spell once in a while, Mr. Rhys M. Sale, President of Ford of Canada said today.

Speaking to delegates at the closing sessions of the Canadian Weekly Newspaper Association, Mr. Sale said that business is not as good this year as it was in 1953.

But the sales record to date this year and the prospects for the next five months "show clearly that this will be the second best year in the history of the Canadian motor car industry."

"We have not been having a depression, nor a recession nor anything of the kind. We have been going through a perfectly normal period of adjustment. If I have read the signs correctly, we are on the way out of it."

Canada, he said, should continue with its economic expansion and a high degree of prosperity unless there is complete turmoil in the international scene.

(over)

Oil, Gas, Industry Investment: Toronto, Aug. 27 (Globe & Mail) -- In the past seven and a half years \$2,000,000,000 has been invested in the oil and gas industry in Western Canada and investment is continuing at the rate of about \$1,000,000 a day, Mr. N. E. Tanner, President of Trans-Canada Pipe Lines, Ltd., told a meeting in Victoria, B.C.

Daily potential production in Canada since the Leduc discovery in 1947 has increased from 20,000 to 345,000 barrels, he said, while the daily requirements of crude oil and products have risen from 222,000 to 514,000 barrels.

To show that while oil production is rising rapidly the greater use of oil is keeping pace, Mr. Tanner calculated per capita consumption in Canada has risen from 6.6 barrels in 1947 to 12.5 barrels a year at present. . . .

Racial Discrimination Charged At TLC: Regina, Aug. 26 (CP) -- Racial discrimination in Canada erupted today into one of the warmest issues to hit the Trades and Labour Congress convention since it opened Monday.

As delegates approved continued Congress action to fight discrimination, two of the country's senior labour leaders tangled over a charge that Jewish contractors are exploiting labour.

Mr. Jack Bruce of Toronto, head of the Plumbers' Union, made the accusation against Jewish building contractors in Toronto.

Mr. Bernard Shane of Montreal, international Vice-President of the Garment Workers' Union and Canada's top Jewish labour man, angrily replied that the Jews have no monopoly on exploiters.

The exchange came as the convention discussed - and eventually adopted - a report from its committee on racial discrimination saying there still is much discrimination in Canada and deploring "antagonisms" towards immigrants.

Record Oil Drilling In Manitoba, Saskatchewan: Calgary, Aug. 26 (CP) -- Oil companies operating in Manitoba and Saskatchewan drilled a record high total of 1,963,344 feet in 393 wells during the first half of 1954, surveys reveal. They brought in 189 new wells capable of oil production and 10 new natural gas wells.

Saskatchewan was well in the lead, with 293 wells drilled - 149 field development wells and 144 wildcat exploration ventures - resulting in 118 new oil wells and all of the 10 gas wells.

Manitoba's 100 drilled wells included 29 wildcats and 71 development holes, resulting in 71 new producers.

These totals were 12 per cent and 23.3 per cent, respectively, above those for the corresponding 1953 period.

Across Canada: H.R.H. Marina, Duchess of Kent, and the 17-year-old Princess Alexandra Helen Elizabeth Olga Christabel, arrived in Toronto, Thursday night for their three-day visit to the city. . . . The Government has added Indochina to the list of Soviet bloc countries to which no exports of Canadian goods can be made without a federal permit. Trade officials said Canada sells very little to Indochina and exporters will not be injured by the move, according to CP. . . . Carloadings on Canadian railways in the week ended August 14 numbered 73,850, down 6 per cent from 79,325 a year earlier, according to the Bureau of Statistics.



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Vol. 5, No. 166

Monday, August 30, 1954.

Message To France: (Press Release No. 53, Aug. 27) -- The Department of External Affairs today announced that the Canadian Embassy in Paris had transmitted a message from the Secretary of State for External Affairs to M. Mendes-France conveying his continued friendly interest in, and sympathetic understanding of the difficulties that his Government faces with respect to the ratification of the European Defence Community Treaty; and his earnest hope that through his endeavours a settlement of the question will be effected which will protect the interests of France and advance the cause of peace and Atlantic co-operation.

The message went on to say that Mr. Pearson did not think it an exaggeration to say that an early settlement providing for German participation in collective defence and for the avoidance of purely national German re-armament is essential to the progress, and possibly even to the maintenance of that North Atlantic collaboration which has been one of the most important and inspiring postwar contributions to peace and to a better future.

Canada, Mr. Pearson's message said, has contributed to this collaboration and wishes to continue to do so. In that spirit the Secretary of State for External Affairs hoped, as he knew M. Mendes-France and his colleagues hoped, that nothing would happen which would delay or prejudice such collaboration.

Budgetary Surplus \$28,712,000: Ottawa, Aug. 27 (CP) -- The Government's budgetary surplus was trimmed in July to \$28,712,000 from \$45,370,000 a year ago as both tax revenues and expenditures continued to decline.

The small monthly balance brought the surplus for the first four months of the 1954-55 fiscal year to \$137,756,000, some \$90,000,000 less than the \$230,407,000 in the same period last year, the Finance Department's treasury statement showed today.

The big hole on the collections side was in corporation income tax, which in July declined by some \$23,000,000 from last year's figure. On the spending side, the drop was concentrated in defence where expenditures decreased in the month by \$54,000,000. The Government last year spent about \$200,000,000 less than the \$2,000,000,000 estimated for the year.

Total revenues for the month dropped to \$361,830,000 from \$389,294,000 last year, cutting the four-month total to \$1,316,968,000 from \$1,439,858,000.

The month's collection of personal income tax increased slightly to \$112,400,000 from \$107,600,000, but corporation income tax dropped to \$88,262,000 from \$111,367,000.

Sales tax revenues eased to \$51,674,000 from \$56,052,000; excise duties to \$15,407,000 from \$20,713,000; and customs import duties to \$33,661,000 from \$35,134,000.

On the other side of the ledger, the defence cut reduced July's expenditures to \$333,118,000, down from \$343,924,000 last year, cutting the four-month total to \$1,179,212,000 from \$1,209,451,000.

Defence spending dropped to \$119,059,000 from \$172,913,000, with the Army and Air Force bearing the brunt of the drop. Spending on the Air Force decreased to \$52,622,000 from \$384,976,000 and of the Army to \$28,988,000 from \$52,976,000. Spending on the Navy increased slightly to \$19,815,000 from \$18,225,000.

Officials said that one month's spending does not indicate an over-all trend. Bills have a tendency of piling up towards the year's end. But defence spending for the first four months dropped by \$78,000,000 to \$424,600,000 and Defence Minister Campney has already stated he is looking for economies in his department.

In non-military administration, the burden of Government expenditures increased during July. Public debt charges rose to \$42,122,000 from \$38,985,000; family allowances increased to \$30,277,000 from \$28,891,000; transport to \$12,279,000 from \$9,118,000; post office to \$10,033,000 from \$8,683,000.

Trades And Labour Congress Closing Session: Regina, Aug. 29 (CP) -- The Trades and Labour Congress of Canada, closing its annual conference here Saturday with scores of resolutions passed through in machine-gun style, asked for federal action to preserve a high and stable level of income.

Among the projects it suggested for this purpose were the development of the power potential of the Fraser and Columbia Rivers in British Columbia and the West Coast from the Peace River area, straddling Northern Alberta and British Columbia.

During the discussion, Mr. John Bruce of Toronto, Canadian chief of the plumbers' union, called unemployment a "terrible problem."

"The only solution is to cut down the number of hours we work, but not the pay," Toronto Plumber Harry Lees said. "We need a five-day, 30-hour week," . . .

Lees said the development of atomic energy is going to increase unemployment.

Federal Government pressure on rail unions to avert a strike was blasted Friday by the Trades and Labour Congress of Canada. The annual convention of the TLC - to which most of the non-operating rail unions belong - condemned what it termed the Government's action in forbidding the right to strike and imposing arbitration in the railway-union contract dispute.

Saskatchewan Actress Triumphs At Stratford: Stratford, Ont., Aug. 29 (CP) -- The closing night of this year's Stratford Shakespearian Festival, Saturday, was a personal triumph for Saskatchewan-born Frances Hyland.

An enthusiastic crowd gave the petite, blonde actress from Regina a standing ovation when she appeared on stage after playing Isabella in "Measure for Measure" for the last time.

The play was one of three presented this summer. The others were "Taming of the Shrew" and the Greek tragedy "Oedipus Rex."

The festival was Miss Hyland's first professional engagement in her native country. She starred previously in several productions in London's West End during a 5½-year stay in England.

About 9,300 persons saw last week's extension of the regular run, putting the final attendance figures for the nine-week season at \$127,225, officials said. Last year about 68,000 saw two plays in a six-week run.

Box-office receipts for the last week were \$25,000 with a total revenue of \$392,100 for the season. Last year's total was \$206,000.

Across Canada: The Duchess of Kent and Princess Alexandra arrived at Niagara Falls Sunday to open a hydro generating station after a three-day visit to Toronto and the Canadian National Exhibition. . . . The appointment of at least one and possibly three Parliamentary Assistants to Cabinet Ministers is expected to be announced soon by Prime Minister St. Laurent, according to C.P. . . . Canadian National Exhibition attendance soared to a single-day record of 296,500 Saturday. The figure was 2,000 above the previous single-day high of 294,500 set on the second Saturday of the CNE in 1951 and 29,000 ahead of last year's second-day crowd of 267,500. . . . E. B. Eddy Company, paper manufacturers, on Friday, opened a \$4,500,000 paper mill with a capacity of 39 tons a day of soft tissue. . . . Sen. Elie Beauregarde, Q.C., prominent Montreal lawyer, industrialist, and one-time Speaker of the Senate, died suddenly Friday night after a heart attack while travelling between Richelieu, Que., and Rigaud, Que. He was 70.



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Vol. 5, No. 167

Tuesday, August 31, 1954.

French Decision No Reason For Despair, Says Mr. Pearson: Windsor, Aug. 30 (CP) --

Adequate defensive strength and eternal vigilance are the price to be paid for co-existence with Communism, Mr. Pearson said tonight.

"If we lack power and vigilance, if we become careless and disunited in the free world, 'co-existence' could soon be replaced by non-existence," he told a conference of the Canadian Federation of Mayors and Municipalities.

"But if we follow steadily but persistently the other course, peace through defensive collective strength, and patient, persistent diplomacy," he added, "I don't see why we shouldn't continue to exist along-side the Communist world."

Mr. Pearson made it plain he doesn't like the word "co-existence."

"It is the thinnest word, I think, that I have ever heard. It may be appropriate enough to its source, which is the Kremlin, but it is unimpressive if you set it in any other context.

"...France and Germany can of course, 'co-exist,' even if the problem of their association together in the European Defense Community or the North Atlantic Treaty Organization is left unsolved. But it might be co-existence without confidence, where controversy and competition might easily replace collaboration.

"It might delay and even prejudice both European unity and the development of the Atlantic coalition. The opportunity to write a shining new chapter in history would, for the time being, be lost.

"One cannot help but feel deep anxiety at the possible failure to exploit this great opportunity for peace that may not soon or easily recur. But one can also hope that this anxiety will be removed by the action of those in Western Europe who would be the first to suffer from the consequences of failure.

"That hope is not by any means destroyed so far as I am concerned by the decision today of the French Parliament not to ratify EDC," Mr. Pearson said. "One method of solving this problem, a method originally proposed by the French Government itself, has now been rejected. That may be disappointing, but it is certainly not any reason for despair.

"The free nations of Western Europe, including Germany, will, I am sure, now work to reach their objective of closer co-operation by some other method. The other members of the North Atlantic coalition, including Canada, will, I am certain, wish to do what they can to assist this procedure. And in my view possibly the best way to do this would be to look at the whole problem now in a North Atlantic context."

Mr. Pearson said the word co-existence has become a promise - or a lure - by the Communists "that their world, their system, can live, and amicably with ours."

This appealing but ambiguous slogan had been launched by men who maintained the Iron Curtain to deny normal and friendly relations between men and nations and to poison a free and frank relationship even between individuals in the same society.

The question "do you believe in the possibility of peaceful co-existence with Communism?" was like the old question "have you stopped beating your wife?"

"We would be wrong to underestimate this power and the danger of this loaded question about peaceful co-existence; the measure of that danger is the fact that it has become the key-note of all recent Communist propaganda."

But it was worth trying to clear up the confusion. First, the free world already has been co-existing with Communism for the last 35 years.

"But another and more significant point is that a good many countries, such as the Baltic states, Estonia, Latvia, Lithuania, and the democratic regimes in Poland and Czechoslovakia, which co-existed with the USSR for some years, have now ceased to exist at all as free nations . . . It has become the co-existence of Jonah and the whale that swallowed him. . . .

"There is plenty of evidence that Communist dictatorships tend to expand, and that as they do, they will destroy the co-existing possibilities of free regimes in other countries wherever and whenever they think they can get away with it. . . .

"The answer to the question whether co-existence with Communism is possible lies basically in recognition of the simple fact that we have to share a planet, not with abstractions, but with fellow human beings, who have now learned the secret of destroying life itself on that planet.

"The real question, in fact, is not whether we can 'co-exist' but whether we can prevent the unspeakable catastrophe of an atomic war and ultimately find ways not merely of co-existing, but of co-operating with the people of Russia and China; without at the same time betraying our own principles, weakening our values, or sacrificing our security."

Tariff Board Considering Woollen Imports: Ottawa, Aug. 30 (CP) -- An increase in tariffs on British woollen imports is "not the answer" to the economic problems of the Canadian wool textile industry, the National Council of Clothing Manufacturers said today.

The Council representing a majority of Canadian manufacturers of woollen clothing, said a combination of factors, about which little can be done by the Canadian industry, would make any increase in present tariffs valueless.

The Council presented its views in a brief to the Tariff Board, now studying the tolls situation under which a maximum duty of 50 cents a pound is charged on British wool imports.

B.C.'s Industrial Advance: Ottawa, Aug. 30 (CP) -- Canada's West Coast is rapidly developing into a strident industrial giant with her industrial production doubling in seven postwar years.

The Bureau of Statistics, in a special survey, estimated today that the expanding number of British Columbia factories produced \$1,332,481,000 worth of goods in 1952, double the \$628,903,000 output in 1945.

Rich in natural resources and waterpower, British Columbia is steadily gaining on the country's industrial leaders - Ontario and Quebec. Her share of the total Canadian industrial output rose to 7.8 per cent in 1952 from 7.1 per cent in 1939.

Across Canada: The Transport Department has given up its efforts to prove or disprove the existence of flying saucers.

Mr. J. R. Baldwin, Deputy Minister of Transport, announced Monday that the Flying Saucer Sighting Station at Shirley's Bay, 10 miles northwest of Ottawa, has been closed. . . . Quebec Province ended the 1953-54 fiscal year with a deficit of \$21,631,545, the annual financial statement showed today. . . . Hail damage has cut heavily into crops in big wheat-producing areas of Alberta and Saskatchewan. Damage was suffered, too, in Manitoba but Provincial Government officials there were unable to estimate its extent. With wheat still standing in the fields and the hail hazard still great, early reports showed 275,000 Alberta acres destroyed and four Regina hail insurance firms reported 11,000 damage claims from Saskatchewan, according to C.P.



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INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
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Vol. 5, No. 168

Wednesday, September 2, 1954.

**Controls Lessened On Trade With Soviet:** Ottawa, Aug. 31 (CP) -- Canada today slashed controls on trade with Soviet bloc countries, freeing a large group of goods from export permit including such items as synthetic rubber, freight cars, dynamite and low-power diesel engines.

Trade officials said it was the biggest cut in export controls since the Korean War, but they doubted that it would lead to any large expansion of Canadian trade with the Soviet.

The revisions, approved by the Cabinet following cuts by other Western powers, go into effect tomorrow. The new list of controls were detailed today in a special edition of the Canada Gazette.

Canadian exporters no longer will require Government approval on shipments of such goods as synthetic rubber - except the butyl type which is still considered strategic - phenol used in the plastics industry, dynamite, polyethylene, sulphuric acid, carbon black used in the production of auto tires and a group of other chemicals.

Also removed from export controls are: low-power diesel engines, freight cars, some electric motors and transformers, outboard motors, electric furnaces, various industrial equipment such as electrolytic tinning units, water-treating equipment, stainless steel tanks, elementary drilling machines, railway axle lathes and some forging and pipe-threading machines.

The Government's export controls were imposed mainly to block the shipment of strategic goods to Soviet countries. Recently Britain and the United States agreed on a reduction in Western restrictions and these were approved by other Western powers.

The freeing of some of the goods from controls - such as heavy machinery - will be of little benefit to Canadian exporters since they find it difficult to meet foreign competition, officials said.

However, there may be some items, particularly in the chemical line, that will help, particularly in synthetic rubber. Canada has big supplies of it and plastic-making phenol which may help chemical producers in Quebec.

Still under strategic export control are ships of all types. The Russians have said they would like to buy some types of ships from Canada, but the Government has decided against lifting controls on this group at this time. However, it is known the subject is under constant review.

**July Exports Down To \$323,900,000:** Ottawa, Sept. 1, (CP) -- Canada's exports dropped sharply in July, with wheat shipments taking the biggest dive.

Total exports dropped to \$323,900,000, down \$69,200,000 from \$393,100,000 last year, the Dominion Bureau of Statistics reported. This reduced the total for the first seven months of 1954 to \$2,168,300,000 a drop of \$218,400,000 from \$2,386,700,000 in 1953.

Less than one-third of the drop was attributed to declining prices and more than two-thirds to shrinking volume.

Wheat was the main cause of the decline. July's shipments were pared to \$32,799,000, less than half of the \$71,291,000 shipped a year ago. In the seven-month period, wheat shipments declined by \$143,539,000 to \$199,282,000.

In a previous report, the Bureau estimated July's imports at \$344,600,000, down from \$405,400,000 last year, reducing the seventh-month total to \$2,396,100,000 from \$2,622,000,000.

(over)

The excess of imports over exports resulted in a \$191,200,000 deficit for the seven months, just slightly below the \$204,000,000 import balance last year.

3 Sabres, 4 Silver Stars Boost NATO Aid: Montreal, Sept. 1 (Gazette) -- Canada's striking force against aggression in Europe, went on its way to being increased to nearly 480 planes as a flight of 23 Sabre jets and four Silver Star trainers left RCAF Station St. Hubert.

Yesterday's flight was the eighth the RCAF has undertaken this year to bolster Canada's contribution to NATO through 12 squadrons based in England, France and Germany.

Since February, 222 Mark V Sabres, five Mark 11 Sabres and 12 Silver Stars have been ferried across the Atlantic. The five Mark 11 Sabres went to the Greek Air Force under a NATO agreement.

During 1952 and 1953 four flights of 60 of the earlier Sabre models were flown to the RCAF's European bases to equip four fighter wings with a total of 240 jets.

The Sabres which have been flown to Europe this year are recognized by military authorities as being the best jet interceptor in the arsenal of the Western powers.

They are powered with the Orenda jet engine, being mass produced by Avro-Canada at Toronto. Officials of the aviation industry have said this power plant makes the Sabre superior to any plane being produced by the Russians.

RCAF officials said yesterday the ferrying operation will continue as fast as Canadair, producer of the Sabre, delivers the planes and as pilots are available.

It was estimated that as many as 120 additional Sabres will be delivered to the RCAF's NATO bases by the end of 1954. Further flights, said the Air Force spokesman, will depend on the situation in Europe.

The flights are known as Operation Random and are much smaller than those conducted under the mass flights known as Operation Leapfrog during 1953.

In addition to building up the nation's fighter wings in Europe, Canada has made a free gift of 400 Sabres to the Royal Air Force. They were flown from St. Hubert Airport in Operation Becher's Brook last year. . . .

Mass Evacuation Tests For Vancouver, Winnipeg: Ottawa, Aug. 31 (CP) -- Maj.-Gen. F. F. Worthington, federal Civil Defence Co-ordinator, said today he expects mass evacuation tests soon will be conducted in Vancouver and Winnipeg under a plan to prepare Canadian cities for possible H-bomb attacks.

Gen. Worthington made the statement following his return here by air from the annual meeting of the Canadian Federation of Mayors and Municipalities in Windsor.

"Vancouver and Winnipeg have volunteered to act as guinea pigs for the mass evacuation experiments," he said in an interview.

"They have expressed a desire to be in on the initial studies and our present plans are to launch them at those two points."

Gen. Worthington, said, however, that mayors attending the Windsor meeting expressed a keen interest in present plans for mass evacuation experiments. He said he has no doubt that a number of other cities will want to conduct similar tests.

No date has been set for the tests in Vancouver and Winnipeg, but Gen. Worthington said he is hopeful that the Winnipeg experiment can be conducted this winter. . . .

Counsellor At Washington: The appointment of Mr. Robert A. Farquharson as a Counsellor to the Canadian Embassy in Washington was announced today. For the past two years he has been Director of the Information Division of the North Atlantic Treaty Organization in Paris. In the performance of his duties as Counsellor, Mr. Farquharson will be specially concerned with information matters.

Across Canada: The Prime Minister returned to Ottawa Tuesday to attend a regular meeting of the Cabinet today. . . . Maj.-Gen. E.L.M. Burns, of Canada, United Nations Arab-Israeli truce supervisory chief, arrived at Jerusalem by plane Tuesday from Beirut, Lebanon, according to press report from Jerusalem. . . .



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Vol. 5, No. 169.

Thursday, September 2, 1954.

EDC Rejection Before Cabinet: Ottawa, Sept. 1 (Globe & Mail) -- The change in the world situation caused by France's rejection of the European Defense Community plan was discussed by the Cabinet today.

Mr. St. Laurent declined, however, to tell newspapermen what, if anything, had been decided. He stated that consideration was given the statement made by U.S. Secretary of State Dulles calling for an early conference of NATO foreign ministers.

"All these matters were discussed," Mr. St. Laurent said in a brief interview outside the East Block after the 90-minute Cabinet meeting.

It is believed here that the Government shares Mr. Dulles' desire for a NATO meeting. . . .

Arms Expenditures: Ottawa, Sept. 1 (CP) -- The Government has reduced spending on arms and defence equipment, with Sabre jet production and defence construction taking the biggest cut, informants said today. They said deliveries of CF-100 jet fighters also have declined.

With world tensions easing, the Government's arms expenditures dropped to \$225,000,000 in the first four months of the 1954-55 fiscal year, down \$56,000,000 from \$281,000,000 in the April-July period last year.

Informants estimated that the biggest drop was in aircraft where Government payments for the four months declined by \$32,000,000 to \$109,000,000. . . .

Canada has produced more than 1,000 Sabre jets at the big Canadair plant in Montreal and most of these have been shipped overseas to equip Canada's air division in Europe and provide contributions to the RAF and other overseas Allies. About 120 of the Sabres have been made available to the United States. . . .

Reopen U.K. Apple Market: Ottawa, September 1 (Dept. T. & C.) -- The British Government has announced that it will make dollar exchange available for the purchase of a limited quantity of fresh apples, information to this effect having been received by the Department of Trade and Commerce from the Canadian Trade Commissioner in London. Details concerning the quantities and the methods of licensing will be announced later.

During the ten-year period prior to World War II, Canada exported an average of over five million bushels of apples to the United Kingdom, or over 40 percent of Canada's commercial production. Nova Scotia, British Columbia and Ontario were the principal suppliers. With the exception of special allocations, the United Kingdom market has been virtually closed since 1939. . . .

Bank Notes Bear Queen's Portrait: Ottawa, Sept. 1 (CP) -- The first Canadian bank notes to bear the portrait of the Queen will go into circulation next week. About \$40,000,000 worth of the common denominations such as \$1 and \$2 notes have been or will be distributed - the Bank of Canada will not say more - to 4,000-odd bank branches.

That, said a Bank of Canada official, is a modest supply to replace old notes that are no longer usable.

It is the start of a changeover involving about 160,000,000 notes worth about \$1,500,000,000. That is the average amount in circulation at any given time. . . .

AND

Rails-Labour Arbitrator Selected: Ottawa, Sept. 1 (CP) -- The Cabinet has selected an arbitrator to settle multi-million dollar differences between Canadian railway companies and their 145,000 non-operating employees.

Mr. St. Laurent told reporters following a Cabinet meeting today, however, that the name of the arbitrator will not be announced until a decision has been made on the terms of reference under which he will operate.

Maj.-Gen. Rockingham Takes Command: Camp Petawawa, Ont., Sept. 1 (CP) -- Maj.-Gen. John M. Rockingham formally took command of Canada's first peacetime division in a brief ceremony today which he called a "historical day for the country and the most memorable day in my career."

As general officer commanding the 1st Canadian Infantry Division, Gen. Rockingham has under him more than 14,000 troops and becomes Canada's number one field commander. . . .

Across Canada: The Ontario Hydro Electric Commission announced yesterday it is recommending the awarding of a \$2,400,000 contract to the Mannix Raymond Company of Montreal for construction of two power house coffer dams and de-watering operations in connection with the St. Lawrence Seaway power project . . . . Population increases have outstripped the provision of new classrooms to such an extent that when the new term started yesterday in St. John's, Newfoundland, almost 1,000 children were unable to enroll in city schools, according to a press despatch. . . . The United Steelworkers of America (CIO-CCL), said last night in Hamilton, Ont., its negotiating committee accepted a seven-cent-an-hour package settlement with the Steel Company of Canada. . . . The Ontario Lands Department will stock Lake Ontario with 20,000 yearling lake trout this fall, it was announced. The project is a joint undertaking with the New York State Conservation Department. . . . James Stanley McLean, 78, who rose from \$12-a-week abattoir bookkeeper to become a millionaire meat-packing industrialist, died yesterday after a heart attack at his home in Toronto.



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Friday, September 3, 1954.

North Atlantic Council: Ottawa, Sept. 2 (CP) -- Canada wants an early meeting of the North Atlantic Council to discuss the German question and has so informed its 13 NATO partners.

This country is deeply concerned with the problem of German rearmament because it believes that unless some solution is found - and quickly - the North Atlantic Alliance may sicken and possibly die.

The North Atlantic Council is scheduled to hold its full dress annual meeting in Paris in December. Both Mr. Pearson and Mr. Campney have planned to attend. But, officials said today, Canada feels that in view of French rejection of the European Defence Community, a special meeting should be called earlier.

No date for such a meeting of Foreign Ministers was specified by the Government when it made known its position to its NATO allies through embassies and legations abroad. The feeling here was that a German-question conference could not be convened before October.

Officials said the problem of German rearmament should be one for a NATO forum. Previously they said the logical move after French rejection of EDC would appear to be inclusion of West Germany in NATO despite the difficulties involved in such action.

Britain is reported to have suggested a meeting of Britain, the United States, West Germany, France, Italy, Belgium, The Netherlands and Luxembourg to discuss German rearmament. Officials said they believe that if such a conference is held, it should be preliminary to a full NATO meeting.

On the surface, the Canadian view would appear to approximate that of Mr. John Foster Dulles who has proposed a special NATO meeting to discuss Germany. . . .

Officials here said they believe safeguards to prevent any recurrence of German aggression should be written into any agreement to bring Germany into NATO.

Delegation To UN General Assembly: Ottawa, Sept. 2 (CP) - Mr. Pearson will head Canada's Delegation to the Ninth Session of the United Nations General Assembly, which opens in New York Sept. 21. The External Affairs Department said today Mr. Martin will be Vice-Chairman. The other three members are Senator Howard, Mr. D.M. Johnson, Canada's Permanent Representative to the UN; and Mr. G. D. Weaver, Liberal member of Parliament for Churchill.

Mr. Pearson At Rochester, N.Y.: Rochester, N.Y., Sept. 2 (CP) -- Mr. Pearson said tonight opportunities for progress toward a freer system of world trade are more promising now than at any time since the end of the Second World War.

But, he added, "we must recognize that the balance of forces abroad in favour of major progress now is a precarious one."

Mr. Pearson was speaking before a conference on Canada-U.S. relations at the University of Rochester.

"A positive lead on the part of North America at this critical juncture can, I feel, til the balance in favour of progress," he said. By the same token even minor defections on our part are liable to have an influence on the attitudes of overseas countries which goes far beyond their actual impact on trade. . . .

(over)

Immigration Department Criticized: Winnipeg, Sept. 2 (CP) -- A federal Government official said today no immediate changes are planned in the procedure followed at overseas offices of the Federal Immigration Department which came under sharp criticism at the annual meeting of the Canadian Bar Association.

Mr. Laval Fortier, Deputy Minister of Citizenship and Immigration, said in an interview the Immigration Act is constantly being studied, but the Department sees no need at present for a change.

A three-man sub-committee of the Bar Association which has spent 2½ years investigating abuses in immigration procedure charged that the Department had been guilty of "shocking" procedural practices in its worldwide offices. Results of the investigation were revealed by sub-committee chairman Mr. J. H. McDonald of Ottawa.

Commenting on the criticism, Mr. Fortier said immigration inspectors are like judges - one might decide one way while in the same circumstances another might decide the opposite way.

The inspectors must decide a case on both the facts and the merits of the individual before them. Sometimes one inspector might decide a man was sincere and another inspector might decide he was lying.

Mr. McDonald asked permission to continue the investigation for another year.

Mr. McDonald revealed many of the findings of the sub-committee at a press conference.

He said the more than 200 cases studied showed that there were countless cases of Canadians trying to return from abroad being delayed by immigration officials anywhere up to five years . . . and some of them never got home; there is little uniformity in the department's rules and regulations;

The inspectors themselves are not clear on what authority they have for their actions; what one immigration office calls "confidential" information, another calls public information; at overseas ports, Canadians are refused representation by counsel; the department often deals directly with a lawyer's client and has been known to advise the counsel be dismissed.

Mr. McDonald said the sub-committee has evidence to back its charges, and two weeks ago some was presented to the Minister of Immigration.

He said the sub-committee had six recommendations to avoid abuses in the administration of the Immigration Act;

1. Codification of the department's regulations "so the inspectors all administer the same law;"
2. Publication of intra-departmental directives--"so the men in the field know what Ottawa wants them to do;"
3. Implementation of proper legal appeal procedure, ending ultimately in the courts. He said that the Immigration Act provides for such a procedure to be set up, but it hasn't been;
4. That departmental files be made available to applicants and their attorneys, excluding confidential material written by departmental officials;
5. Recognition of the role of barristers and solicitors in immigration law; and
6. Establishment of a procedure setting forth the reason for rejection in each case, in such a way that the rejected party has an opportunity of overcoming the department's objection. . . .

Across Canada: Mr. Rhys M. Sale, President of Ford Motor Company of Canada, said today 1954 would go down as the automotive industry's second-best year. He spoke at the final luncheon of the Canadian Federation of Mayors and Municipalities convention. . . . Seventy-six officer cadets from Canadian universities and service colleges have completed summer training with units of the 1st Infantry Brigade and will return to Canada this month, according to C.P. from Soest, Germany.

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Vol. 5, No. 171.

Tuesday, September 7, 1954.

Message to M. Mendes-France: Paris, Sept. 3 (Reuters) -- Canadian Ambassador Jean Desy tonight handed Premier Pierre Mendes-France, a recommendation that West German participation in Western Europe's defence should be handled strictly within the framework of the North Atlantic Treaty Organization.

The message contained two main points:

1. A meeting of the North Atlantic Council should be held soon, either at the level of a council of ministers or of the permanent delegates of NATO.
2. The problem of German participation in European defence should be studied in the framework of NATO and not at a meeting of eight or three powers outside of the Atlantic Pact Organization. . . .

Commons Debate Speculation: Ottawa, Sept. 5, (CP) -- The Government is building up a backlog of foreign policy decisions which the Commons will probably want to talk about when it next meets.

Since the House was prorogued in June, the Government has:

1. Agreed to participate on the Indo-China truce commissions.
2. Called for an early meeting of the North Atlantic Alliance to discuss the German rearmament question.
3. Decided to withdraw two-thirds of the Canadian infantry brigade from Korea.
4. Reached agreement with the U.S. on construction on the international section of the St. Lawrence Seaway.
5. Made it known that failure of the Korean part of the Geneva conference will mean no recognition of the Chinese Communist Government for the time being at least.
6. Indicated its view that the proposed Southeast Asia defence pact is not all it might or should be. . . .

Release of Kurt Meyer: Ottawa, Sept. 3, (Globe) -- Kurt Meyer, the German major-general who was convicted in 1945 of having been responsible for the slaying of 18 Canadian prisoners of war, will be a free man next Tuesday.

At National Defence headquarters here, it was confirmed today that Meyer would be released on September 7 from the British prison at Werl, Germany. Meyer, who is 43, was originally sentenced to be shot but his punishment was reduced first to life imprisonment and then to 14 years.

When released, he will have served nine years and four months and will be eligible for freedom by reason of time off for good behavior. . . .

Report California Wants Alberta Gas: Ottawa, Sept. 3, (CP) -- There was new hope in federal quarters today that Canadian natural gas may eventually be granted an outlet in the Western United States.

Federal authorities said that California interests, badly in need of more gas, are seeking ways of getting supplies from Canada.

They speculated that the result may be that Westcoast Transmission Co. Ltd. of Calgary may make a new application before the U.S. Federal Power Commission to build a pipeline to reach the California market with natural gas from the Peace River area of British Columbia and Alberta.

(over)

An initial bid by Westcoast to get into the U.S. Pacific Northwest market was rejected last June by the commission, which granted a franchise to that market to an American company, Pacific Northwest Pipeline Corp. of Houston, Texas.

Living Costs Again Rise: Ottawa, Sept. 3, (CP) -- Living costs climbed to the third highest point in history during July. The consumer price index, yardstick for measuring living costs, jumped by four-fifths of a point to 117, the Bureau of Statistics reported today.

It was the third increase in a row and the biggest in 33 months, bringing the yardstick -- based on 1949 prices equalling 100 -- to its highest level since January, 1952.

The Bureau said the big jump was caused by rising food prices as well as another increase in rents and home ownership costs.

Football Results: (Monday) -- Montreal 20, Ottawa 11.  
 Toronto 21, Hamilton 7.  
 Saskatchewan 18, Winnipeg 14.  
 (Saturday) -- Montreal 21, Ottawa 2.  
 Hamilton 17, Toronto 6.  
 Calgary 34, British Columbia 0.

Across Canada: The Duchess of Kent, Princess Alexandra and a mild Sunday afternoon combined to draw large crowds in Moncton, N.B., despite a shower soon after their arrival by train from Halifax. . . . Mr. Pickersgill said on September 3, he is studying a charge by a Canadian Bar Association sub-committee of "shocking" procedural practices in his department's overseas offices, CP reported. . . . Government geologists have discovered evidence of a possible iron deposit in the Northwest Territories, just north of the Saskatchewan boundary. The Mines Department said the discovery of what is believed to be a body of magnetite iron was made late last month by a field party of the Geological Survey of Canada. . . . The Winnipeg goldeye industry has been given new life with the discovery of a northern lake teeming with the little fish. Officials of Canadian Fish Producers Ltd. announced the discovery. But the lake is nowhere near Winnipeg or Lake Winnipeg -- it's not even in Manitoba. It is Lake Clair in Wood Buffalo Park, near the southern extremity of Lake Athabaska in Northern Alberta. Company officials said the lake, in less than six weeks this year, produced a catch that rivals the best production records of Lake Winnipeg. . . . Toronto Maple Leafs won their first International Baseball League pennant since 1943 when they defeated Rochester Red Wings 3-2 in the first game of a Labour Day doubleheader.

GOVERNMENT  
OF CANADA  
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Wednesday, September 8, 1954.

Mr. Pearson On Problem of Germany: Toronto, Sept. 7 (CP) -- Mr. Pearson said today the "only possible solution" to the German problem is the "association with the North Atlantic Treaty Organization of a Germany with her sovereignty restored and the occupation ended."

In an address to the Canadian National Exhibition directors' luncheon on International Day, he indicated that Canada will support any proposal for the inclusion of Germany in NATO as a means of uniting the free countries of Europe. However, he added, such a solution would not commit the other 14 NATO partners to a unification of Germany by force or restoration by force of lost German territories.

One by one, he ticked off the alternate methods of bringing West Germany into the western defence system now that France has rejected the European Defence Community. A neutralized and disarmed Germany would be impossible:

"If it was impossible to keep Germany neutral and disarmed in the Twenties, how can that be done now, with the victors of the last war divided and bitterly hostile, and in the face of the control of a rearmed communist East Germany by an aggressive mighty Russian imperial power?"

To leave the situation stand as it now is would be a "futile and negative course."

To give back complete sovereignty to Germany now would mean the end of the Atlantic alliance and the move toward European unification.

"We return, then, to the only possible solution: bringing a free Germany into close association with a group of other free countries in a manner which will permit Germany to contribute to collective security, but which will ensure that she not become strong enough to dominate or control the alliance or any of its members."

Mr. Pearson stressed that a solution to the German problem must be found soon "if the Atlantic alliance and with it our best hope for preventing aggression is to be kept strong; or, possibly, even, to be maintained at all."

"The stakes are as high as that," he added.

"A new attempt to associate Germany with the Atlantic system should be pressed quickly and vigorously and steadily until the desired result is achieved," Mr. Pearson said.

That was why Canada has suggested an early meeting of NATO partners to discuss the German problem.

Drastic Cut in Wheat Crop Estimate: Ottawa, Sept. 8 (CP) -- The Government next week will reduce its 1954 wheat crop estimate possibly by 100,000,000 bushels or more in the wake of heavy prairie rust and continuing bad harvesting weather.

Federal authorities said yesterday it will be the most drastic cut in many years, with deteriorating harvest conditions forcing a slash of the original 513,000,000-bushel crop estimate.

The original estimate was based on conditions as of August 1 and the new one, to be made September 15, will be based on conditions as of September 1.

Authorities tentatively estimated the wheat rust damage at 85,000,000 bushels and said many more millions likely will be lost through frost in the next two months.

(over)

However, even with a big cut in production, Canada will have formidable supplies this year, having carried over 587,000,000 bushels of unsold wheat from the last crop year which ended July 31. It was the biggest end-of-year stockpile in 11 years and just 7,000,000 bushels below the record wartime carryover of 594,000,000 in 1943.

Nevertheless, federal authorities feel that the anticipated production drop, combined with a strengthening of overseas markets, will help stabilize Canadian wheat prices and possibly reduce the delay in closing up the 1953-54 wheat pool.

They said that Britain, Canada's top wheat customer, already is increasing orders for Canadian wheat. A London dispatch Monday quoted financial experts as saying Britain almost certainly will buy more wheat from Canada in the current crop year.

Population 15,236,000 On July 1: Ottawa, Sept. 7 (CP) -- Canada's population gained 41,000 persons during June to reach 15,236,000 on July 1, the Bureau of Statistics estimated today. The Bureau also said the country's population is gaining at a faster rate than a year ago.

The increase during the first six months of 1954 was 201,000, 17 per cent above the gain in the first half of last year. The July 1 figure of 15,236,000 compares with 15,035,000 at January 1; 14,821,000 at July 1, 1953; and 14,649,000 at January 1, 1953.

There was no estimate of provincial populations as of July 1.

The Bureau said the population increased at the rate of 2.8 per cent in the year ended July 1, compared with a rate of 2.4 per cent in the preceding year.

Across Canada: A crowd of 294,500 set a Labour Day attendance record at the C.N.E. The Exhibition had the biggest attendance in its history on Saturday with 296,500. . . . Company-union talks broke down in Toronto yesterday between the Massey-Harris-Ferguson company and the United Auto Workers (CIO-CCL) in their contract dispute. . . . Trustees Granham and Male of the Toronto Board of Education see an end of the teacher shortage -- through television. At a management meeting of the Board yesterday they said when that day comes, the only staff necessary in a school will be a principal, caretaker, and TV in every classroom, according to CP. . . . The Alberta Government has issued a general permit for duck shooting in most parts of the province as a means of checking widespread damage to grain crops by marauding mallards and pintails. Scope of action for the umpire in the union-railway contract dispute remains unsettled, CP reports, as the Cabinet and the rail unions prepare to deal with the issue at meetings today.

DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 173

Thursday, September 9, 1954.

Canada - U.S. Atomic Energy Agency Talks: Ottawa, Sept. 8 (CP) -- Canada and the United States tomorrow will start discussions concerning the establishment of an international atomic energy agency, with or without Soviet Russia's participation.

Mr. Pearson said tonight in a statement that Canadian and American atomic chiefs will meet in Washington to discuss the proposed international agency and other technical matters.

The statement was issued after Mr. St. Laurent said he and Trade Minister Howe will meet during the weekend with two U.S. Ministers at Knob Lake in Northern Quebec. Mr. St. Laurent said it would be strange if the Cabinet members did not talk about atomic energy.

Prairie Crop Prospects Deteriorate: Ottawa, Sept. 8 (CP) -- Prairie crop prospects have deteriorated seriously under heavy rains, rust, hail and sawfly damage, the Bureau of Statistics reported today.

"Harvesting is very late throughout the West, with many crops still immature and subject to frost damage," the Bureau said.

Many Western fields are so wet that harvesting machinery can't get in. Rust has seriously reduced yields over wide areas of Saskatchewan, Manitoba and to a lesser extent, eastern Alberta.

Very little harvesting has been accomplished with the exception of Manitoba where 25 per cent of the threshing is completed and southern areas of Saskatchewan and Alberta where "fair progress" has been made.

Rail-Union Reference Terms Debated: Ottawa, Sept. 8 (CP) -- Government-proposed terms of reference for an arbitrator in the railway-union contract fight do not meet the disputants' views, but Mr. St. Laurent said today they can be changed.

"Our worries about the railway question are over," he told reporters after an announcement from rail union chiefs at Montreal that the unions disagree with the scope suggested by the Government for the arbitrator to settle the dispute that had threatened to result in a strike last month.

Mr. St. Laurent said the Government is waiting only to hear officially about the views of the disputants on its proposals -- sent to them last week -- before embodying them into legislation.

Later Mr. Gregg said he is prepared to meet representatives of the unions who today telegraphed him for a conference Friday at which they might state their objections to the terms of reference.

Mr. Gregg said that the railways, too, have objected to some points in the Cabinet's proposals for an arbitrator's operation, but he described their disagreement as minor.

"We will go into any points that are necessary to iron out with either party," he said in an interview.

The Minister expressed the hope that differences over the terms of reference for the arbitrator can be settled by about next Tuesday, three days in advance of the next Cabinet meeting at which the arbitrator could be appointed.

(over)

International Military Parade At Windsor, Ont: Windsor, Sept. 8 (CP) -- The largest international military parade ever held along the 3,000-mile border between Canada and the United States will be in Windsor September 26.

Upwards of 5,000 American National Guard and Michigan State troops will cross the border to hold a commemorative parade. Theme will be the international friendship along the Canadian-American border where for 140 years there has been no armed conflict.

Stefansson Cache Discovered: Ottawa, Sept. 8 (CP) -- A cache left 38 years ago on Banks Island by Arctic explorer Vilhjalmur Stefansson has been found, the Defence Research Board said today.

The Board reported receiving a message from Dr. William Cameron, one of a group of Canadian and U.S. scientists investigating Canada's western Arctic waters. It read: "Have recovered Stefansson cache at Knight Harbour."

\$50,000,000 In New Bills Distributed: Ottawa, Sept. 8 (CP) -- Canada will lift the curtain tomorrow on her new paper currency. Bank branches from coast to coast now have received supplies and will be ready to distribute them to the general public tomorrow, Bank of Canada officials said today as they disclosed details of the biggest money operation in Canadian history.

The crisp, new notes, first to bear the portrait of the Queen, were shipped in 3,277 separate packages by rail, air and highway to reach each individual bank branch.

Altogether, a little less than \$50,000,000 of the new, two-tone bills were shipped, the biggest single money packaging and mailing operation in the bank's history.

Across Canada: Business prospects for the last half of 1954 are considerably brighter than they were six months ago, the Purchasing Agents Association of Toronto reported yesterday. Business expenditure on capital expansion and improvement still continues at a moderate rate and the outlook remains good. Mr. St. Laurent said yesterday that by-elections to fill six vacancies in the Commons will not be held until after October 25. . . . Works Minister Winters today hired an expert to help squeeze the maximum economic efficiency out of his \$150,000,000 public works programme. He appointed Dr. E.G. Weeks, who headed the Defence Production Department's economics branch, to direct a newly-established economic study unit in the Public Works Department. . . . The Defence Production Department yesterday announced the appointment of Mr. P.S. Solly-Flood, 37, of Ottawa as a member of Canada's permanent delegation to the North Atlantic Council in Paris.



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Vol. 5, No. 174

Friday, September 10, 1954.

**Mr. St. Laurent On Free Convertibility:** Montreal, Sept. 10 (Gazette) -- Prime Minister St. Laurent said last night full and true unification of the countries of the free world would be impossible without free convertibility of their currencies.

He said Canadians hope to see France join the move toward a free international flow of currencies. France and sterling-area countries have placed curbs on the exchange of their currencies for dollars. The remarks were made at the opening of the French trade fair here, France in Montreal.

Mr. St. Laurent said in French Canada's hope is based on the fact that France has succeeded in overcoming its postwar difficulties. "France has recovered its front line place in international economic affairs," he said. Canada and France were friendly rivals for the third place among the leading trading countries of the world, but the competition did no harm to their lasting common interests.

Among these he listed as the most important the growth of an international multilateral trade system which representatives of both countries sought, to promote in international councils and in agreements such as the General Agreement on Tariffs and Trade.

Mr. St. Laurent said French exports to Canada last year had grown to \$22,300,000 from \$6,300,000 in 1939. Canadian exports to France last year totalled \$32,000,000.

He said he hopes trade between the two countries will continue to grow. He described the exhibition as "the result of a living economy closely linked to the civilization from which it comes."

**Mr. Drew Returns From Tour Of Europe:** Ottawa, Sept. 9 (CP) -- Mr. George Drew said today he welcomes joint development and operation of the St. Lawrence Seaway by Canada and the United States.

"I am glad it is to be a joint development," he said at a press conference following his return to Ottawa from a two-month fact-finding tour of Europe. However, Mr. Drew said he reserves the right to comment later on the exact courses of the Seaway including the location of locks and canals. . . .

Mr. Drew said joint development would be of great importance in assuring maintenance of operation and would be valuable as an international expression of good will. . . .

Mr. Drew said Canada's rights in the St. Lawrence must be respected under any Canada-U.S. Seaway agreement. He added that there must be give and take on both sides depending on engineering advice.

During his overseas tour, Mr. Drew said, he was impressed by the desire of the people of Western Europe to find a common ground to prevent another war. They were ready to go to any reasonable lengths to reach agreement.

He was optimistic on the chances of world peace and said he feels there is no alternative to rearmament of West Germany. While the European Defence Community had been killed by French action, he was hopeful that the main features of EDC still could be incorporated into another combined defence plan, such as the North Atlantic Treaty Organization.

"There can be no question about the rearmament of West Germany. It is significant that even though EDC was turned down by the French Chamber of Deputies, Premier Mendes-France left no doubt that there must be rearmament of West Germany."

16-Year-Old High School Girl Swims Across Lake Ontario: Toronto, Sept. 9 (CP) -- Marilyn Bell, a 16-year-old blonde high school girl, conquered Lake Ontario tonight, the first woman to stroke across the 32 miles of icy water between New York State and Ontario.

She reached a breakwater a half-mile west of the Canadian National Exhibition at 8:10 p.m., EDT, refused for a few minutes to allow herself to be taken from the water and then touched her boat at 8:13 p.m., 20 hours and 56 minutes after she left Youngstown, N.Y., last night.

She was assisted into a small boat, wrapped in a blanket and, while water craft blew a salute and rockets told a CNE crowd of 160,000 of her success, was taken away for a rest.

Observers in the 35 boats accompanying her said she seemed on the verge of collapse during the last hour. She didn't respond to calls from her boat but kept moving her arms and legs slowly as if in agony.

The amazing swim of the five-foot-one, 119-pound teenager, which may bring her as much as \$50,000 in prizes, overwhelmed the 75,000 persons who deserted exhibition attractions to line the waterfront and cheer into the darkness toward her.

The captain of the boat that followed Marilyn estimated she actually swam more than 40 miles owing to current and winds.

Wednesday night Jerry Kerschner was pulled out. The U.S. champion, Florence Chadwick, and the St. Thomas star, Winnie Roach Leuszler, who started about the same time as Marilyn, were forced to give up earlier Thursday.

Across Canada: Importance of the "gradual lowering of economic activity" in Canada in the last 12 months has been "exaggerated" because people tend to compare 1954 with 1953, when the level of business was the highest ever, Mr. N.J. McKinnon, Toronto, Vice-President and General Manager of the Canadian Bank of Commerce, said in Saskatoon. . . . Top officers of the federal Labour Department will try Friday to get unions and railway companies to agree on a set of rules for the Government arbitrator who is to write the settlement award in their contract dispute. . . . Food supplies have been flown to a band of nomad Eskimos found starving in the Ennadai Lake area of the Northwest Territories, 230 miles inland from Hudson Bay and about 50 miles north of the Manitoba border, it was learned yesterday, according to CP from Edmonton.



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Vol. 5, No. 175

Monday, September 13, 1954.

Mr. St. Laurent at Labrador Hydro Plant Opening: Menihek, Labrador, Sept. 12 (CP) -- Labrador's first hydro-electric development, churned into official production Saturday and Mr. St. Laurent, who stood high over the rising mists of the Menihek Dam, described the plant as "only a forerunner...of a great outstanding development".

Premier Smallwood of Newfoundland scaled a narrow catwalk to pull a switch which sent millions of gallons of water surging over a dry riverbed as two 33,000-volt generators shot electricity to Canada's biggest iron ore development at Knob Lake, 28 miles away.

Only Government representatives and guests and the families of this southern Labrador settlement stood over the 1,200-foot long dam to watch the first official water come spewing under the dam's 34-foot head.

While engineers explained the operation to their guests, the Prime Minister posed for family photos with residents of the small community which built itself around the 12,000-horsepower project.

Later, at a Knob Lake luncheon, Premier Smallwood described Labrador as "one of the great treasure houses of the world".

He predicted that the Newfoundland territory could eventually produce between 15,000,000 and 18,000,000 horsepower.

The Menihek project, which raised the waters of a lake some 20 feet over spruce and scrub land, is capable of producing an additional 12,000 horsepower when required. The ultimate potentialities of the lake, officials say, is 74,000 horsepower with additional construction.

More than 900,000 cubic yards of earth was moved during the two-year construction period and 31,000 cubic yards of concrete was poured into the giant forms which span across the former river mouth. The dam also serves as a bridge for the 356-mile railway line which carries ore from Knob Lake to Seven Islands, Que., for the Iron Ore Company of Canada. The company also uses Menihek power for its railway and the 1,000 employees who live in Knob Lake.

Mr. G. M. Humphrey, Secretary of the U.S. Treasury who flew up for the dam opening with Senator Byrd of Virginia, described the whole project as "only an example of what free men of free nations could do".

The delegations, including Mr. Howe, Mr. Chevrier, head of the St. Lawrence Seaway Authority and Resources Minister Rowe of Newfoundland on Friday inspected the company's railway line and loading facilities at Seven Islands.

Great Lakes Fisheries Convention (Press Release No. 56, Sept. 10): Ottawa, Sept. 10 (Dept. E.A.) -- The Department of External Affairs announced that representatives of the United States and Canada signed on Sept. 10 in Washington a Convention on Great Lakes Fisheries. The Convention provides for joint action by the United States and Canada in the field of fishery research and the elimination of the predatory sea lamprey in the Great Lakes. To carry out this task, both Governments agree to establish a Great Lakes Fishery Commission of three appointees from each country...

Hurricane Destroys Most of Nova Scotia's Apple Crop: Halifax, Sept. 12 (CP) -- Hurricane Edna sliced across the Maritimes Saturday night and destroyed more than two-thirds of Nova Scotia's bumper \$4,000,000 apple crop in a costly last fling before dying in the Gulf of St. Lawrence.

Damage was in the millions, but only one fatality was reported.

Nova Scotia took the hurricane's worst punch as it steamrollered first against fishing villages on the south-western shore and later the Annapolis Valley's rich orchards in its wild rampage up the province's backbone.

Barns rolled like tumbleweed before the 100-mile winds; shorelines pushed back jerry-built fishing shacks; fish plants lifted from concrete foundations, flew

through the air. A half-mile of road disappeared under tons of wind-blown beach-stones.

In the Annapolis Valley, apples fell like buckshot on the eve of the harvest. For the first time since the war, growers had been promised they could sell some of their 2,500,000-bushel crop on the lucrative United Kingdom market. Now the fallen, bruised apples will go into juice, cider and other by-products.

Vancouver - Amsterdam Air Service: Montreal, Sept. 13 (Gazette) -- Canadian Pacific Airlines announced Saturday they have applied to the Federal Transport Department for permission to inaugurate a northerly air service between Vancouver and Amsterdam.

The requested service would follow a route through the Northwest Territories, Greenland and Iceland similar to one to be followed by Scandinavian SAS Airline, granted certification recently for a service from Los Angeles to Oslo via Edmonton.

CPA President Grant McConachie said in a statement the service could be inaugurated without delay since a "chain of excellent airports already is in existence along the entire path and at no time...would an airliner be more than 90 minutes from an airport".

Across Canada: A crowd of 8,000 in the Montreal Forum was brought to its feet Saturday night in tribute to a 16-year-old Toronto schoolgirl who said she completed a swimming feat compared with the four-minute mile "for the sake of Canada". "It was the thing that drove me on," Marilyn Bell told a throng gathered to see her and witness a show sponsored by the Shriners organization in aid of its local hospital. The conqueror of Lake Ontario was greeted with a loud applause as she drove twice around the arena perched on the back seat of a convertible, the Gazette reports.... The Canadian National Exhibition exceeded its previous total attendance record by almost 100,000 when the gates closed Saturday night, but it fell 180,000 short of its 3,000,000 attendance goal....  
Football: Montreal 21, Hamilton 3; Ottawa 12, Toronto 5; Edmonton 30, Calgary 11; Regina 17, British Columbia 7.

GOVERNMENT



**DAILY AIRMAIL BULLETIN**

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Vol. 5, No. 176

Tuesday, September 14, 1954.

**Report Some Troops To Be Home By Christmas:** Ottawa, Sept. 13 (CP) -- Withdrawal of two-thirds of the 6,000-man Canadian Infantry Brigade in Korea will start soon and is expected to be completed by Christmas, it was learned today.

Canada, Britain, Australia and New Zealand will make a joint announcement tomorrow that they will trim the 1st Commonwealth Division in Korea to one-third its present size. At least one of the three Canadian destroyers in Korean waters will be brought home -- but not all of them. The official announcement will give details of which units are to be withdrawn.

It was learned authoritatively that one of these units will be the 2nd Battalion, the Black Watch. The 1st Battalion, the Black Watch, originally scheduled to go to Korea to relieve the 2nd, will remain in Canada.

The other two infantry battalions in Korea are the 4th Battalion, Canadian Guards, the 2nd Battalion, Queen's Own Rifles of Canada.

It appeared likely that the Guards, who have served longer in the Far East than the Queen's Own, also will be withdrawn.

It was not known immediately which of the remaining units will be returned to Canada. These include the 3rd Regiment, Royal Canadian Horse Artillery, D Squadron, Royal Canadian Dragoons, and supporting arms such as transport, engineers and medical corps.

Reduction in Commonwealth forces to a single brigade from a division is in line with a similar withdrawal by the United States, which is taking four of its six divisions out of Korea.

It is planned to have the Canadian soldiers and sailors home by Christmas or at least on their way home by then.

It is possible that the remaining Canadian troops and warships may be withdrawn from Korea next year but officials said this will depend on how the situation develops.

**Gross National Product Decline:** Ottawa, Sept. 13 (CP) -- Losses from the Prairie rust epidemic, destroying large parts of the Western wheat crop, have affected national prosperity. They may have a particularly worrisome impact on the federal treasury.

The Bureau of Statistics estimated today that Canada's gross national product, which has increased all through the post-war years, declined to an annual rate of \$23,900,000,000 in the first half of 1954. The drop was attributed almost entirely to smaller farm output.

If this trend continues, it will mean an over-all decline for the year of \$400,000,000 in national production from the all-time high of \$24,300,000,000 in 1953. A decline of this proportion would be four times the drop of \$100,000,000 in 1945.

**C.F.A. Opposes Higher Textile Tariffs:** Ottawa, Sept. 13 (CP) -- The Canadian Federation of Agriculture says that higher tariffs on British textiles would weaken the ability of the United Kingdom to buy Canadian farm products.

The warning is contained in a brief submitted to the Canadian Tariff Board which is investigating the impact of British preferential tariffs on this country's textile industry. The investigation was ordered by the Government after the domestic industry demanded a tariff increase against competing British textiles.

(over)

"Any move by the Canadian Government to increase tariffs against the entry into Canada of British textiles would further seriously impair the already weakened ability of the United Kingdom to make purchases of Canadian farm products," the Federation said today in a statement. . . .

Probe Railway Agreed Charges: Ottawa, Sept. 13 (CP) -- A Federal Royal Commission will make a broad inquiry into the effect of railway "agreed charges."

Hon. W.F.A. Turgeon, conducting the one-man Royal Commission, today expressed the view that a May order-in-council of Cabinet gives him wide powers to inquire into this phase of rail freight rates.

His attitude was expressed at a preliminary conference in advance of formal commission hearings, which he said should open about October 12 at either Vancouver or Winnipeg.

U.N. Parliamentary Observers: Ottawa, Sept. 10 (Press Release No. 57, Sept. 10) --

The Department of External Affairs announced today the names of the following parliamentary observers with the Canadian Delegation to the Ninth Session of the General Assembly of the United Nations which opens in New York on September 21st:

- Mr. T.E. Ross, M.P., for Hamilton East, (Lib.), Mr. Andre Gauthier, M.P., for Lake St. John, (Lib.), Mr. A.R. Lusby, M.P., for Cumberland, (Lib), Mr. D.R. Michener, M.P., for St. Paul's (P.C.), Mr. A.B. Patterson, M.P., for Fraser Valley, (S.C.), Mr. C. Gillis, M.P., for Cape Breton South, (C.C.F.)

Aid For India, Pakistan, Nepal: Ottawa, Sept. 10, (Press Release No. 58, Sept. 10)

The Department of External Affairs announced on September 10 that the Canadian Government has decided to make available \$225 thousand to assist in flood relief operations in India, Pakistan and Nepal. Of this amount, it is intended that \$100 thousand worth of aid should go to India, \$100 thousand to Pakistan and \$25 thousand to Nepal. The assistance provided will take the form of dried skim milk and drugs, commodities which are urgently required in the disaster areas.

Across Canada: A crowd of more than 150,000 persons braved rain in Toronto, Monday, to cheer Marilyn Bell, the 16-year-old swimmer who conquered Lake Ontario. . . . Paymaster Mine, due to resume operations shortly, will start interviewing men for work, it was reported by C.P. from Timmins. . . . Mr. W.F. Bull, Deputy Minister of Trade and Commerce, predicted today that Canadians would be "realistic" in anticipating "a resumption of the over-all expansionary trend which has characterized most of our post-war experience," C.P. reported from Saskatoon.



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Vol. 5, No. 177

Wednesday, September 15, 1954.

**Withdrawal of Some Forces from Korea:** Ottawa, Sept. 14 (CP) -- The Minister of National Defence, Mr. Campney, today announced the early withdrawal of two-thirds of Canada's infantry brigade from Korea and hinted that all Canadian troops there may be returned home by next year.

Only Canadian troops to be left in Korea for the present are the 2nd Battalion, Queen's Own Rifles of Canada, with an ambulance unit and supporting administrative personnel. This battalion will complete its normal tour of duty next May.

"If circumstances still make necessary the continuance of a battalion of Canadian troops in Korea, it (the 2nd battalion) will be relieved in the normal way," Mr. Campney said.

The Defence Department expects the greater part of the 6,000-man brigade will be home or on the way home by the end of the year, the Minister said.

They will be brought back, he said, as quickly as arrangements can be made for handing over their duties and for transporting them.

The order of return will be:

The 2nd Battalion, the Black Watch, which will join its 1st Battalion at Aldershot, N.S.

The 3rd Regiment, Royal Canadian Horse Artillery, to be located at Debent, N.S.

The 4th Battalion, Canadian Guards, to occupy Camp Ipperwash, Ontario.

D. Squadron of the Royal Canadian Dragoons; brigade headquarters and supporting units.

The destroyer Cayuga also will be withdrawn shortly from Korean patrol duties and will not be replaced.

The destroyers Iroquois and Huron will remain in the Korean theatre.

The first of the homebound Canadian troops are expected to arrive early next month.

**Farm Cash Income Drops:** Ottawa, Sept. 14 (CP) -- Canadian farmers' cash income dropped by \$88,700,000 in the first half of 1954.

The Bureau of Statistics estimated today that cash income declined to \$1,093,900,000 from \$1,182,600,000 in the similar 1953 period.

It was the second consecutive decline from the peak of \$1,241,700,000 in the 1952 January-June period.

Most of the drop resulted from lower returns on grain sales and thus by far the major portion of the decline was felt on the Prairies. Prince Edward Island income also decreased slightly, resulting from smaller earnings on potatoes. Other provinces showed gains. Ontario led with a \$24,000,000 increase.

The wheat situation was the biggest single factor in the decline. Smaller sales and lower prices reduced cash income from wheat by \$110,200,000 to \$132,700,000 from \$242,900,000 in the half-year period, the Bureau said.

Offsetting this partially was a \$51,100,000 rise in livestock income to \$368,500,000. Larger marketing more than balanced the effect of lower prices.

Income from cattle and calves rose by seven per cent to \$185,800,000. Receipts from hogs jumped almost 27 per cent to \$180,500,000.

Income from eggs increased to \$62,300,000 from \$60,300,000; and from dairy products to \$200,500,000 from \$196,500,000.

Saskatchewan, the biggest wheat-growing province, showed the biggest income decline, with receipts dropping to \$192,261,000 from \$300,343,000.

Diplomatic Service Transfers: Ottawa, Sept. 14 (Press Release No. 59, Sept. 14) --

The Secretary of State for External Affairs on September 14 announced the following transfers within the Canadian diplomatic service:

Mr. D'Arcy McGreer, Canadian Minister to Denmark, will return to Ottawa later in the year as Chief of Protocol succeeding Mr. H.F. Feaver. Mr. Feaver replaces Mr. McGreer as Canadian Minister in Copenhagen and is expected to take up his post in November.

Mr. Morley Scott will be the High Commissioner to Pakistan, succeeding Mr. K.P. Kirkwood who returned to Canada in June of this year. Mr. Kirkwood has been appointed an Alternate Representative on the Canadian Delegation to the forthcoming Ninth Session of the United Nations General Assembly. Mr. Scott was, until recently, Minister-Counsellor at the Canadian Embassy in Tokyo. He is expected to assume his new duties in November.

Mr. Douglas Cole, at present Canadian Consul General in Chicago, is to become Canadian Ambassador to Mexico, succeeding Mr. Jules Léger. Mr. Léger's appointment as Under-Secretary of State for External Affairs was announced on July 1. Mr. Cole will take up his new post in November.

Dairymen Stress Foreign Market Need: Ottawa Sept. 14 (CP) -- Dairy manufacturers, faced with prospects of declining sales abroad, split today on the merits of trying to capture foreign markets through the use of Government subsidies.

Mr. J.P. Coyle of Toronto, speaking for evaporated milk producers before the National Dairy Council, described subsidized exports as a poker game with the jackpot going to the country with the biggest bankroll. If Canada used subsidies to cut export prices, competing countries would follow suit. Soon there might be a vicious race to boost subsidies with countries holding the greatest supply of ready cash winning out.

Mr. T.B. Cooper of Montreal, speaking for the cheese manufacturers, said they agreed that subsidized exports are not desirable but are "very likely necessary" as a means of coping with a trend in other countries. Otherwise, the rising cost of production in Canada ruled out export outlets which Canada had enjoyed in previous years.

Mr. W. Leet of Montreal, representing milk powder producers, said his group estimated that Canada is meeting such tough competition abroad from low-price exports of countries which had subsidy systems that stocks of Canadian milk probably would rise to 20,000,000 pounds by the end of 1954.

Across Canada: Thatcher, the principal wheat variety grown on the Prairies, may soon be replaced. This is the view of Dr. F.J. Greaney of Winnipeg, director of the Line Elevators Farm Service after a study of heavy losses to prairie crops this year from rust. . . . A Manitoba lawyer who spent four years in a Japanese prison camp has become the youngest Deputy Minister in the federal Civil Service. He is Mr. David A. Golden, 34, of Sinclair, Man., appointed today as Deputy Minister of Defence Production. . . . Weekly earnings in manufacturing at the start of July averaged \$57.39 compared with \$56.60 a month earlier.

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Vol. 5, No. 178.

Thursday, September 16, 1954.

Wheat Crop May Drop To 5-Year Low: Ottawa, Sept. 15 (CP) -- Canada's rust-battered wheat crop may drop to a five-year production low, virtually ending the threat of a marketing crisis. The Bureau of Statistics, in its second estimate of the season, today placed the crop at 377,851,000 bushels, down 135,000,000 bushels from a preliminary forecast a month ago.

Hit by possibly the worst rust epidemic in history, along with hail and wind storms, the crop likely will be the lowest since the 1949 harvest of 371,400,000 and just a little more than half the 1953 near-record high of 614,000,000.

Mr. Howe, speaking in Saskatoon, took note of the estimated drop. He said he is certain the crop will be below the 1944-53 10-year average of 456,500,000 bushels and that it will be of mixed quality.

The hazards of rust and frost, hail and drought, had returned to the prairies "all too soon," he said.

While farmers faced this lower production outlook, world markets were changing, he said. Though Canada retained her share of world markets last year, the volume of her exports declined.

Mr. Howe was sure that Britain -- Canada's top wheat customer -- will be increasing her purchases from Canada in the present crop year. The long-term outlook for Canadian wheat sales was "excellent."

Canada still had substantial wheat stocks to sell. She had carried over from the last crop some 587,000,000 bushels in unsold stocks -- the highest carryover in 11 years.

Nevertheless, there is every reason for confidence, said Mr. Howe, that Prairie farmers will be able to deliver for sale "all their 1954 wheat plus some of the wheat held over from the 1953 and previous crops, as well as all they have for sale of oats and barley."

The Canadian Wheat Board, the Government's selling agency for Western wheat and coarse grains, had been so successful with its oats and barley sales that it had disposed of all the oats and barley delivered during the 1953-54 crop year which ended July 31 "and happily at a profit," said Mr. Howe.

The only cloud on the horizon for oats and barley, Mr. Howe said, is the fact the United States Tariff Commission is studying the question of whether to recommend restrictions on their import.

But he added: "It would surprise me very much indeed if the President were to agree to apply restrictions against imports of Canadian oats and barley which would cause hardship and bitterness among such a large sector of the Canadian population as the farmers of the Prairie Provinces."

The Bureau of Statistics has been making periodic estimates of grain crops every since 1947, but never before had it made such a big slash in its estimates.

It said that to September 1, there has been little Prairie harvesting except in the Southern areas and its current wheat forecast of 377,851,000 bushels may have to be cut still further if there is not an extended period of dry, frost-free weather....

Immigration Rise: Ottawa, Sept. 15 (CP) -- Following a July drop of 20 per cent in immigration arrivals, Canada's immigrant intake in the first seven months of the year was only four per cent above that of last year.

The Immigration Department said today arrivals in the seven-month period rose to 101,604 from 98,033 in a similar period last year. The July entries dropped to 15,839 from 19,697 a year ago.

(over)

In the seven-month period, all categories except North Europeans showed increases. Arrivals of English, Irish, Scottish and Welsh rose to 30,412 from 28,815 representing a six per cent increase.

Arrivals from the United States increased to 5,525 from 5,116, while North European arrivals dipped eight per cent to 39,416 from 42,987. Arrivals from all other countries increased 24 per cent to 26,251 from 21,115.

During July, all categories except that of U.S. arrivals showed declines over a year ago. North Europeans dropped 35 per cent to 6,662 from 10,261, and arrivals of British seven per cent to 4,473 from 4,793. From other countries, arrivals dropped three per cent to 3,737 from 3,864. U.S. arrivals were up to 967 from 779.

Ontario was the destination of most immigrants in the seven-month period with 55,633 heading for points in that province.

Quebec took 18,028; Alberta, 9,219; British Columbia, 7,690; Manitoba, 6,218; Saskatchewan, 2,388; Nova Scotia, 1,401, New Brunswick, 579; Newfoundland, 312; Prince Edward Island, 81, and Northwest Territories, 55.

Restrictive Trade Practices Commission: Ottawa, Sept. 15 (CP) -- The Co-operative Union of Canada and the Canadian Retail Hardware Association today urged the federal Government to take direct action against loss leader selling and harmful trade practices.

They made their appeals in briefs presented to the three-man Restrictive Trade Practices Commission, holding final hearings on loss leaders -- the selling of goods below cost to attract customers. The Commission is attempting to determine whether the practice is harmful to fair and competitive retail trade.

Advises Marilyn To Decline U.S. Bookings: Toronto, Sept. 15 (CP) -- Gus Ryder, Marilyn Bell's coach, said today he had advised his 16-year-old swimming protege to stay in Canada and turn down offers from American booking agencies.

"Don't pay any attention to this Hollywood talk," Ryder told the Chief Constables Association in an address at its annual meeting. "I have advised Marilyn to stay in Canada and we agree that this country has plenty to offer".

Across Canada: McGill University's Redpath Library has acquired books which will give it a Shakespeare library unequalled in this country, Richard Pennington, university librarian, told The Gazette yesterday. The library has bought the private book collection of Sir Edmund Chambers, until his recent death the "leading Shakespearian scholar in England and author of the authoritative 'William Shakespeare, a Study of the Facts and Problems,'" said Mr. Pennington. . . . A polio outbreak has hit 200 children and claimed 14 lives in the industrial and rural sections of Lake St. John district in Northeastern Quebec, CP reports from Chicoutimi. . . . Possibility that Packard automobiles may be manufactured in Hamilton by the Studebaker Corp. of Canada, after the merger of the Studebaker and Packard organizations takes effect in the United States, was learned in Hamilton, CP reports.

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Vol. 5, No. 179.

Friday, September 17, 1954.

Frost Adds To Wheat Hazards: Winnipeg, Sept. 16 (CP) -- Rain and rust have combined to paint a grim picture for crops in Western Canada. Now, frost threatens to add to the hazard in the already late harvest.

Cool, cloudy weather, accompanied by steady rain or showers, has spread over most of the Prairie grain belt. In many areas, the ground is too soft to hold the heavy machinery. Some regions report combines mired in the fields.

Grain trade officials in Alberta are again trimming yield figures as rain continues in the southeast district, bringing harvesting to a standstill. The present estimate around Medicine Hat is only  $14\frac{1}{2}$  bushels an acre due to unfavourable weather and the spread of leaf rust.

Farther north, frost and isolated snow have been reported around Whitecourt, 100 miles northwest of Edmonton, and further north at Embarrass and Fort McMurray. With much of the wheat still green, the forecast of further frost adds to the crisis. Cutting is not expected to start in the north until next weekend.

The Alberta Wheat Pool reports that only 19 per cent of the wheat has been cut and six per cent threshed, all in the extreme south, where cutting is general. Cutting has just begun in the central and east-central regions.

While rust has not been the major factor in the downward estimates in wheat production in Alberta, the wind-borne fungus which withers plants has reached almost record proportions in Saskatchewan and Manitoba.

With rust the chief villain, damage reports from Saskatchewan place losses in wheat at 100,000,000 bushels. Deterioration in wheat due to rust also is extensive in Manitoba.

The Saskatchewan Department of Agriculture reports 30 per cent of the wheat cut and less than 10 per cent threshed. As in Alberta, most of the work completed has been confined to southern sections.

Weather in Northern Saskatchewan has been bad for all crops during the last week or so, and progress has been at a minimum. Because of the sodden conditions, some farmers in Northern Saskatchewan are planning to use binders for cutting rather than wait for suitable conditions for combining.

Some farmers in Central Saskatchewan are reported planning to burn remnants of the crop because it is lying down and so tangled that efficient harvesting is impossible.

Colombo Plan Conference: Ottawa, Sept. 16 (CP) -- The Cabinet has not yet decided whether to support Japan's persistent demands for entry into the \$5,000,000,000 Commonwealth Colombo Plan but one ministerial view is that "she doesn't fit in."

Cabinet representatives from 14 countries will gather in the Canadian Parliament October 4 to make their annual scrutiny of the six-year plan to build up the economic strength of the 600,000,000 people in South and South-east Asia.

Parliament will throw open its doors Monday to a small army of experts from the various countries gathering to lay the groundwork for the week-long meeting and to draft the plan's annual report.

One of the big issues in the ministerial sessions, which open in the Commons chamber with a speech by Mr. St. Laurent, is whether to admit Japan. This, in the view of one Canadian Minister, lies outside the orbit of those countries which the plan is designed to aid.

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GOVERNMENT OF CANADA



OF CANADA

Mr. Campney To Visit Europe: Ottawa, Sept. 16 (CP) -- Defence Minister Campney will leave September 19 for a tour of Canadian Army and Air Force establishments in Britain and Continental Europe.

Mr. Campney, who will fly by RCAF aircraft, will be making his first visit to Canadian NATO forces since he became Defence Minister July 1. He will be accompanied by Mr. C.M. Drury, Deputy Defence Minister, and Brig. Herrold Cameron, Defence Secretary.

In London, Mr. Campney will have discussions with officers of the Canadian Joint Staff and the Canadian High Commissioner there. He also will confer with Lord Alexander, United Kingdom Defence Minister.

He will meet with officials of the Allied Air Forces Central Europe and visit the headquarters of the North Atlantic Treaty Organization in Paris.

The party will visit the RCAF air division headquarters in Metz, France, and wings at North Luffenham, Eng.; Gros Tenquin, France; Baden Soellingen and Zweibrucken, Germany. He will inspect construction work at the Marville, France, air station which will be occupied by the No. 1 fighter wing, now at North Luffenham.

While with the 1st Canadian Infantry Brigade in Germany, Mr. Campney will visit establishments at Soest, Hemer, Werl and Fort Chambly.

He will also see a phase of exercise Battle Royal in Germany, in which members of the brigade and RCAF Sabre jet squadrons will participate.

Across Canada: Two prominent organizations suggested yesterday that retailers advocating a law banning loss leader selling actually are seeking protection against a strong new form of competition. This view was placed before the Restrictive Trade Practices Commission by the Canadian Association of Consumers and the Canadian Federation of Agriculture. The Commission is holding final hearings on the extent and use of loss leaders in Canada to determine whether the practice is detrimental to fair and competitive trade. . . . President Lionel Chevrier of the St. Lawrence Seaway Authority yesterday called on Premier Duplessis for private talks on the big project. No announcement followed. . . . Progressive Conservative Government candidates won all three Ontario provincial by-elections yesterday -- Leeds, Russell and Nipissing.



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Vol. 5, No. 180

Monday, September 20, 1954.

Colombo Plan Conference: (Press Release No. 60, Sept. 17) -- The Department of External Affairs released on September 17 the names of delegates from fourteen countries that will be attending the Colombo Consultative Committee meeting which will be held in Ottawa October 4-9. This will be the first meeting to take place in North America.

The leaders are as follows:-

- AUSTRALIA - Rt. Hon. R.G. Casey, Minister of External Affairs.
- BURMA - U. Tun Shein, Permanent Secretary of the Foreign Office.
- CAMBODIA - Mr. Phlek-Phoeun, Director of National Planning.
- CANADA - Hon. L.B. Pearson, Secretary of State for External Affairs.
- CEYLON - Hon. M.D.H. Jayawardene, Minister of Finance.
- INDIA - Hon. C.D. Deshmukh, Minister of Finance.
- INDONESIA - Dr. Sunarjo, Minister of Foreign Affairs.
- LAOS - H.E. Ourot Souvannavong, Minister to United States.
- NEPAL - Major-General Maahabir Shumshere Jung Bahadur Rana.
- NEW ZEALAND - H.E.T.C.A. Hislop, High Commissioner for New Zealand in Canada, Ottawa.
- PAKISTAN - Hon. Chaudri Mohammed Ali, Minister of Finance.
- UNITED KINGDOM - The Hon. Marquess of Reading, Minister of State, Foreign Office.
- UNITED STATES - Mr. Samuel C. Waugh, Assistant Secretary of State.
- VIETNAM - H.E. Tran Van Chuong, Ambassador to United States.

The preliminary meetings of officials from the Colombo Plan countries will get under way in the Parliament Building on Monday, September 20 at 10:00 a.m. These officials will meet daily for the next two weeks to draft a progress report in preparation for the meeting of the Ministers which will open on October 4.

Officials from the various countries have commenced to arrive in Ottawa, but the greatest number will reach the capital over the week-end, and by Monday it is expected that approximately fifty will be assembled. Delegation heads are not expected here until the week-end of October 2.

Mr. Howe on National Economy: Guelph, Ont., Sept. 17 (CP) -- Mr. Howe said tonight low-priced imports are causing distress and unemployment among some Canadian industries, but he warned that import restrictions will not provide a solution. The Minister, reviewing economic trends, estimated that Canada's economy is generally recovering from a recession, yet he predicted "continuing drags" on economic activity caused by world industrial competition.

To this problem there was no "quick or easy solution," and therefore, he told the Guelph Board of Trade, "industrial output may not regain for some time the peak levels reached last year."

Adding to Canada's problems was the estimate that "net incomes of Western farmers will be lower as a result of poorer crops this year."

However, said Mr. Howe, Canada has succeeded in preventing serious economic fluctuations. He did not believe she should try to eliminate "all the ups and downs," for in a free society it is healthy to have periods of consolidation follow periods of surging activity so that inefficient and uneconomic enterprises "are trimmed away."

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Rejects University Grants: Quebec, Sept. 17 (Gazette) -- Premier Duplessis today made public a letter to acting Finance Minister Garson in which, for the third straight year, he turned down the federal Government's offer of financial subsidies to Quebec universities.

The Premier, in his letter dated September 15, stated that, "we are convinced, as always, that to replace the financial powers of the provinces by federal subsidies not only violates the pact of honour concluded by the representatives of two great races, but is contrary to the principles of the Canadian constitution and would in effect replace the essential financial freedom of the provinces by federal tutelage."....

Mr. St. Laurent's Address: Quebec, Sept. 19 (Gazette) -- Mr. St. Laurent last night called Premier Maurice Duplessis' campaign for provincial autonomy a "smoke screen" to cover up defects of his own administration.

He declared that French-Canadians had "nothing to fear by mixing with Canadians of English origin and working together to build a greater and stronger Canada."

Mr. St. Laurent turned down any idea of granting Quebecers the right to deduct their provincial income tax from their federal tax levy.

He spoke in French for more than one hour and 50 minutes to an audience of Liberal supporters at the inauguration of the new Quebec City Reform Club quarters....

Football: (Saturday) -- Montreal 6, Hamilton 7; Toronto 34, Ottawa 6; British Columbia 9, Calgary 4; Winnipeg 10, Saskatchewan 10.

Across Canada: Canada's two major railways are taking steps to make substantial reductions in freight rates between Montreal and Toronto to meet the competition from highway transports. New tariffs were filed by the CNR and CPR with the Board of Transport Commissioners in Ottawa, providing substantial rate reductions on certain commodities moving between the two cities in box cars and in railway-operated trailers on flat cars.... Canadian and United States halibut fishermen hit the jackpot this year, splitting \$11,000,000 on the 1954 catch. They boated a record 70,000,000 pounds of fish, representing 75 per cent of the world catch, CP reported from Vancouver.... Employees of Ford Motor Company of Canada's Windsor plant on September 18 voted 96.6 per cent in favour of strike action to enforce contract demands.... Nova Scotia, set back an estimated \$6,000,000 by Hurricane Edna, appealed for aid Saturday to the Canadian disaster relief fund.... Trade missions from Ireland, Japan and Switzerland accompanying George McIvor and William MacNamara, commissioners of the Canadian Wheat Board inspected facilities of the port at Churchill, Man.... Camillien Houde, long-time Mayor of Montreal, announced his retirement October 25 from municipal politics for health reasons.



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Vol. 5, No. 181

Tuesday, September 21, 1954.

Colombo Plan Conference: Ottawa, Sept. 20 (CP) -- Mr. Kenneth Taylor, Canada's Deputy Finance Minister, sidestepped questions on increasing aid to Southeast Asia as he outlined some of the details of the Colombo Plan talks that opened here today.

Mr. Taylor was elected chairman of the two-week conference at which 60 economic and financial experts from the 14 Colombo Plan countries will make their annual analysis of progress made under the six-year, \$5,000,000,000 programme.

Begun in 1951 as a measure to thwart communism by increasing economic strength in the underdeveloped areas, the plan now has grown to the point where there is a question of whether available funds are adequate and whether there isn't room in the plan for Japan, which is seeking entry.

At a press conference, Mr. Taylor made these points:

1. There have been feelers by various Asian countries searching for an increase of Canada's \$25,400,000-a-year contribution. But there has been no formal request for an increase and no projects in the Asian area were suffering because of a lack of funds. The question of an increase would be a matter for the Cabinet to decide.
2. There also have been approaches by Japan, seeking support among the various member countries for her bid to enter the pact as a donor country. That also would be a matter of higher-level decision by the Colombo Plan ministers, who meet here Oct. 4. Canada would not extend Japan an invitation to attend the ministerial meeting unless the 14 countries agreed unanimously.

Canada At UN General Assembly: Ottawa, Sept. 20 (CP) -- Canada will probably sit on the fence when the question of Communist Chinese membership comes before the UN General Assembly, which opens its ninth session tomorrow.

Informants said today Canada will vote neither for nor against membership, but, instead, likely will support a move that the question again be postponed. . . .

Canada is opposed to having Communist China in the UN until it has qualified as a "peace-loving" nation, according to the UN charter. For this country, that means at least a settlement in Korea--free elections and unification of North and South Korea.

At the same time, Canada wants to have Red China in the UN as soon as possible if for no other reason than that discussion of many Asian problems - Korea and Indo-China, for instance - is rather fruitless without the presence of the Chinese Communists. . . .

Mr. Attlee At Vancouver: Vancouver, Sept. 20 (CP) -- Mr. Attlee, a practiced student of brevity, arrived here today on his first visit to Canada in four years.

The former British Prime Minister, returning from a tour that led him to the inner offices of Communist leaders in Moscow and China, parried all but a few questions on international subjects.

When asked what he thought the chances were for closing the gap between the East and West, he said that he had written a good deal on the subject and planned to make a broadcast from Montreal.

He said that the subject was covered as far as he was concerned, but he added that the gap could be lessened if "we act sensibly."

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He preceded his wife from the Qantas Airlines plane, and met Mayor Fred Hume and several political leaders.

In the airport waiting room, which radio and television technicians had been preparing for an hour before his arrival, Mr. Attlee reluctantly submitted to questioning for about seven minutes, than excused himself and slipped into a side office where he was introduced to CCF leaders.

He said he was impressed with Peiping. Everybody, said Mr. Attlee, was clean and well-dressed, and showed no hostility to Britain or Canada. He said it was possible the same cordial air was not extended to the United States.

Some parts of China, he said, could be considered almost a part of the Soviet Union.

During his visits to Communist centres he was unrestricted, and given complete freedom of movement. . . .

Shipping Commission: Ottawa, Sept. 20 (CP) -- Federal Cabinet will soon revive plans for a Royal Commission on coastal shipping, shelved three months ago when Canada-United States negotiations on the St. Lawrence Seaway were pending.

With a seaway agreement completed, informants said today the commission probably will be set up during the first half of October.

Officials of several departments now are working out terms of reference for the commission. These will have to be approved by the Cabinet, which also will select the personnel of what is expected to be a three-man body.

Trans-Border Train Crews: Ottawa, Sept. 20 (CP) -- Canadian Government action to change labour law affecting train crews running across the international border is regarded here as unlikely.

An informant said the Government has received proposals from the Brotherhood of Locomotive Engineers but they are not under active consideration.

At Boston Saturday night, Mr. Guy L. Brown, grand chief of the BLE, said an arrangement must be worked out to cover the men who work on the 2,000 miles of track which United States roads operate in Canada and the 7,000 miles which Canadian companies operate in the U.S. . . .

McGill Research Base: Montreal, Sept. 21 (Gazette) -- A new meteorological station and field research base, the first to be established in the north by a Canadian university, has been built by McGill at Schefferville, Knob Lake iron ore development project in the heart of the Labrador-Ungava peninsula.

Establishment of the post, described as a "pioneer venture," will open up "a magnificent opportunity for university-sponsored research in this hitherto neglected part of northern Canada," said Dr. F. Cyril James, McGill's principal and vice-chancellor, in announcing the project yesterday.

Across Canada: Federal and Provincial welfare officials met in Ottawa yesterday to discuss regulations for payments to disabled persons and Health Minister Martin said later substantial agreement was reached on most points. The discussions, to conclude tomorrow, included representatives of all provinces. They deal with pensions to be paid under legislation passed at the last session of Parliament, whereby the Federal treasury will match provincial contributions up to an aggregate of \$40 a month for the totally and permanently disabled. . . . Officers of the St. Lawrence Seaway Authority hold their first meeting with the 25-man civic-public committee at the authority's Montreal headquarters yesterday afternoon. Mr. Lionel Chevrier, Chairman of the Seaway Authority, told The Gazette the meeting was being held to acquaint members of the committee with steps to be taken in the construction of the mammoth project. . . . President Syngman Rhee of South Korea has awarded a presidential citation for "exceptionally meritorious services" to Benjamin E. Rothwell, a Canadian printing consultant working with the United Nations Korean Reconstruction Agency, it was reported from Seoul.



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Vol. 5, No. 182

Wednesday, September 22, 1954.

**Duties Dropped To Aid France:** Ottawa, Sept. 21 (CP) -- Canada, as a means of aiding the weakened economy of France, has agreed to halt temporarily the collection of dumping duties on subsidized French exports to this country, it was learned today.

The move, approved by special Order-in-Council, may assist in lowering prices of French goods in Canada and thereby encourage greater sales. Products imported from France range from steel to liquor and lace.

Under the French tax system, a heavy social security tax is levied on French manufacturers, with the exception of those goods that are exported.

Thus, an article may sell in France for the equivalent of \$100 but may be offered on the foreign market at \$90. Under Canada's anti-dumping laws, the value for duty normally would be the market value of the article in the home market - \$100.

For months now, the Canadian Government has been proceeding on this basis, levying its import duties on the market value of the article in the French home market and collecting the difference between the home market price and the import price as a dumping duty.

This led to complaints by French authorities who argued that the terms of the General Agreement on Tariffs and Trade allowed them to subsidize exports in this fashion.

Canadian authorities did not agree. However, after observing that French inflation has boosted the export price of French products considerably and that the French economy is weakened, it agreed to forego collection of the dumping duties. However, it still levies its regular import duties on the price of the French article in the home market.

The whole issue, they say, will be threshed out at the forthcoming meeting of GATT members, scheduled to take place at Geneva, Oct. 28. Mr. Howe will likely lead the Canadian delegation. . . .

French economic problems were discussed today among Canadian Cabinet Ministers and Edgar Faure, French Finance Minister and right-hand man to Premier Mendes-France.

Mr. Faure, who will represent France at the annual sessions of the International Monetary Fund in Washington later this month, told a press conference that his country is gradually winning its battle against inflation.

**Exports Decline In August:** Ottawa, Sept. 21 (CP) -- Canada's exports continued to decline in August, and her deficit in foreign trade suddenly increased.

Exports dropped by \$18,800,000 in the month, reducing the total for the first eight months of 1954 by \$235,500,000, the Bureau of Statistics reported today.

August's shipments declined to \$328,100,000 from \$346,900,000 a year ago, while the eight-month total dropped to \$2,529,400,000 from \$2,764,900,000.

Meanwhile, imports began to show a little more strength. August's purchases, at \$343,200,000, were still \$2,000,000 below the \$345,200,000 a year ago, but the monthly gap between this year's imports and those a year ago appeared to be narrowing.

In the eight-month period, imports were down by \$229,300,000 to \$2,737,900,000 from \$2,967,200,000.

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With imports running ahead of exports, Canada showed a deficit of \$15,100,000 in August trade, a reversal of the \$1,700,000 surplus a year ago.

The deficit in previous months had been running below that of last year, but the August shift boosted the eight-month adverse balance to \$208,500,000 from \$202,300,000.

Signs of Stability In Employment Figures: Ottawa, Sept. 22 (Dept. of Labour) --

Signs of stability were becoming evident in the over-all employment situation in August. Employment in construction and in trade and services gained strength, although manufacturing employment showed no indication of an upturn. Reflecting this, the number of persons with jobs, though slightly lower than last year, increased about 10,000 during the month ending August 21. Last year it decreased about 10,000.

As was the case in August last year, the level of unemployment showed no change during the month. However, while total labour requirements were only slightly under those of 1953, the labour force increased about 27,000 over last year's, thus making the labour supply situation much easier. This is revealed by comparing the monthly survey of 109 labour market areas at September 1st this year and a year ago.

This year, 68 areas, comprising 68 per cent of the labour force, were in the balanced category compared with 86 areas, comprising 83 per cent of the labour force last year; one area, comprising one per cent of the labour force was in the labour shortage category this year, compared with 9 areas, comprising 7 per cent last year; 38 areas, accounting for 29 per cent of the labour force, were in the moderate surplus category this year, compared with 14 areas, comprising 10 per cent, last year; two areas, accounting for three per cent of the labour force were in the substantial surplus category this year whereas last year there were no areas in this category.

Interprovincial Trucking Jurisdiction: Quebec, Sept. 21 (CP) -- Transport Minister, Antoine Rivard of Quebec told the Quebec Automotive Transport Association today the Quebec Government intends to continue its jurisdiction over inter-provincial and international transport "regardless of any decision of the Privy Council."

Mr. Rivard told the truckers that if they encounter any troubles "we will take care of them." . . . .

Across Canada: A railway-truck rate war has been proclaimed on Canada's busiest freight run between Toronto and Montreal, and truckers yesterday geared themselves to meet at least part of the railways' newest rate slashes, C.F. reports. . . . Employees at the second largest plant in the Ford of Canada empire will vote Sunday on a union-sponsored proposal that they join 5,000 Windsor workers in threatening to walk off the job. . . . Football (Monday) Edmonton Eskimos 23, B.C. Lions 13.



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Vol. 5, No. 183

Thursday, September 23, 1954.

Hopes For Parallel Seaway Facilities: Brockville, Ont., Sept. 22 (CP) -- Mr. Lionel Chevrier, Chairman of the St. Lawrence Seaway Authority, today said he hopes Canada one day will have its own navigation facilities through the International Rapids section of the St. Lawrence.

The former Transport Minister, now heading the agency that will build and operate Canada's part of the Seaway, replied to what he called criticism that "the all-Canadian Seaway has been abandoned and now is a thing of the past."

Mr. Chevrier said he hopes that "some day soon it will be possible to build parallel facilities at Barnhart Island if the traffic conditions so warrant it."

World Finance Leaders In Washington: Ottawa, Sept. 22 (CP) -- Two big issues, the price of gold and convertibility, likely will hover in the background as finance leaders from some 50 countries meet in Washington, Friday, to review the world financial picture.

Finance Minister Harris will head the Canadian delegation to the joint annual sessions of the International Monetary Fund and World Bank.

Informants said the agenda covers mostly "routine" subjects, though there is every indication that there will be a concerted move to oust Czechoslovakia from the Monetary Fund for non-co-operation. She is the only Communist country remaining in the world financial organization.

But the feeling here is that the most significant discussions will be those in small, private conferences among the various Finance Ministers. . . .

Sees Jet Bombers Becoming Obsolete: Vancouver, Sept. 22 (CP) -- Within five years jet bombers and fighters will be obsolete, Dr. Gordon M. Shrum, Vancouver scientist, today told the annual convention here of the International Northwest Aviation Council.

He said there will be no escape from the inter-continental guided missile bombs of the future - and the future is only five years away.

A guided missile can be developed, he said, that will cover 3,000 to 4,000 miles in an hour, and drop an H-bomb within 100 yards of its target. It could cover more than 400 miles in six minutes.

Dr. Shrum, head of the British Columbia Research Council, is one of Canada's top rocket experts.

"There isn't even a theory for shooting down or intercepting such a guided missile," he told civilian and military experts from the United States and Canada.

"You will have just six minutes warning in which to evacuate your cities."

The Russians, he indicated, are far ahead in the development of rockets, and years ahead of even the United States in production of jet bombers.

"The Russians have a jet engine twice as powerful as the best engine we even have on the drawing board," said Dr. Shrum.

"It is estimated the Russians must have at least 27 of these inter-continental jets in actual operation," he added.

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First Warship Through Northwest Passage: Ottawa, Sept. 22 (CP) -- The Navy's arctic patrol vessel Labrador has burst through the ice gripping Canada's Arctic Archipelago to become the first warship to negotiate the famed North-West Passage.

The Navy said today that latest reports from the 6,500-ton ship, on her maiden cruise from Halifax, place her off Cape Prince of Wales in Bering Strait between Alaska and Siberia.

The Labrador, now heading south in company with the American ice-breakers, Burton Island and Northwind, is expected to reach the Aleutians in a few days and Equimalt, B.C., about Oct. 1.

Small vessels have, on three previous occasions, threaded their way through the ice packs of the North-West Passage.

Norwegian explorer Raold Amundsen made the passage for the first time in history in the 46-ton Gjoa. It took him three years - from 1903 to 1906.

The first vessel to negotiate the passage in a single season was the RCMP's doughty 80-ton wooden-hulled St. Roch, which completed the journey from Halifax to Vancouver in 86 days in 1944.

The St. Roch was the first and so far only ship to negotiate the passage both ways.

The Labrador, which bulled, rather than threaded, her way through, made a rendezvous with the U.S. icebreakers late in August off the southern end of Melville Island. The icebreakers had smashed their way through McClure Strait on the north side of Banks Island.

The three ships then slammed through the narrow Prince of Wales Strait on the east side of Banks Island and through Amundsen Gulf to the Beaufort Sea.

Crows Nest Pass Rates: Ottawa, Sept. 22 (CP) -- Federal officials are studying the possibility of a subsidy to Canadian railways to compensate them for the sub-normal "Crow's Nest Pass" freight rates on Western grain.

Studies have been going on quietly among departmental experts for months, it was learned today. Ministers have received reports, but so far the subject has not been placed formally before Cabinet.

However, informants said it could come to a head before long if revenues of the big railways continue to deteriorate as they have in the last year and more. . . .

Mexico Again Wins Tuna Cup: Wedgeport, N.S., Sept. 21 -- Mexico won the 1954 International Tuna Cup Matches in Nova Scotia for the second successive year and 20 bluefins were taken by the entrants, the biggest catch since the 1949 Match when 72 were boated, it has been announced.

The final standing:

- 1. Mexico 2753-1/3
- 2. United States 2109-2/3
- 3. Argentina 1418-2/3
- 4. Venezuela 1249-2/3
- 5. France 884-2/3
- 6. Cuba 810
- 7. British 724

Across Canada: The Minister of National Health and Welfare, Mr. Martin, told the annual convention of the United Steel Workers of America at Atlantic City, yesterday, that "the fate of all of us in the long term depends on the success of the United Nations." . . . . A recommendation that the next swimming pool built by the city be named the Marilyn Boll Pool was approved by Toronto's Board of Control yesterday. Marilyn returned to school this week, despite tempting contract offers. . . . The United Church of Canada's 16th general council yesterday voted its ministers a \$100-a-year pay increase making the 1955 minimum salary \$2,800. The 375 lay and clerical delegates attending the 10-day session passed a corollary proposal that the church set \$3,000 a year as the minimum salary for ordained married ministers, a goal to be reached progressively as early as possible, C.P. reported from Sackville, N.B.



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Vol. 5, No. 184

Friday, September 24, 1954.

Mr. Pearson's Statement At UN General Assembly: United Nations, N.Y., Sept. 23 (CP) -- Canada today threw her support behind President Eisenhower's atom-for-peace proposal as the United States announced a four-point plan for implementing it.

In a policy statement before the United Nations General Assembly, Mr. Pearson said the plan for peaceful use of atomic energy can succeed even without Russian co-operation. This stand was backed by U.S. State Secretary Dulles who followed Mr. Pearson in the debate with his plan to give effect to President Eisenhower's proposal.

Both Mr. Pearson and Mr. Dulles expressed disappointment that Russia so far had declined to co-operate in the atomic pooling plan, proposed by President Eisenhower in an address to the U.N. last December. . . .

Mr. Pearson, who spoke shortly before his departure for London to attend the nine-power conference on German rearmament, said Canada is in a position to make a useful contribution to the work of an atomic agency and will be glad to do so.

He said the Canadian Delegation hopes the plan...."will prove to be an important step in the liberation of atomic energy from its military bonds, and that as the resources of more and more nations are applied to the problem the advance toward application of atomic energy to peaceful purposes and for the benefit of mankind will become increasingly rapid."

Mr. Pearson added that establishment of such an agency "cannot in itself remove the dangers of atomic destruction."

"These and other dangers to peace have, however, brought their own response, in the determination of many governments....to use our United Nations for the purpose of avoiding the grim tragedy of global destruction, and of bringing about a better world than the one we have today."

The Minister said great importance should be attached to measures which can reduce international tensions and remove the barriers to communications.

Weapons Development: Ottawa, Sept. 23 (CP) -- Senior Canadian defence officials said bluntly today the West is losing ground to the Russians in weapons development.

They said they are worried about the speed with which the Russians apparently are developing new and more deadly nuclear weapons and jet aircraft.

Canada and the West did not have complete information on what the Russians are doing in the weapons field, but they did know the Russians are making rapid progress.

"We have no reason for complacency," one official said.

"The Russians are gaining or perhaps are ahead of us in the fields they choose to concentrate on, such as atomic weapons and aircraft.

"That means that they would be able to decide what kind of war would be fought, and when and where.

"It won't help if we are ahead in some other weapons if we never get a chance to use them because we already have been knocked out.

"We don't want to be the cause of a scare story but we feel it is time the public knew that we are worried about this thing."

The officials were commenting in part on reports that a new hydrogen bomb test has taken place in Siberia.

They said there has been some increase this week in Canada in the fall of radioactivity. This might be due to a nuclear explosion in Russia but they could not say definitely. . . .

(over)

By-Elections Called: Ottawa, Sept. 23 (CP) -- Canada's federal political parties clash at the polls Monday, Nov. 8, their second test of strength in a little more than a year.

The Prime Minister's office announced today that by-elections will be held that day in six constituencies to fill vacancies in the House of Commons. Three will be in the Ontario ridings of York West, Toronto Trinity and Stormont; two in the Quebec constituencies of Montreal St. Lawrence-St. George and Montreal St. Antoine-Westmount, and one in Selkirk in Manitoba.

Radioactive Rain: Vancouver, Sept. 23 (CP) -- Dr. Gordon Shrum, Director of the B.C. Research Council, said today that a small quantity of radioactive particles from the recent Russian nuclear explosion have been found here.

Dr. Shrum said a test of rain falling in Vancouver today "showed a radioactive count of 300 a minute."

Across Canada: Public Works Minister Robert H. Winters yesterday said that Canada this year will spend \$2,730,000,000 on non-residential construction. He predicted also that if the weather remains good, last year's record of 106,000 new dwelling units would be topped. . . . The much-travelled Canadian destroyer Haida left Hong Kong yesterday for her home port of Halifax after more than seven months of duty with United Nations naval forces in the Korean theatre . . . . An international movement by 18 of the largest North American fund-raising firms to eliminate racketeers from the philanthropic field was launched last night. The firms, which arrange appeals in excess of \$250,000,000 a year for their philanthropic organization clientele, organized with headquarters in New York under the American Association of Fund-Raising Counsel. John Price Jones Company (Canada) Limited, of Montreal and Toronto is the Canadian member, the Montreal Gazette reports.



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Vol. 5, No. 185

Monday, September 27, 1954.

Surplus Drops, Defence Spending Jumps: Ottawa, Sept. 24 (CP) -- The Government showed a budgetary surplus of \$10,284,000 in August, just about one-fifth of the \$52,846,000 surplus in August last year, as tax revenues declined and defence spending took a decided jump.

The August treasury shift brought the surplus for the first five months of the 1954-55 fiscal year to \$148,039,000, sharply below the \$283,253,000 surplus in the similar period a year ago, the Finance Department reported today.

August revenues declined by \$1,748,000 to \$322,298,000 from \$324,046,000 last year. However, over-all spending jumped by \$40,814,000 to \$312,014,000 from \$271,200,000.

The most significant increase in spending was in the Defence Department where, in previous months, expenditures had been running below the level of last year. The Department's monthly bills rose to \$133,412,000 from \$105,695,000 a year ago. Spending by the Defence Production Department declined to \$3,246,000 from \$3,659,000, while civil defence expenditures rose to \$224,000 from \$189,000.

However, defence spending for the first five months of the current fiscal year was still below last year's level, totalling \$561,538,000, compared to last year's \$612,004,000.

Budgetary revenues for five-month period totalled \$1,639,265,000, a drop of \$124,600,000 from the \$1,763,904,000 collected in the similar period a year ago. Expenditures rose to \$1,491,226,000, up \$10,600,000 from the \$1,480,651,000 spent last year.

The main decrease in August tax collections was in corporation income tax and customs import duties. Receipts of corporation taxes dropped to \$83,770,000 from \$91,798,000 last year and custom duties to \$29,587,000 from \$37,561,000. . . .

Canada-US Seaway Co-operation: The Department of External Affairs announced on September 24 that, following discussions between the authorities of the United States and Canada, arrangements have been made in both countries regarding the customs and immigration procedures to be applied in furtherance of the construction of the cofferdams to be erected in the St. Lawrence Power Project.

Cofferdams are the first major item of construction in the development of power on the St. Lawrence River, which is being undertaken jointly by the Hydro-Electric Power Commission of Ontario and the Power Authority of the State of New York. A number of cofferdams are to be erected in the vicinity of Iroquois, Long Sault Rapids and Barnhart Island as a preliminary to the construction of the dams and power-houses at those three points. The cofferdams will cross the International Boundary and it was therefore considered desirable to adopt special customs and immigration arrangements in order to facilitate their construction.

Generally speaking, the arrangements in each country are the following: Customs duties and taxes will be waived with respect to materials brought into either country for incorporation in the cofferdams. . . .

Duties and taxes will not be payable on new or used equipment (except vessels) brought into either country for the construction of cofferdams, if such equipment is exported upon completion of such use. . . .

(over)

All persons employed in either country (but not their dependents) will be freely admitted to a delimited zone in the other country, in the general area of the power project, so long as they comply with regulations of the two countries.

Forces In Europe: Ottawa, Sept. 24 (CP) -- Canada is unlikely to make any long-term commitment for its forces in Europe, informants said today.

They were commenting on a resolution before the 15-nation Council of Europe at Strasbourg, France, calling on Canada and the United States to maintain a fixed number of troops on the European continent under a "long-term agreement."

Informants said Canada would be unlikely to undertake a definite long-term commitment because no one could forecast events in Europe. . . .

Atomic-Age Weapons: Ottawa, Sept. 24 (CP) -- Canada's armed forces are getting a new panoply of weapons to fit themselves for the atomic age. But even while new weapons are being delivered the search goes on for better ones. That, officials said today, is the price the democracies have to pay in the era described recently by Mr. Pearson as the "age of hydrogen and hate."

Authorities said Canadian defence policy, insofar as possible, is based on the supposition that Russia is gaining ground on the West in the field of nuclear weapons and jet aircraft. One official said Russia may even have passed the democracies in this regard. . . .

Week-End Football: Montreal 28, Toronto 7; Hamilton 38, Ottawa 12; Calgary 18, Saskatchewan 10; Edmonton 12, Winnipeg 8.

Across Canada: Premier Maurice Duplessis said in address at Valleyfield, Que., Sunday, that he was always willing to co-operate to settle the constitutional financial problems between Quebec and Ottawa but that as long as he is Premier of Quebec he will never give up the essential rights guaranteed Quebec by the constitution, the Montreal Gazette reported. . . . Leaders of the 100,000-member Canadian and Catholic Confederation of Labour approved a plan for political action but declined to affiliate the nation's third largest labour group with any party. Delegates to the CCCL's 33rd annual convention voted 248 to 103 in favour of a committee report calling for activity in the local sphere aimed at electing candidates "interested in the common good," the Gazette reported. . . . Dr. Gordon M. Shrum, Canadian scientist, said Saturday Vancouver would likely be the second city in North America to feel the effects of an inter-continental guided missile H-bomb in the event of a third world war. He said in an interview that Seattle could well be the No. 1 target of an inter-continental missile attack, C.P. reported from Vancouver.



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Vol. 5, No. 186

Tuesday, September 28, 1954.

Canada, U.S. Plan For North Radar Barrier: Washington, Sept. 27 (Montreal Gazette) -- Canada and the United States took a long stride today toward a comprehensive early warning radar barrier across the top of the continent.

A joint announcement, issued simultaneously in Ottawa and Washington, said the two Governments had agreed in principle on the need for a distant early warning (DEW) line "across the most northerly practicable part of North America."

Detailed planning on the precise location, cost and operational method of the northern line will be started at once, the announcement said. Defence officials added that the new line would be well within the Arctic Circle.

This northernmost barrier will be the third major step in the joint effort of the United States and Canada to strengthen the continent's air defences by providing the earliest possible warning of intrusion by enemy planes across the polar ice cap.

How many hours of actual warning it would give depends, of course, on the speed of the attacking planes, a defence official explained. A Chicago-bound bomber of the 300-mile-an-hour TU-4 type, Russian version of the propeller-driven B-29, would be detected six hours before it could reach the target area. But if the Russians were to produce in quantity a jet bomber capable of 600 miles an hour, Chicago would have only three hours' warning.

Prime Minister Of Japan In Ottawa: Ottawa, Sept. 27 (CP) -- Mr. Shigeru Yoshida, Prime Minister of Japan, today asked Canadians to accept his word that his country wants to be a "good neighbour" of Canada.

Mr. Yoshida, first Japanese Prime Minister to visit this country also hopes that Canada will accept more immigrants from his country, that Japanese-Canadian trade will increase and that Japan will be invited to enter the 14-country Colombo Plan.

On his arrival at Rockcliffe airport the Japanese Prime Minister said he hopes his visit will strengthen the ties of friendship between Canada and Japan.

During the arrival ceremony, Prime Minister St. Laurent, who visited Japan last spring, said he was deeply shocked at the extent of damage and loss of life caused by the Japanese typhoon. He asked Mr. Yoshida to convey to the families of the bereaved Canada's genuine and sincere sympathy.

Mr. Yoshida said the main purpose of his trip to Canada is to return the visit to Japan by Mr. St. Laurent last spring. Mr. St. Laurent also was the first Canadian Prime Minister to visit Japan.

Mr. Yoshida told reporters that the past record of his country, one of Canada's Second World War enemies, had not been happy. However, Japan now wanted to be a good neighbour of Canada.

"I hope you will accept my word at its face value," he said.

Brig. Lett On Canada's Indochina Assignment: Vancouver, Sept. 27 (CP) -- Brigadier Sherwood Lett, Canadian representative on the Indochina Truce Commission said Friday some terms of the cease-fire agreement are not clear and could be difficult to carry out. But he added prospects of a successful conclusion of Canada's assignment in Indochina are "fairly good."

Brig. Lett is Chancellor of the University of British Columbia here and leaves for Southeast Asia early next month.

(over)

"I understand the cease-fire agreement was drafted in some haste and I imagine that experience will show us that in some places the terms are not clear."

Of the three countries involved - Cambodia, Laos, and Viet Nam - Brig. Lett expects the greatest difficulty in Viet Nam because the agreement provides for a less permanent type of settlement than in the other areas.

"In those two countries (Cambodia and Laos) the Viet Minh forces are to be removed and the local resistance forces are to be absorbed into the national community.

"But in Viet Nam, the agreement provides for a cease fire only, and even if it is successfully implemented without serious incident, it will leave very difficult political problems in its wake," he said.

The Brigadier continued that if the Commission cannot reach unanimity, the members would submit majority and minority reports to members of the Geneva conference to work out a solution.

"I trust - and I'm sure the Canadian Government hopes - that the Commission will not become a new cockpit for the struggle between East and West," he said.

He said that when the military forces have been regrouped and prisoners and civil internes released, the stage will be set to hold general elections in 1956 to establish an all-Viet Nam government.

"I expect that the making of arrangements for these elections, holding of elections, and establishment of the Government will be a more difficult task than the execution of the cease-fire agreement itself."

U.S. Group Seeks Canadian Power: Ottawa, Sept. 27 (CP) -- A delegation representing U.S. Pacific northwest power interests today laid before the Canadian section of the International Joint Commission a plan for building a huge water storage dam in the Columbia River basin to relieve American power shortages.

The six-man delegation, representing the Puget Sound Utilities Council, propose to finance building the dam in Canada on Mica Creek, a tributary of the Columbia, in return for use of the water in U.S. territory for power purposes.

Gen. A. G. L. McNaughton, Chairman of the Canadian section of the Commission which deals with international waterways, said the talks were friendly but purely exploratory. No conclusions were reached.

Ambassador To Chile: (Press Release No. 63, Sept. 27) -- The Acting Secretary of State for External Affairs announced on September 27 that Mr. Paul Emile Renaud will succeed Mr. Leon Mayrand as Canadian Ambassador to Chile. Mr. Mayrand's appointment as Canadian Commissioner, International Supervisory Commission for Laos was announced on August 17. Mr. Renaud at the present time is the Director of the Historical Research and Reports Division of the Department of External Affairs. He is expected to take up his new post late in December.

Vice President of India: (Press Release No. 64, Sept. 27) -- The Department of External Affairs announced on September 27, that Dr. S. Radhakrishnan, Vice President of India, will arrive in Ottawa on Thursday, September 30, for a brief visit as the guest of the Government.

Across Canada: McGill University yesterday announced 62 staff promotions and appointments in its largest single list of faculty changes in several years, the Gazette reported. . . . The Canadian Congress of Labour said yesterday its membership has hit 400,000. . . . The postwar pattern of wage increases for Canadian workers should continue, but the stumbling block of industry's ability to pay must be faced squarely by trade unions, Mr. A. R. Mosher, President of the C.C.L., said in Toronto yesterday.



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Wednesday, September 29, 1954.

Atlantic Provinces Economic Council: Halifax, Sept. 28 (CP) -- Twelve earnest men brought the Atlantic Provinces Economic Council into reality today. They decided they could raise \$30,000 "as soon as needed" to give the Council a start.

They appointed one committee to get the Council incorporated with a Dominion Charter and others to find and hire a brainy "man with a mission" to keep the project on its feet.

At a session presided over by Premier Designate Henry Hicks of Nova Scotia, Premiers of all four Atlantic Provinces pledged their support. Premier Hugh John Flemming of New Brunswick said "it's such a step in the life of the community we must of necessity derive an immense amount of satisfaction from it."

Delegates dealt with an agenda listing the size and scope of the ultimate Council, plans respecting information required for an accurate survey of economic factors, means of conducting the surveys, and financing of the Council.

The Council adopted for its scope recommendations made last October at the Maritime Provinces Board of Trade meeting. It will find which industries can best be started and expanded, what can be done to stimulate venture investment, whether small businesses could profit by technical and managerial services, and what handicaps affect business in the Atlantic Provinces.

Quebec Taxation Conference: Ottawa, Sept. 28 (CP) -- Prime Minister St. Laurent said today the Federal Government is prepared to take part in an investigatory conference with Quebec on taxation issues provided such a meeting is desired by Premier Maurice Duplessis.

He made the statement in a telegram sent to Mr. Egan Chambers, Progressive Conservative candidate in the coming federal by-election in the Montreal riding of St. Antoine-Westmount. . . .

Wool Textile Tariff Boost Opposed: Ottawa, Sept. 28 (CP) -- The economically-crippled Canadian wool textile industry, seeking a tariff boost against competing British imports, maintained today that a reasonable increase would mean only a "most modest" rise in Canadian living costs.

However, the Retail Merchants Association of Canada, countering the industry's claim, estimated that a 10-per-cent rise in tariffs would boost the price of an average man's suit of clothes by as much as \$2.50 or \$5.

Finer woollens, such as women's skirts and suits, would go up by as much as \$10 a garment, the Association said in a brief to the Tariff Board.

The Association joined British and Canadian forces opposing a tariff increase as the Board opened hearings on the Canadian textile industry's appeal. . . .

Other opposition came from the British Columbia Lumber Manufacturers Association. In a telegram to the Board, the Association said a tariff increase is not justified, maintaining that the Canadian textile industry is adequately protected against British imports, and that a boost would injure Anglo-Canadian trade.

(over)

CCL Squelches Left-Wingers: Toronto, Sept. 28 (CP) -- Left-wingers in the Canadian Congress of Labour today got their annual drubbing at the CCL's convention.

Communist-supported proposals were batted down right and left by a big majority of the 850 delegates in a day of political operations that also saw the CCL decide to renew its ties with the CCF party on the political front.

Major anti-Red action was the decision of the 400,000-member Congress to continue its support of the Communist-fighting International Confederation of Free Trade Unions, a move that was taken over the protests of leftists in a shouting debate.

As a follow-up, the Congress threw out a left-wing resolution that called for the CCL to send delegates to a forthcoming conference of the Moscow-dominated World Federation of Trade Unions.

Four CNR Hotels For Sale: Montreal, Sept. 28 (Globe & Mail) -- The CNR yesterday offered four of its smaller hotels for sale, and at the same time revealed it had received an unsolicited offer for the four.

The hotels are: The Prince Edward, Brandon, Man.; The Prince Arthur, Port Arthur; Minaki Lodge, Minaki, and Pictou Lodge, Pictou, N.S. The first two are year-round; the others, summer resorts.

Publishing the offering, the CNR said it had received an offer for all four, but in view of public interest it wanted to give all interested parties an opportunity to bid for the hotels, individually or collectively.

Across Canada: Ford of Canada's 6,500 Windsor automobile workers will strike next Sunday unless agreement is reached between the Company and the United Automobile Workers (CIO-CCL), the Union announced yesterday. The UAW's Ford Council set the deadline at a three-hour meeting, according to press report. . . . Canada is asking the Royal Navy to loan more submarines for use in stepping up operations at the Maritime Warfare School at Halifax. A Naval spokesman yesterday indicated that Canada, which has had one submarine periodically on loan from Britain, now wants two or three at a time, according to C.P. from Ottawa. . . . Agriculture Minister Gardiner said yesterday Canada cannot solve its economic problems by giveaways. Mr. Gardiner said there are times when Canada "ought" to give away some of its surplus food, but "so far as I am concerned, we cannot solve our economic problems by giveaways," C.P. reported. . . . Monday football: Regina 8, Edmonton 6.

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Thursday, September 30, 1954.

Canada-U.S. Defence Co-Operation: Ottawa, Sept. 29 (CP) -- A declaration seven years ago, stressing the principle of sovereignty, remains the basis today for joint Canadian-United States defence co-operation.

And, an External Affairs official said today, there is no plan for integration of forces or for a North American military command.

The official said the two countries still adhere to the principle of individual control of their own forces in North American defence. He added that it is apparent, that while they are co-operating fully at the planning level, they do not feel military integration is a necessity at present.

He suggested that if and when integration does come, it would probably be done through the 14-country NATO organization rather than directly between the two countries. NATO provides for such regional arrangements, of which the military command in Europe is one.

The official was commenting on a suggestion made in Washington by Mr. W. Sterling Cole, Chairman of the U.S. Congressional Atomic Committee. Mr. Cole, a Republican, said Canada and the U.S. should establish a North American military organization as insurance against a sneak attack. . . .

Mr. St. Laurent And Mr. Duplessis To Confer In Montreal: Quebec, Sept. 29 (CP) --

In a sudden move that brushed aside official formalities and brought the tense Quebec-Ottawa taxation dispute down to a personal level, Premier Duplessis today telephoned Prime Minister St. Laurent in Ottawa and arranged for a private meeting in Montreal, Oct. 5.

Mr. Duplessis made the announcement at a press conference in his Legislature office after his conversation with Mr. St. Laurent.

The Premier said: "The problem is so important I felt justified to put aside sentiments of legitimate pride and called Mr. St. Laurent from Quebec on the telephone."

The Premier indicated the telephone conversation carried on in French was brief but good humoured.

He said no federal or provincial government technical advisers will attend.

"The meeting is strictly between Mr. St. Laurent and myself," he added.

Mr. Duplessis' brief statement, made verbally to newspaper men, was that he read in a Quebec newspaper that Mr. St. Laurent was willing to discuss the taxation problem in which Quebec and Ottawa are now involved.

Here is what he said:

"I have always said and still believe that the constitutional problem in question is above personalities and political parties and that it is a question on a level with the best interests of the Province and the country as a whole.

"I consider this problem is so important that I felt justified to put aside sentiments of legitimate pride and I telephoned Mr. St. Laurent from Quebec". . . .

Table Of Precedence: Ottawa, Sept. 28 (CP) -- The Government has altered the order in which Canadians and diplomats from abroad rank at official federal ceremonies.

The changes are contained in a revised table of precedence which went into effect Sept. 1. The revision, approved by the Queen, is the first since 1923.

(over)

Most important change is the elevation of the Chief Justice of Canada from 15th place in the list of precedence to third - behind the Governor-General and the Prime Minister.

Ambassadors, High Commissioners, Ministers, the Leader of the Opposition and Consuls-General of countries without diplomatic representation are included in the table for the first time. Members of the Federal Cabinet - excluding the Prime Minister - are dropped from third to sixth position.

The Lieutenant-Governors of the provinces have dropped back three places and the Solicitor-General of Canada has been removed from the table. Officials explained it is no longer necessary to list the Solicitor-General separately because it now is policy for him to be a member of the Cabinet.

...

War Claims Settlements: Ottawa, Sept. 29 (CP) -- The Government hopes to have all Second World War claims settled by 1956 with a total payment to Canadians of between \$12,000,000 and \$14,000,000.

Except in certain cases - such as property claims in the sinking of the Nova Scotia-Newfoundland ferry Caribou in 1942 - tomorrow has been set as the final deadline for making application for all types of claims.

Claims will be paid from a special fund of some \$14,000,000, proceeds from sale of enemy alien property in Canada and reparations from Germany and Japan. The War Claims Commission, established in 1952, gives priority to maltreatment cases. . . .

Viscount Swinton's Visit: (Press Release No. 66, Sept. 29) -- The Department of External Affairs announced on September 29 that Viscount Swinton, Secretary of State for Commonwealth Relations of the United Kingdom, accompanied by Lady Swinton, is scheduled to arrive at Montreal, October 1, to spend three weeks in Canada.

Across Canada: Wet snow and rain blustered through prairie grain crops Wednesday, again setting back long-delayed harvesting that is generally less than half finished, C.P. reported from Edmonton. . . . The Canadian Congress of Labour yesterday laid down a dozen-point economic policy programme aimed at stimulating employment. The annual convention of the 400,000-member body - Canada's second largest central labour group - also recommended to its executive that the CCL set up a central strike-supporting committee. . . . Canadian should get the benefit of any cut-price sale the Federal Government may contemplate of its surplus butter stocks, the Canadian Association of Consumers said yesterday. . . . The Canadian Pacific Railway urged amendment of Canada's Transport Act to give more flexibility in railway freight rate making to meet haulage competition by trucks.



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Vol. 5, No. 189

Friday, October 1, 1954.

Parliament Likely To Open Jan. 13 or 20: Ottawa, Sept. 30 (CP) -- The next session of Parliament likely will open Jan. 13 or 20. Mr. St. Laurent said today after a regular weekly Cabinet meeting that he and his colleagues do not consider an earlier meeting necessary.

He said the decision to call Parliament early next January was made by Cabinet. However, he added that Parliament could be called earlier if unforeseen circumstances warranted such action.

"We have considered the situation in connection with the calling of Parliament," Mr. St. Laurent said. "Under present conditions we do not consider a meeting necessary until early in January.

"Circumstances might develop which would cause us to change our minds. However, that is our present thinking."

Mr. St. Laurent On Health Services: Ottawa, Sept. 30 (CP) -- Mr. St. Laurent said tonight Governments must help pay the high cost of health services but without restricting the freedom doctors always have had in Canada.

Governments' financial aid to health and medical services must be worked out with respect for constitutional and professional traditions, he told the annual meeting of the Association of French-speaking Doctors of Canada.

Speaking in French, Mr. St. Laurent compared the Government's responsibility to citizens with that of doctors towards their patients.

"Like you, we are trying to find and apply formulas designed to stimulate the economic activity of the nation, in order to contribute, as far as possible, to the common welfare," he said. . . .

Mr. St. Laurent said medical services have become more expensive with new discoveries. It had become increasingly difficult for low wage earners to obtain medical care.

He added:

"This is where, it seems, Governments have, in the public interest, the responsibility of stepping in, while respecting constitutional and professional traditions, to work out methods of apportioning the cost of sickness which would guarantee, if equitable to all, the essential medical care to those in lower (income) brackets.

"As a matter of fact, public bodies, for obvious reasons, such as the high cost of medical research, the construction and operation of hospitals and health services, should accept their share of responsibility and spare nothing to provide the population with the best possible treatment. . . .

"But on this subject, I wish to assure you that the present Government has no desire nor intention to undertake anything that might restrict or limit the freedom of action that doctors always have enjoyed in this country."

He said it is not the Government's wish to depart from the tradition that health is a provincial responsibility, but it was the desire to help maintain existing services.

CCL Agrees To No-Raiding Pact: Toronto, Sept. 30 (Globe & Mail) -- The Canadian Congress of Labour agreed Thursday to sign a no-raiding pact with the rival Trades and Labour Congress of Canada.

(over)

But after more than an hour of bitter attacks on the alleged "rack-eteering," "bloodsucking," and "backdoor agreements" of the TLC, it was clear that many thorns remain to be removed before the labour bodies can unite in one national labour congress.

Unity of the two labour bodies is avowed object of the no-raiding agreement - "it will remove a serious barrier to ultimate organic unity between the two congresses," the CCL Executive Council said in recommending signing of the pact.

It was endorsed by the TLC, Canada's largest labour body, at its Regina convention last month, although at least three TLC Unions indicated they will be holdouts. . . .

Seek Lower Steel Freight Rates To Coast: Ottawa, Sept. 30 (CP) -- Representatives of Ontario's Steel Industry told the Board of Transport Commissioners today their British Columbia market has been lost to foreign competition but said they could get it back with a lower freight rate to the coast.

Spokesmen for the Steel Company of Canada at Hamilton, Algoma Steel at Sault Ste. Marie, Ont., and others were called as witnesses by the railways which seek board approval of a new series of "agreed charges."

Mr. H. E. Stipe, General Sales Manager for Stelco said the B.C. market, which imported 24,000 tons of foreign steel in the first half of the year compared with only 12,000 tons in 1953, could be recovered by the Ontario industry if the new rates were approved.

He said they would put Ontario producers in a position to compete with American shipping rates into B.C. and with the low water rates from Europe. . . .

Guy Lombardo Would Feature Marilyn Bell In N.Y. Show: Toronto, Oct. 1 (Globe & Mail) -- Marilyn Bell has been offered a chance to enter big-time show business without interrupting her schooling - the opportunity of tasting her cake and still keeping it.

Canadian-born Guy Lombardo wants to feature Marilyn next summer in his mammoth outdoor show, Arabian Nights, at the 8,200-seat Jones Beach Marine Theatre, near New York. . . .

Across Canada: The Department of External Affairs has announced that Canada has furnished and decorated a Committee Room in the Conference Building in Rome of the Food and Agriculture Organization of the United Nations . . . . The stewards of Local 200, United Automobile Workers (CIO-CCL) said last night the 5,700 employees of the Ford of Canada Windsor plant will be called off their jobs at 10 p.m. Sunday. . . . Henry D. Hicks was sworn in as Liberal Premier of Nova Scotia yesterday, succeeding the late Angus L. Macdonald who died in April. At 39, Mr. Hicks is the youngest Government Head in Canada. . . . The number of persons in industrial employment Aug. 1 showed a slight rise over July 1 but was below Aug. 1 a year ago.



# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 190

Monday, October 4, 1954.

Mr. Pearson On 9-Power Agreement: London, Oct. 3 (CP) -- Mr. Pearson tonight hailed the nine-power agreement on German rearmament as one of the resounding accomplishments of postwar diplomacy.

"There has been no more important diplomatic achievement since the Second World War than the negotiation of this agreement," the External Affairs Minister, tired but evidently gratified, said in a statement.

"I think we have done a good week's work for peace."

In his statement, written in longhand the Minister defined the agreement as one by which "the process of European unity can now be continued through the Brussels Treaty Organization and by which Germany can be associated with the defence of the West through membership in NATO, brought about in a way which has received the full support of every Government represented at this conference."

There appeared to be a strong feeling in conference quarters that the nine-power agreement is an effective solution to the old problem of Germany. . . .

Colombo Plan Conference: Ottawa, Oct. 3 (CP) -- Appeals from Southeast Asia for increased aid are piling up on Canada's doorstep and a high Government informant said today there is a "good chance" they will be met.

He said the main issue is to decide what additional aid is to be granted and whether it is to be in the form of a fixed increase in Canada's \$25,400,000-a-year Colombo Plan contribution. The issue is to be threshed out by Cabinet in the next few days.

Meanwhile, it was learned that Japan is gaining support in her bid for admittance into the 14-country Colombo Plan. Canada, as host country to the annual meeting of Ministers which opens here tomorrow, has quietly polled the various Governments on their views.

Informants said the polling is not yet completed, but replies received so far are favourable towards Japan.

If all member countries favour Japan's entry as a donor member, Canada will extend an official invitation to the Japanese Government to send a delegate to the week-long sessions.

Though Japan would be classified as a donor country, she likely will make no fixed financial contributions but would rather provide technical aid in fishing and growing rice to the underdeveloped countries of South and Southeast Asia. . . .

Vice-President Of India In Ottawa: Ottawa, Oct. 1 (CP) -- Mr. St. Laurent said tonight a common desire to give individual citizens a maximum of freedom and well-being will serve to hold Canada and India together.

He said he thinks one factor which draws Canadians and Indians together and dominates their relations is "that recognition of the importance of the individual in society, whatever his race or religion or creed."

Mr. St. Laurent proposed the toast at a Government dinner to Dr. Servapalli Radhakrishnan, Vice-President of India, who is in Canada to deliver a series of lectures at McGill University. . . .

Dr. Radhakrishnan said that Prime Minister Nehru's planned visit to Communist China would serve the cause of peace. He made the statement to reporters at a press conference.

(over)

Wool Dealer's Complaint: Ottawa, Oct. 3 (CP) -- A Canadian wool dealer says Britain has opened her doors to imports of wool cleaned and combed in Uruguay but has shut them against a similar product from Canada.

Mr. Leslie Biggin of Toronto told the Tariff Board Saturday that he received a British wool order, but his request for an import license was rejected by the British Board of Trade.

Mr. Biggin is a member of the Dominion Wool Dealers Association which is supporting the bid of the Canadian wool textile industry for higher tariffs against competing wool cloth imported from Britain.

Week-end Football: Montreal 30, Toronto 12; Hamilton 45, Ottawa 0; Edmonton 13, Calgary 12; Regina 43, British Columbia 12. Montreal leads the Big Four with six wins and one loss; Saskatchewan leads the Western Union with seven wins and three losses.

Across Canada: Workers at Ford of Canada tonight agreed to postpone strike action at the Windsor plant for one week, C.P. reported from Windsor, Ont. . . . An early fall snowstorm swept across the prairies Sunday night, whitening the fields but blackening the grain harvest picture. The cold air and snow which hit Northern Alberta Saturday was in Southern Alberta and Saskatchewan Sunday night and moving toward Manitoba. The snow had stopped Sunday night in Northern Alberta but the weatherman could see no sign of the cold air leaving, C.P. reported from Edmonton. . . . A quantity of vehicle spare parts, ammunition and artillery equipment will be shipped to the Turkish army shortly under terms of the Mutual Aid Program of NATO. The shipment will be dispatched from Montreal and Quebec City.



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Vol. 5, No. 191

Tuesday, October 5, 1954.

Tariffs No Solution, Says Canada-U.S. Trade Body: Halifax, Oct. 4 (CP) -- The Canadian and American Chambers of Commerce united tonight in declaring that tariff barriers are not the answer to trade problems.

The statement, drawn up by the Canada-United States Committee of the two bodies, was released tonight. Drafted at Ste. Adele, Que., during committee meetings Sept. 30-Oct. 1, it was approved today by the Canadian Chamber's National Board of Directors.

The joint committee, says the statement, reaffirms its previously-declared belief that the solution of immediate, and possibly temporary, economic difficulties does not lie in creating new tariff barriers, increased protection and new obstacles to international trade.

Such new restrictive measures, it added, should be avoided by both Canada and the United States.

The Committee restated its belief in policies that would contribute to the development of freer and expanding trade between free nations, removal of trading restrictions among them and development and promotion of international investment.

It said it was important that both National Chambers reaffirm their declared policies concerning trading problems between the United States and Canada in particular, and among all free countries generally.

Both Canada and the United States were going through a period of mild economic adjustment, and at such a time there was obvious danger that short-term solutions of difficulties would be sought by both countries through tariff increases, quotas and other governmental restrictions.

At the same time, there was encouraging evidence of improvement in the economies of countries overseas, which were progressively moving toward removal of wartime restrictions and trading barriers. . . .

Mr. Howe On Canada-U.S. Economic Co-Operation: Boston, Oct. 4 (CP) -- The Minister of Trade and Commerce, Mr. Howe, said tonight that economic co-operation between Canada and the United States does not mean "any desire. . . . for the continental approach to economic problems."

Mr. Howe told the Canadian Club of Boston in a prepared address that "a high degree of co-ordination of economic effort was achieved in the Second World War. . . . and has had a profound influence upon the manner in which we handle peacetime relationships."

"However, it has not been Canadian policy to encourage closer economic relations with the United States at the expense of relations with other friendly nations."

Mr. Howe said he was convinced "that there is room for considerable improvement in the procedures for negotiation and decision. He cited "frustrating delays" by the United States in reaching a decision on the St. Lawrence Seaway.

"In the end, when opposition was finally overcome," Mr. Howe said, "Canadians were faced with an act of Congress that left the Administration with little room for negotiations or compromise. . . ."

He said Canadians "have been disappointed at certain trade developments in the United States."

"We had hoped that the United States would be in a position to take strong leadership in a further round of tariff reductions.

"But, even if these hopes have been partially disappointed, I do not think these are grounds for despair."

U.S. Restrictions On Canadian Oats: Ottawa, Oct. 4 (CP) -- New United States import restrictions were imposed against Canadian oats today, but federal officials said the import quota set was "not too bad."

President Eisenhower announced at Denver that imports for the 12 months starting Oct. 1 will be limited to 40,000,000 bushels, of which 39,313,000 will be allowed in from Canada, (65,800,000 last year).

Canadian officials were aware for some days of the presidential decision and though they have protested that principle of imposed curbs which bar international trade, they are not too concerned about the present one because of the worsening condition of Canada's crops. . . .

St. Lawrence Seaway: Ottawa, Oct. 4 (CP) -- Canadian officials spiked reports today that construction of the St. Lawrence Seaway may be snagged by demands of private United States interests for larger canal locks.

A leading official said there is no chance of a blow up as a result of representations by Great Lakes shippers.

The representations, made to the U.S. St. Lawrence Seaway Development Corporation last Thursday, were drawn to the attention of its Canadian counterpart, the St. Lawrence Seaway Authority, at a joint meeting today. . . .

Ford Workers' Strike Threat: Windsor, Ont., Oct. 4 (CP) -- Ford Company of Canada tonight repeated a statement of a few days ago that it has "no more to give" its 5,700 employees. A 1,500-word statement released by Mr. Rhys M. Sale, President of Ford, said the Company has reached "the absolute limit" of concessions it could afford to make to Local 200, United Automobile Workers (CIO-CCL).

"We have reached the point at which the ability of this Company to compete successfully has become vastly more important than a few months of dearly-bought industrial peace."

Earlier today, Mayor Arthur Reaume of Windsor said he would try to form a committee of leading citizens to try to settle the nine-month-old company-union dispute. . . .

Tariff Board Textile Hearings: Ottawa, Oct. 4 (CP) -- The Canadian Federation of Agriculture today called the Canadian wool textile industry "over-expanded and inefficient" and found itself in hot water with the Tariff Board for making so sweeping a statement.

The statement was contained in a CFA brief presented to the Board by CFA Economist Dr. E. C. Hope as argument against the Canadian wool textile industry's application for a higher tariff against competing British wool cloth.

Mr. F. J. Leduc, Deputy Chairman of the Board, said "you have no proof" for such a statement. "It doesn't prove your case and might hurt somebody." . . .

Across Canada: A Dominion-Provincial Conference on taxation involving all provinces is predicted within the next three months by Dr. McCann. Such a Conference, Mr. McCann said in an interview, would be the direct result of Tuesday's meeting in Montreal between Prime Minister St. Laurent and Quebec Premier Duplessis, the Canadian Press reported from Vancouver. . . . U.S. recognition of Communist China would establish China as leader of all Asia and destroy what freedom remains there, Mr. Raymond Daniell, Chief Correspondent in Canada for the New York Times, said yesterday in Montreal before the Canadian Club, C.P. reported. . . . The Fraser River produced more salmon this year than all the rivers of Alaska combined. It is the first time in history that the rivers of B.C. have ever topped the vast Northern Territory's production, even when harvests from secondary rivers such as the Nass and Skeena were included, C.P. reported from Vancouver.



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Vol. 5, No. 192

Wednesday, October 6, 1954.

Mr. St. Laurent and Mr. Duplessis Have "Cordial" Talk: Montreal, Oct. 5 (Globe & Mail) -- The deadlock between the Province of Quebec and the Federal Government over taxation rights apparently has been broken and the way opened for a new dominion-provincial conference on constitutional questions.

A historic meeting here between the Prime Minister of Canada and the Premier of Quebec ended shortly after noon today with warm expressions of satisfaction by both leaders over the progress achieved.

The next step, Mr. St. Laurent told waiting reporters, is for Premier Duplessis to submit to him the amendments his Government proposes to make in the Quebec Provincial Income Tax Law.

Then, he said, "If the tendency indicated by our meeting this morning is maintained, another federal-provincial conference would be in order much earlier than we had planned." . . .

Mr. Duplessis came from the meeting with Mr. St. Laurent smiling and ready to comment freely in general terms on the discussions.

"The meeting was cordial," Mr. Duplessis said, "and I think it will lead to a satisfactory result."

A few minutes later Mr. St. Laurent was speaking separately to reporters and he said: "We met and we have discussed very frankly and very cordially the responsibilities of the Federal and Provincial administrations in Canada."

Neither leader would give specific answers to questions about the matters discussed in the two-and-a-quarter hours of the meeting, and both said they would have to report first to their respective Cabinet meetings tomorrow. . . .

Japan, Thailand Colombo Plan Members: Ottawa, Oct. 5 (CP) -- The 14 Asian and Western Colombo Plan powers today granted full membership to Japan and Thailand, extending the Economic Plan's influence into a broad geographic arc facing the belly of Communist Asia.

Opposition to Japan's entry as a donor country disappeared when Indonesia's Foreign Minister, Dr. Sunario, announced his Government would not oppose the move "because we like to show our good will in international relations."

Thailand has been an observer country since the six-year, \$5,000,000,000 plan to industrialize South and Southeast Asia was conceived four years ago. As an observer country she neither received nor extended aid to her neighbours. What she is to get has yet to be decided. The Philippines is the only other observer country. . . .

To Seek Limitation Of Import Quotas: Montreal, Oct. 5 (CP) -- Mr. Howe announced tonight that Canada will attempt to get agreement from the United States and other trading powers on a firm limitation of import quotas which restrict world trade.

Mr. Howe, in a speech before the young men's section of the Montreal Board of Trade, said he personally will lead the Canadian Delegation to Geneva, Oct. 28. He said Canada will support the tariff-binding pact, attempt to strengthen it and to limit deviation from basic principles.

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Specifically, the Canadian Delegation will seek "more satisfactory agreements with regard to the circumstances in which quantitative restrictions may be imposed and the length of time for which they may remain in force."

One of the most important questions Canada will attempt to settle at the Geneva Conference, he said, is that relating to U.S. import curbs. These had been kept to "very small proportions," but they nevertheless affected Canadian agricultural trade, particularly in such commodities as oats, cheese, rye, clover seed, flaxseed and linseed oil.

"Our trade with the U.S. in agricultural products is important to us and questions of agricultural trade are always very sensitive questions on both sides of the border.

"It is urgent and important that we reach firm understandings with the U.S. in this area of trade. This is one of the most important questions which we shall attempt to deal with at the coming session of GATT. . . .

Across Canada: Paris reported the arrival of Mr. Pearson from London for a meeting with high officials of the North Atlantic Treaty Organization. . . . With expressions of welcome and esteem from Bench and Bar, Chief Justice Patrick Kerwin yesterday presided over his first session of Canada's highest court, C.P. reported in Ottawa. . . . Canada's two main ethylene glycol producers, seeking tariff on imports of the product since 1952, yesterday repeated their request before the Tariff Board. . . . Salary increases ranging from \$1,000 to \$3,500 were announced yesterday for a number of senior civil servants, including Assistant-Deputy Ministers, members of government Commissions and Boards and other senior officials, according to C.P.

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Vol. 5, No. 193

Thursday, October 7, 1954.

Colombo Plan Conference: Ottawa, Oct. 6 (Globe & Mail) -- Canada has made no promise, but has said it will consider extending technical assistance under the Colombo Plan to Laos, Cambodia and Vietnam.

This would involve lending to those countries Canadian technicians and possible receiving for technical training here students from them.

Canada is peculiarly fitted to give such assistance to these French-speaking states because it has the French-speaking technicians and institutions.

The undertaking to consider giving such help was given at today's session of the consultative committee of the Colombo Plan. The Committee is meeting in Ottawa all week.

The Cabinet this morning heard a report on the Committee's deliberations from Finance Minister Harris, who is its acting chairman in the absence of Mr. Pearson.

No decision was taken, Mr. St. Laurent said after the Cabinet meeting, on whether there will be any change in Canada's contribution, which has been just over \$25,000,000 a year. . . .

8-Month Immigration Total 112,627: Ottawa, Oct. 6 (CP) -- Entries to Canada from all countries dropped slightly again in August and brought the eight-month total for this year to 112,627. In the first eight months of last year 115,874 persons settled in Canada.

The August total, announced today by the Immigration Department was 14,270 compared with 14,594 in August, 1953. The figure compared to the 23,078 immigrants who came to Canada in May, the biggest immigration month of this year.

The greatest proportion of August entries - 6,571 - came from Northern European countries, while 3,187 came from the United Kingdom, 708 from the United States and 3,804 from other countries.

In the first eight months of this year, there were 45,987 arrivals from Northern European countries, compared with 48,812 last year; 33,599 from the United Kingdom compared with 32,408; 6,233 from the U.S. compared with 5,794 and 30,055 from other countries compared with 25,613.

Of the United Kingdom immigrants in the eight-month period 19,761 were English, compared with 19,747; 5,191 were Irish compared with 4,978; 7,925 were Scottish compared with 7,111 and 722 were Welsh compared with 572.

Majority of those from Northern European countries were German - 21,874 compared with 23,370, followed by 14,389 Dutch compared with 16,374.

Italians formed the majority of immigrants from other countries - 17,756 compared with 12,089.

Of the total entries in the eight months period this year, 51,670 were adult women and 27,385 children under 18 years of age. A total of 65,893 of them were listed as gainfully occupied while 49,981 were not gainfully occupied.

Ontario got the biggest share of the immigrants in the eight-month period - 62,605. Quebec took 20,768, Alberta 10,508, British Columbia 8,744; Manitoba 7,378; Saskatchewan 3,028; Nova Scotia 1,634; New Brunswick 704; Newfoundland 350; Prince Edward Island 84; and the Yukon and Northwest Territories 71.

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Federal-Provincial Conference: Ottawa, Oct. 7 (CP) -- An early conference to discuss revising the basis of federal-provincial fiscal agreements meets with the approval of most provincial governments. . . .

Premier Frost of Ontario - last holdout to join tax agreement signatories - was away on vacation but Ontario Government officials said that Province will be prepared to discuss new tax arrangements with the Federal Government. . . .

New Construction Nears Record: Ottawa, Oct. 6 (CP) -- New construction in Canada, including houses, schools and industries, may rise to a record \$4,830,000,000 in 1954, the Bureau of Statistics forecast today.

This would be an increase of \$235,000,000 or five per cent over the \$4,595,000,000 worth of construction completed last year, the Bureau said. However, the increase of five per cent is small, the lowest in post-war years.

The Bureau estimated that new construction will rise to \$3,866,000,000 from \$3,646,000,000 last year while the bill for repairs and alterations will increase to \$964,000,000 from \$949,000,000.

The forecast showed a continuing shift from engineering to building construction, a shift that started in 1953. Building is estimated to take 60.3 per cent of the total construction, up from 59.5 per cent last year, while the engineering share is expected to drop to 39.7 per cent from 40.5 last year.

Main feature of the 1954 season is an estimated rise in institutional construction, including churches, schools and hospitals to \$422,000,000, up 25.6 per cent from \$336,000,000 in 1953.

House building is forecast at \$1,347,000,000 up from \$1,299,000,000 last year; commercial building at \$575,000,000 up from \$513,000,000, but industrial construction dropping to \$472,000,000 from \$497,000,000.

C.C.C. On National Flag Proposal: Halifax, Oct. 6 (CP) -- The Canadian Chamber of Commerce said today the Union Jack should be retained in any Canadian national flag and rejected a suggestion that Dominion Day be observed on the first Monday in July, instead of July 1.

The flag suggestion was passed 36 to 12 on a show of hands by delegates entitled to vote. The Dominion Day change also received a majority vote, 43 to 33, on a poll but failed because it lacked a two-thirds majority.

Visit Of Queen Mother: Ottawa, Oct. 6 (CP) -- Ottawa will be the only city to be visited by the Queen Mother on her Canadian visit next month, it was learned tonight. The mother of the Queen will come directly to Ottawa, Nov. 12 and will leave for home Nov. 17. Details of the program being arranged for her are now being worked out and are expected to be announced shortly.

Across Canada: Snowflurries fell yesterday afternoon as cold air from Western Canada moved in slowly over Northern Ontario and parts of Quebec. . . . Mr. G. S. Thorvaldson, Q.C., of Winnipeg, was elected President of the Canadian Chamber of Commerce. Mr. J. Gerald Godsoe, Toronto, was elected first national Vice-President, and Mr. Raymond Dupuis of Montreal, second national Vice-President. . . . The Ford Motor Company of Canada and local 200, United Automobile Workers (CIO-CCL), yesterday agreed to reopen negotiations under Labour Minister Daley, of Ontario. The 5,700 Ford Windsor employees are scheduled to strike at 10 p.m. Sunday unless a settlement is reached before then. . . . A resolution urging the Federal Government to control and screen the number and type of immigrants to Canada was passed following a lengthy debate at yesterday's session of the Army, Navy and Air Force Veterans in Canada convention in Hamilton.



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Friday, October 8, 1954.

Colombo Plan Conference: Ottawa, Oct. 7 (Citizen) -- Canada has \$33,000,000 in the Colombo Plan "kitty" for the coming year, including \$8,000,000 left-over unspent from the past, it was learned today as the week-long meeting of the Plan's Consultative Committee moved toward a close late tomorrow.

The subject of Canada's future Colombo Plan aid contributions which now stand about \$25,400,000 a year was the subject of discussion at yesterday's Cabinet Session after which Mr. St. Laurent said no decision was taken as to whether there will be any change in the scale of the Canadian contribution.

It has been suggested the outlay by Canada would be stepped up, and it appeared this was in the making with spending continuing for the immediate future around the \$33,000,000 level. But that will depend on acceptable requests made by recipient nations on Canada as a donor.

It is expected the entire \$33,000,000 will be spent during the coming year. The \$8,000,000 unspent from the past has accumulated and under parliamentary authority, this vote does not lapse but can be used at any time.

It was Canada's day yesterday to discuss this country's contribution to the Colombo Plan, and this was done by two Ministers of the Government - Fisheries Minister Sinclair and Northern Affairs Minister Lesage.

Mr. Lesage said that Canada would not promise but would consider extending technical assistance to Laos, Cambodia and Viet Nam.

The suggestion that Canada give technical assistance to these countries came from Australian External Affairs Minister R. G. Casey originally, based on the number of French-speaking technicians available in this country. Australia has none.

If Canada lends technical assistance to these countries, it would involve sending French-speaking technicians there and receiving students here.

The Colombo Plan meeting today moved toward a conclusion, having completed hearing reports of all recipient and donor nations. Today, it was to hear from Mr. Harold Stassen, Director of the U.S. Foreign Assistance Program, as to what that Program's plans are for the coming months.

Viet Nam Asks Canada's Aid: Ottawa, Oct. 7 (CP) -- Viet Nam today appealed to Canada and other Western powers to help fight Communism by repairing the ruins caused by two wars.

Mr. Tran Van Chuong, leader of the Viet Nam Colombo Plan Delegation, told the ministerial conference that his country must immediately resettle 330,000 refugees fleeing from the Communists in the north.

"We could resettle them on south and central fertile lands if friendly countries help us in obtaining equipment to maintain and improve roads, clear and drain wooded areas and get the necessary drugs to fight malaria."

Mr. Chuong said he is grateful for the aid received from Australia and the United States, but he believed that Canada with its French-speaking population can easily extend technical assistance and help Viet Nam train experts and officials.

(Finance Minister Harris told a press conference yesterday that Canada will consider providing technicians for the three Indochina states of Viet Nam, Cambodia and Laos, but he made no definite commitment).

(over)

Tariff Board Textile Hearings: Ottawa, Oct. 7 (CP) -- The British wool textile industry has told the Tariff Board that it seeks only "the opportunity of supplying the Canadian market in the same measure as it did before the war." The Canadian industry replied today that the British are doing just that.

Mr. J. Grant Glassco, Toronto accountant representing the Canadian industry, referred to figures contained in the British industry's brief submitted yesterday in opposition to the Canadian industry's bid for a higher tariff on the competing British material.

He said a rough average of the figures shows that during the period 1935-39 about 11,500,000 yards of wool cloth were imported to Canada annually from the United Kingdom. The figure in 1953 was 14,359,000 yards.

The British Delegation argued, however, that such figures did not take into consideration increased population and other factors. . . .

Mr. Duplessis On University Aid: Quebec, Oct. 7 (CP) -- Premier Duplessis said today his Government intends "to do better by universities" but he asked university students not to overlook the pressing needs in primary and secondary fields of education.

Addressing a delegation of Quebec students, members of the National Federation of Canadian University Students, Mr. Duplessis said the Government has increased its contributions to universities, arranged jobs for hundreds of students, and contributed about \$3,000,000 in scholarships. . . .

Across Canada: The British Columbia Government disclosed yesterday it favours legalization of charitable lotteries properly run so that counterfeiters and dishonest promoters can't turn them into rackets. Attorney-General Robert Bonner, asked to comment on the current police commission probe into fraudulent lotteries in Vancouver, said the Social Credit Government favours legalized lotteries, according to C.P. from Victoria. . . . Hydro Chairman Saunders said that Ontario has no need to attempt any switch to atomic power at this time. He said, "We will be able to meet all anticipated demands for some years to come with our new Niagara and St. Lawrence power developments." . . . A Bank of Canada official said most authorities agree that Canada's new bank notes are among the safest in the world and some features of them would be impossible to duplicate successfully, C.P. reports from Ottawa. . . . Dr. C. J. Mackenzie, President of the Atomic Energy Control Board and former President of the National Research Council, has been elected Chancellor of Carleton College.



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Vol. 5, No. 195

Tuesday, October 12, 1954.

Colombo Plan Conference: Ottawa, Oct. 8 (Globe & Mail) -- The Consultative Committee of the Colombo Plan ended its week-long meeting here today, having added in the last hours a new member - the 17th, and the third addition of the week - and having heard a heartening announcement from U.S. Foreign Aid Administrator Harold Stassen.

Mr. Stassen told the delegates his country will redirect a portion of the savings which arose from the ending of the war in Indochina to projects within the Colombo Plan. Outside the conference room, at a press interview, he said the portion would be substantial but that he could not put a figure on it.

An unofficial estimate was that it might run to \$700,000,000. Since Colombo Plan programmes are entirely non-military - the plan's objects are to assist Southeast Asian countries with economic development programs - actually what it will mean will be the redirecting of military funds to peaceful purposes.

Mr. Stassen also indicated there will be new money for Southeast Asia when he said that, of the \$4,500,000,000 a year which the United States has been spending abroad for military and economic aid, more than half in future will be going to the East. The expenditure there has been just under half - about \$2,000,000,000.

The new member of the Colombo Plan is the Philippines, which has attended past meetings of the consultative committee as an observer. The Philippines will be a donor nation in respect to technical assistance, and a recipient in respect to capital assistance. In other words, it will be able to lend certain technicians and to train technicians for some of its partners, but will receive from others small amounts of capital help.

The other new members added during the week were Japan, as a donor, and Thailand, as a recipient. All three countries immediately seated their delegates; Congressman Ferdinand E. Marcos led the Philippines delegation.

The official communique of the conference issued late today - it will be followed tomorrow by a summary of what the committee has done - said the amount applied to economic development in Southeast Asia during the past year was \$1,540,000,000, or 27 per cent more than in the previous year.

Colombo Plan Report: Ottawa, Oct. 10 (CP) -- The free countries of Southeast Asia, responding to the spirit of the Colombo Plan, report a year of "substantial progress" in their fight to overcome poverty and squalor, the breeding grounds of Communism.

But despite their pleas for more Western aid, they face the fourth year of the six-year plan with the realization that the resources to meet the challenges of their massive tasks must come mainly from their own skimpy purses.

This virtually was the findings of the week-long Colombo Plan ministerial conference, documented in a 131-page annual report issued Saturday

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More Aggressive Selling Abroad, Urged By C.C. of C.: Halifax, Oct. 7 (CP) -- Canadian business men, apprehensive about chances of selling their goods in other countries, were advised today to do a more aggressive job of salesmanship.

(over)

The advice came in a panel discussion on foreign trade at the closing session of the annual meeting of the Canadian Chamber of Commerce.

Brig. J. A. Roberts, Toronto marketing consultant, said that in a recent trip to Europe he had met no Canadian representatives seeking to replace lost business, despite the fact that there were growing markets waiting to be cultivated and that scores of representatives from the United States and other countries were going after it.

He thought Canadian manufacturers were too anxious for clearcut deals rather than willing to do business on the local basis.

Mr. J. H. F. Turner, Assistant General Manager, Bank of Montreal, Chairman of the Session, said his own foreign experience indicated "lack of aggressive selling activity" by Canadians.

Mr. Mitchell Sharp, Associate Deputy Minister, Department of Trade and Commerce, said it was difficult to persuade Canadian business men to take advantage of the facilities offered. . . .

5,700 Strike At Windsor Ford Plant: Windsor, Ont., Oct. 10 (CP) -- Fifty-seven hundred workers struck at the Ford Motor Company plant here tonight to back up demands for a new contract. They went out at 10 p.m. EST.

The United Automobile Workers Union (CIO-CCL) ordered the walkout a few hours after last-minute talks among government, company and union officials broke up.

Nearly 550 pickets arrived at the plant a few minutes before the deadline. They took up positions around the 22 gates on the dot of 10. There were no incidents and no police were on the scene.

U. S. Admiral Wright Visiting Ottawa: Ottawa, Oct. 8 (CP) -- U. S. Admiral Jerauld Wright, Supreme Allied Commander, Atlantic, for the North Atlantic Treaty Organization, will pay a two-day visit to Canadian defence chiefs here next week. The U.S. Navy officer will be greeted at Uplands Airport Tuesday by Defence Minister Campney.

Football - (Saturday) -- Montreal 25, Ottawa 11; Hamilton 34, Toronto 6; Calgary 13, British Columbia 6; Edmonton 16, Winnipeg 5; Queen's 46, McGill 11; Western 9, Toronto 9. (Monday) -- Hamilton 22, Toronto 13; Montreal 24, Ottawa 6; Saskatchewan 12, Edmonton 2; Calgary 42, British Columbia 6.

Across Canada: Premier Duplessis on Friday voiced an appeal to newspapers to refrain from "harmful speculation and political propaganda" on Dominion-provincial relations in order to help Ottawa and Quebec reach an understanding that would be beneficial not only to Quebec but to the country at large. . . . Use of West German instead of Canadian steel in the construction of a coffer dam for the St. Lawrence Seaway raised a protest Friday, from Mr. Charles Millard, Canadian Director of the United Steelworkers of America (CIO-CCL) . . . . Conn Smythe, whose name was synonymous with colour around the National Hockey League for nearly 30 years, retired from the game today. He said he doesn't want to "get punchy." . . . Mr. Howe will head the list of speakers at the three-day convention of the Canadian Exporters' Association to be held Oct. 25-26-27 at the Seigniory Club, Que. . . . A Superior Court judge on Friday gave a seathing 4½-hour report on police-tolerated vice and gambling in Montreal and then dismissed the police chief. The dismissal order for Police Director J. Albert Langlois was part of the 225-page report of Mr. Justice Francois Caron. The report also ordered dismissal, disqualification from public office and fines totalling more than \$30,000 for 19 other members and former members of the Montreal police force.



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Vol. 5 No. 196

Wednesday, October 13, 1954

Barley And Oats Pools Payments: Ottawa, Oct. 12 (T & C) -- Mr. Howe announced that the Canadian Wheat Board 1953-54 Western Barley Pool had been closed as at September 30, 1954. The final payment for distribution to producers is \$9,833,495.41. During the crop year 1953-54 producers delivered 101,193,953.6 bushels of barley to the Board. The average net final payment to producers is 9.71747 cents per bushel after deduction of payment expenses and the Prairie Farm Assistance Act levy.

He stated that The Canadian Wheat Board would commence issuing final payment barley cheques on October 19.

The 1953-54 Oats Pool will be closed immediately and final payments on this Pool will be made following the completion of the barley payment.

NATO's Atlantic Commander In Ottawa: Ottawa, Oct. 12 (CP) -- NATO's Atlantic commander said today Russian submarines have appeared and are continuing to be detected in North American coastal waters.

"We have them (Russian submarines) in the Atlantic and Pacific though there has been no increase in their numbers lately," American Admiral Jerauld Wright told reporters on his arrival here for a two-day visit from his headquarters at Norfolk, Va.

Asked about today's report by Tass, official Soviet news agency, denying that Russian subs are operating along the Canadian coasts, Admiral Wright said:

"Because it's in Tass doesn't lend it authenticity."

Admiral Wright received a full-dress military reception with RCAF band and navy guard of honour.

He was met by Defense Minister Campney, Gen. Charles Foulkes, Chairman of the Joint Canadian Chiefs of Staff, Admiral Mainguy, Air Marshal Roy Slemmon, Chief of Air Staff, Maj.-Gen. H. A. Sparling, Vice-Chief of the Army General Staff, Dr. O. M. Solandt, Chairman of the Defense Research Board, Jules Leger, Under-Secretary of State for External Affairs, and Ambassadors of North Atlantic Treaty Organization countries.

Admiral Wright will confer with Mr. Campney, the Chiefs of Staff and the Cabinet Defense Committee.

Retailers Oppose Tariff Boost On British Cloth: Ottawa, Oct. 12 (CP) -- Spokesmen for Canadian retailers and consumers urged the Tariff Board today to weigh carefully the consequences that might result from any increase in the duty on imported British wool cloth.

In major submissions to a special hearing of the Board, the Retail Merchants Association of Canada and the Canadian Association of Consumers both said they viewed the proposal with serious concern and alarm. The CAC made clear, however, that it is not formally opposing the proposed increase.

The CAC saw it as special tariff protection for one industry at the expense of the consumer and other industries, with no guarantee that it would be anything more than a "mere temporary palliative" for the ills of the Canadian textile trade.

The Retail Merchants Association, representing 40,000 independent retailers in all provinces except Saskatchewan, warned it would raise Canadian clothing prices, hurt Canadian tourist trade in which British goods now were an attraction and be against the principle of free competition as laid down by the Government in the Combines Act.

(over)

The Saskatchewan Retail Merchants' Association, in a separate brief, also opposed any tariff increase in British wool cloth, arguing that it not only would increase prices but also adversely affect British buying in this country.

The Tariff Board is gathering evidence on the bid of the Canadian wool textile industry for more protection against the competing British material. The present duty on British wollens is a maximum of 50 cents a pound.

The Board is expected to conclude the hearing and discussion of submissions tomorrow.

Mr. Côté On Financial Formula For Provinces: Granby, Oct. 12 (Gazette) -- Postmaster General Alcide Côté said tonight that to settle present Ottawa-Quebec financial differences there must be found a formula large enough and elastic enough to permit not only Quebec but all 10 provinces to reach an agreement with Ottawa best suited to their particular needs.

Speaking at a dinner tendered by the local Chambre de Commerce to mark the official opening of the new \$650,000 post office building here, Mr. Côté said that while waiting for the day when all provinces agree to a formula to amend the Canadian constitution, a "modus vivendi" must be found that will not violate principles of the British North America Act.

He said that the Canadian constitution, imperfect as it may be, had served the people of Canada well since 1867. There was no reason why it should not continue to serve the purpose for which it was devised.

The Minister said that the principle that all provinces must be treated equally under the constitution did not necessarily mean that all provinces should reach "an identical agreement with the federal authorities."

Across Canada: "Canada must proclaim abroad as well as on its own soil, its complete sovereignty. A nation is not free which has not its own constitution, its own autonomous institutions and a national flag," Mr. Roch Pinard told the Liberal Business Men's Club of Toronto yesterday. . . . About 4,000 Ford of Canada workers at Windsor yesterday voted approval of action by union executives in calling a strike Sunday. . . . The rugged little RCMP Arctic schooner St. Roch returned home to Vancouver yesterday to a tumultuous welcome. The veteran of the Arctic is being purchased by the city and will be given a final resting place in Stanley Park as a monument to the courage and devotion to duty of Arctic sailors. . . . The will of the late J. S. McLean, founder of Canada Packers, Ltd., disposes of an estate of \$7,286,847.



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Vol. 5, No. 197

Thursday, October 17, 1954.

Canadian Disarmament Plan Submitted To U.N.: United Nations, N.Y., Oct. 13 (CP) --

Britain, the United States and France today backed a Canadian plan aimed at narrowing the split between East and West over world disarmament.

Health Minister Martin outlined the Canadian proposal, which calls on the five atomic powers to meet once more in private to iron out differences on a world disarmament treaty.

Russia asked for time to study the Canadian resolution. Soviet delegate Andrei Vishinsky said his country in principle could not react otherwise than favourably to an invitation to co-sponsor the resolution but a concrete reply would require more time for study.

Mr. Martin spoke before the Assembly's 60-nation Political Committee.

A Canadian resolution introduced by Mr. Martin said a draft international disarmament treaty should:

1. Provide for the regulation, limitation and major balanced reduction of all armed forces and armament.
2. Call for the total prohibition of the use and manufacture of nuclear weapons as well as every type of weapon of mass destruction, together with the conversion of existing stocks of nuclear weapons to peaceful purposes.
3. Establish effective international control through a control body with rights, powers and functions adequate "to guarantee the effective observance of the convention (treaty)."

In presenting the resolution, Mr. Martin said the Canadian delegation has "tried to provide what seems to us the most effective machinery for future progress - that is the same machinery to which I think we owe the substantial progress which we have made since the last session of the General Assembly."

"It should not be forgotten that it was precisely in the subcommittee of the Disarmament Commission that there were worked out the significant advances in the western position embodied in the Anglo-French memorandum, which the Soviet Government has now agreed to take as a basis for a convention."

The Canadian resolution suggests that after general debate on disarmament ends in the political committee, the five powers meet again in private to seek "an acceptable solution, and to report to the General Assembly and the Security Council as soon as sufficient progress has been made."

Mr. Martin said, "If some abridgement of the gap between our respective points of view is possible, agreement will, I submit, be easier to reach in private informal meetings of the powers the Disarmament Commission considered principally involved: France, the USSR, the United Kingdom, the United States, and Canada."

The main effort at this stage in the disarmament debate "should be to seek to clarify and to understand and, above all, to create the best conditions for further negotiation."

The principal difference between the eastern and western proposals has been on the establishment and powers of the control body.

Mr. Martin recalled a Vishinsky statement Monday that "the Soviet position has always been that 'to control is to verify.'"

"That is just the very problem . . . the Soviet proposals seem to conceive of control as a process of checking up on the correctness of information submitted by governments rather than of actively investigating anywhere at any time and by any means, whether the information submitted to the control authorities is not only correct but complete.

(over)

"For us, a control organ to be effective must have the authority to go wherever it wishes, not to pry into the economic activities of any country, but because it must make sure that - to use Mr. Vishinsky's own example - a button factory is not secretly making lethal weapons which have not been reported to the control organ."

Mr. Jules Moch of France, Mr. James Wadsworth of the U.S. and Mr. Selwyn Lloyd of Britain announced their countries' acceptance as co-sponsors of the Canadian resolution.

Mr. V. K. Krishna Menon of India objected to the Canadian resolution as having "almost the effect of adjourning the debate." The Indian delegation felt the last few days of debate had "yielded very wholesome results."

Sir Percy Spender of Australia said his delegation reserved its attitude toward the Canadian resolution.

Special U.N. Fund For Economic Development: United Nations, N.Y., Oct. 12 (CP) --

Two members of Canada's delegation to the U.N. General Assembly today presented their country's viewpoint on matters before their respective committees.

Senator Charles B. Howard, Canadian representative on the Assembly's economic and financial committee, said Canada now is not in a position to contribute toward a proposed Special United Nations Fund for Economic Development.

Canada in principle supports eventual establishment of an international development fund, he said, but in common with other countries, Canada has had "to balance its real sympathy with the needs and aspirations of less developed countries against the requirements of its own economy and defence. . . ."

Canada believes "more harm than good can result from premature attempts to implement ambitious plans."

Mr. Stuart Hemsley, of the External Affairs Department, told the Administrative and Budgetary Committee that Canada gives full support to the Secretary-General's plans for reorganization of the U.N. Secretariat. . . .

Textile Tariff Hearings: Ottawa, Oct. 13 (CP) -- A trade union official told the Tariff Board today it was labour's belief that the Canadian textile industry has been "sacrificed to bolster the economy of the United Kingdom."

Mr. Sydney Emmerson, international representative of the Textile Workers Union of America (CCL-CIO), made the statement under questioning while presenting a brief from his union. The brief said the Canadian textile industry is doomed unless it immediately gets more tariff protection against competing imported British woollens. . . .

Across Canada: The Crown is being sued for \$3,632,000 as a result of the April 8 air collision over Moose Jaw, Sask., Canada's worst aviation disaster. Exchequer Court of Canada officials said today 19 claims have been filed by lawyers representing widows, children and estates of some of the victims. Federal officials said there is a possibility that the claims may be settled without a court battle, C.P. reports from Ottawa. . . . Ontario Hydro and the New York State Power Authority have agreed to delay construction of the toll highway across the Iroquois Dam in the St. Lawrence River. The proposed highway was an integral part of Hydro's plans for the relocation and the future development of the Town of Iroquois to be completely flooded by the St. Lawrence power project, the Globe and Mail reports. . . . The Windsor, Ont., Board of Control yesterday estimated the strike at the Ford Motor Company of Canada will cost the city of Windsor \$4,000,000 a week. Controller Robert Fuller said the loss equals 20 per cent of the city's budget. . . . Manitoba oil production in August reached a new peak for the third consecutive month, according to Government statistics. August output totalled 225,305 barrels, up 27,281 from July and 59,340 barrels more than during June.



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Vol. 5, No. 198

Friday, October 15, 1954.

Kingston Penitentiary Report: Ottawa, Oct. 14 (CP) -- Canada is to have a central institution for isolating the country's toughest penitentiary prisoners.

Cabinet approval in principle for a Canadian version of the United States' Alcatraz was spurred by the Aug. 13-15 fires, and riot at Kingston penitentiary, found to have been stirred up by the Ontario pen's incorrigible minority.

The Cabinet, receiving a report on the disturbances yesterday from Maj.-Gen. R. B. Gibson, Commissioner of Penitentiaries, was advised that incorrigibles should be segregated from the normal penitentiary inmates.

An informant said the Ministers approved the idea of a central institution for the whole country, to which unmanageable prisoners would be transferred from federal prisons. There was no decision on a site, and planning has not gone beyond the general idea of such a prison.

After an investigation, Gen. Gibson reported to the Cabinet that a small hard core of incorrigibles was responsible for the Kingston incidents and that the time now has come to consider segregating this type.

He advocated either that "security" blocks be built at individual penitentiaries or that a central establishment be set up to handle the most troublesome of Canada's 5,000 prison inmates. He described these as just a small fraction of the total.

Prison officials estimated today that the number who might be rated as "incorrigible" for isolation purposes would at present run to between 150 and 200. However, the number and makeup of the group changes as behavior improves or worsens.

U.S. Raises Canadian Potato Quota: Ottawa, Oct. 14 (CP) -- The United States, acting under a trade pact obligation, has more than doubled its import quota for Canadian potatoes. But a poor harvest may cripple Canadian shipping efforts.

Under terms of the General Agreement on Tariffs and Trade, the U.S. agreed to establish an annual import quota of 3,500,000 bushels of table and seed potatoes which may be shipped into the U.S. at half the regular tariff duty - 37½ cents for each 100 pounds, instead of 75 cents.

However, it also agreed that if the American crop should fall below 350,000,000 bushels, the import quota under the lower tariff would be increased by the difference between the estimated crop and the 350,000,000 bushels.

The U.S. now has estimated its 1954 crop of table potatoes at 345,515,000 bushels and has accordingly boosted its total reduced tariff import quota for the next 12 months to 7,985,000 bushels which covers both seed and table spuds.

Supersonic Jet Interceptor: Montreal, Oct. 15 (Gazette) -- An aircraft engineering authority indicated here yesterday that Canada's new home defence jet interceptor - believed capable of flying at twice the speed of sound - will be in production in time to meet the threat of the buildup of Russia's bomber force.

This indication was given by Mr. R. K. Anderson, an Avro (Toronto) engineering manager, to an international meeting of 250 scientists, engineers and technicians of the North American aircraft industry, as well as a number of observers from the United Kingdom.

(over)

Mr. Anderson did not name the aircraft type but his remarks were interpreted as an obvious reference to the CF-105, the successor to the present home defence CF-100 jet.

Mr. Anderson indirectly stated that the CF-105, now in the prototype stage at the Avro plant, would be in production within two years.

In a description of the new aircraft, Mr. Anderson said it would fly well in excess of the speed of sound, attain a ceiling of 10 miles and would be equipped with advanced electronic equipment for detecting and combating the enemy under possible blind conditions.

Mr. Anderson said the supersonic interceptor will carry weapons more deadly and accurate than anything in use today. The aircraft will weigh from "12 to 20" tons. . . .

Death Rate Among Lowest: Ottawa, Oct. 14 (CP) -- Canada appeared to be gaining in its battle against death-dealing diseases, with the 1953 death rate dropping to a record low of 8.6 persons for each 1,000 of population, placing Canada among the world's healthiest people.

This and other trends in Canada's population growth and change were reported by the Bureau of Statistics today. It estimated that Canada's 1953 death rate was lower than the 9.6 per 1,000 in the United States and was the third lowest among Western countries which keep reliable vital statistics.

Oakville Ford Plant Strike: Oakville, Ont., Oct. 14 (CP) -- Union officials said tonight some 800 employees of the Ford of Canada assembly plant here will strike tomorrow.

Although only 800 workers will go on the picket lines tomorrow, nearly 2,600 men at the Ford Assembly plant here are affected by the contract dispute. The other 1,800 have been laid off during the last two weeks because of the company's annual model changeover.

It will be the second walkout to hit Ford in less than a week. The company's production plant at Windsor, Ont., was struck by 5,700 workers last Sunday.

Across Canada: Purchase of ninth series Canada Savings Bonds under payroll savings plans are expected to exceed last year's total. . . . Montreal's mayoral race became wide open yesterday when the close of nominations showed a field of nine. The municipal elections will be held Oct. 25. The nine aspirants equal the record number who contested the 1940 election. . . . The Toronto area construction industry faced a new strike last night, just one day after a nine-day walkout of bricklayers ended, when it was announced that the masons would go on strike Monday. . . . Police Director J. Albert Langlois resumed his duties as head of Montreal's Police Department in Canada yesterday morning declaring it was his right to hold the post until higher courts dispose of his appeal against dismissal.



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Vol. 5, No. 199

Monday, October 18, 1954.

52 Known Dead In Central Ontario Hurricane: Toronto, Oct. 17 (CP) -- Bodies of 52 victims of Hurricane Hazel's sweep across Central Ontario had been identified by 7:30 tonight and there were strong indications that more than 70 will be listed killed when the search through shattered houses and in lakes and rivers ends.

Red Cross officials said the hunt for bodies halted at dark until tomorrow. At that time a Canadian Press list of persons missing and believed dead totalled 52.

Mr. Fred G. Gardiner, Chairman of the Metropolitan Council, said damage estimates run as high as \$100,000,000.

Thousands of sightseers from metropolitan Toronto and elsewhere hampered search and relief operations in the Humber Valley, along the western outskirts of the city, where most of Ontario's casualties occurred.

Only essential traffic was permitted in many areas as the task of sieving debris for bodies of the missing continued in showery weather.

Emergency feeding centres were established. Navy reservists in whaleboats searched for bodies. Army signallers set up walkie-talkie communication between flood areas where telephone communication was knocked out by Friday night's record 7.2 inches of rain and winds up to 72 miles an hour. An anti-looting guard of RCAF men was established.

Two days after the storm only one highway link between Toronto's 1,200,000 population and Western Ontario was open to civilian traffic. Northbound mainline trains still had to be rerouted, but normal air travel was restored.

An undisclosed number of bodies awaited identification in a makeshift emergency morgue set up at the police station in Etobicoke, hardest hit of the Humber Valley villages.

Mr. St. Laurent On Preparedness: Quebec, Oct. 17 (CP) -- Mr. St. Laurent said today Canada's armed preparedness should not "incite us to become arrogant and unconcerned about points of view different from our own."

In a speech in French marking the 40th anniversary of the establishment of the Royal 22nd Regiment at the start of the First World War, Mr. St. Laurent said Canada should remain calm and confident and not "propagate fear" in the current world situation.

He spoke at the St. Joan of Arc monument before troops of the regiment. He said a middle-of-the-road course between confidence and fear must be followed.

"For, any excess in one direction or the other could have equally disastrous results.

".... We dare to hope that Providence will watch over the efforts of our allies and our own, to organize peace in the world, that heaven will help those who help themselves mutually to that end.

"During the past years, we have had to make grave decisions, and impose heavy sacrifices on ourselves, to ensure our defence, which is inevitably bound up with that of our allies.

"We have to be ready to defend ourselves in case of attack and organize the strength needed to support our claims in favour of just and equitable decisions for all....

"Our feeling of confidence is first of all founded on the superiority of our way of life and of our democratic system, but it also rests on the effectiveness of our military preparedness."

(over)

Mr. St. Laurent said Canada's armed forces increased the nation's prestige during two world wars and during the Korean war. They also made Canadians more conscious of their responsibilities. Canadian soldiers abroad were so many ambassadors to promote the good name of their nation.

"We believe that this military effort we are making is an indispensable part of our contribution to maintain the balance in the world and to prevent the cold war from degenerating into a hot war.

"We are convinced that unless evident and constant proof of our strength and decision in the face of danger is given, certain nations would take advantage of our hesitations and weakness to pursue their world-conquest plans.

"It is necessary that they know ahead of time that they shall not pass.

"But we dare to hope this conviction will be such that a modus vivendi will be possible, enabling us to devote a greater proportion of our resources and our energies to constructive works . . . .

"We regret nothing and intend to continue to be ready, but we hope that it will not ever be necessary to put to the test the sufficiency of our preparedness."

9,500 Ford Workers Idle Through Strike: Windsor, Ont., Oct. 15 (CP) -- Ford Motor Company of Canada tonight locked the doors of its \$30,000,000 powerhouse at its strike-bound Windsor plant, forcing 1,200 office workers off the job. A company statement said the offices must be closed for lack of heat and power. Office workers' salaries will be paid until further notice.

The number of Ford workers idle in Ontario today reached about 9,500.

A strike at the Oakville assembly plant today put 800 more on the picket lines and 1,800 were laid off there previously. The 5,700 members of Local 200, United Automobile Workers' Union (CIO-CCL) went on strike last Sunday. About 700 are expected to be forced out of Etobicoke parts depot by other strikes, bringing the total to more than 10,000.

(Strikes in Montreal and Oakville Friday added more than 3,900 persons to Canada's list of men idle through walkouts or unemployment.

A Canadian Press survey today showed at least eight strikes in progress involving approximately 14,000 workers.)

Nike Training At Fort Churchill: Ottawa, Oct. 15 (CP) -- Cold-weather tests of Nike, the supersonic anti-aircraft guided missile developed by the U.S. Army, will be conducted near Fort Churchill, Man., in January and February, the Defence Department announced tonight.

Canadian soldiers trained during the last year on the weapon at Fort Bliss, Tex., will carry out the tests, termed operation "Frost Jet."

It was the first official disclosure that Canadian soldiers have been trained to fire the Nike.

Football: Montreal 46, Hamilton 11; Toronto 27, Ottawa 11; Saskatchewan 19, Calgary 8; Edmonton 31, British Columbia 3; Western 25, McGill 6; Queens 20, Varsity 0.

Across Canada: The Department of External Affairs announced October 15 that Prime Minister Mohammed Ali of Pakistan, accompanied by Begum Mohammed Ali, will arrive in Ottawa on October 21, for a brief visit as a guest of the Canadian Government. . . . J. Hugh Campbell, Manager of the Canadian Pacific Railway's Department of Public Relations since 1945, died suddenly in hospital in Montreal Saturday night at the age of 57. He was head of the Wartime Information Board in Washington during the Second World War. . . . Canada's for-hire truckers are calling for the abolition of agreed charges in railway freight rates. Canadian Trucking Associations, chief spokesman for the \$200,000,000-a-year highway transport business, has told the Royal Commission on Agreed Charges that extension of the practice could destroy over-the-road transport. . . . The Antiquarian and Numismatic Society of Montreal has announced the appointment of Louis Carrier, F.R.S.A., F.R.G.C., as curator of the Chateau de Ramezay.



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Vol. 5, No. 200

Tuesday, October 19, 1954.

Ontario's Hurricane Death Toll Now 78: Toronto, Oct. 18 (CP) -- The known death toll mounted sharply in the stricken Humber Valley today as a receding river gave up more bodies to disaster teams among the ruins of broken homes in West Toronto suburbs.

Tonight - 60 hours after Friday night's hurricane - the full toll was still uncertain. . . .

1. Within a few miles of the downtown shopping area, the Humber drowned at least 57 persons. A Canadian Press compilation showed 13 others missing, three of them presumed dead.

2. More than 30 of the deaths occurred at a bend of the river where 19 homes were swept away on two short streets - Raymore and Gilhaven drives. Whole families were wiped out by the flood.

3. In metropolitan Toronto, more than 500 families were left homeless.

4. Damage was estimated in the tens of millions of dollars. Mr. Fred G. Gardiner, Chairman of the Toronto Metropolitan Council, said estimates range up to \$100,000,000.

5. The Humber, the Don River across the city, and other streams smashed 50 bridges and culverts, breaking vital traffic links between the city's working heart and its dormitory suburbs.

6. Outside the Humber Valley but in the Toronto area, seven were drowned and eight were missing presumed dead.

7. The over-all toll for the Province of Ontario may reach as high as 90. The latest compilation for all Ontario was: dead, 78; missing, presumed drowned, 8; missing, 10.

8. At Holland Marsh, 35 miles north of the city, 7,000 acres of the most fertile farm land in the province was a lake. Almost 2,000 were left homeless there and damage was estimated at \$10,000,000. But apparently there was no loss of life.

Along the Humber, troops and civilians continued the search for bodies in the debris. Special police were posted to prevent looting and thefts. . . .

Cabinet On Rehabilitation Aid: Ottawa, Oct. 18 (CP) -- Storm havoc in the Toronto area will be discussed by the Federal Cabinet tomorrow, although it has not yet received any formal request for financial aid.

Mr. St. Laurent today promised "sympathetic consideration" to any request by the Ontario Government, and said federal aid toward rehabilitating flooded areas will follow the principle applied in aid granted for the Winnipeg floods and the Rimouski and Cabano fires in 1950.

Warships Around The Globe: Ottawa, Oct. 18 (CP) -- More than a score of Canadian warships, from coastal minesweepers to the 18,000-ton aircraft carrier Magnificent, are scattered half-way round the globe on training exercises and operational duties.

The Magnificent is in San Francisco.

The west coast frigate Stettler joined the flattop at Balboa Oct. 1 on the way up the Pacific coast.

The cruiser Quebec sailed from Halifax Saturday for a two-months' training cruise to Trinidad and South America.

Four ships of the first Canadian Escort Squadron - the destroyer escort Algonquin and frigate Lauzon, Prestonian and Toronto - sailed from Londonderry, Northern Ireland, Sunday for a two-months' Mediterranean cruise.

(over)

The frigate Jonquiere and the coastal escorts Digby and Brockville left Balboa Sunday for Canada's west coast.

The destroyer Micmac is on a training cruise to Southern United States ports.

GATT Delegation: (Press Release No. 68, Oct. 18) -- The Department of External Affairs announced October 18 that the Minister of Trade and Commerce, Mr. Howe, will be the Minister in Charge of the Canadian Delegation to the Ninth Session of the Contracting Parties to the General Agreement on Tariffs and Trade which will convene in Geneva on October 28, 1954. It is expected that at this Session the Contracting Parties will review the operation of the Agreement and formulate more permanent rules for international trade. In addition to Mr. Howe, other members of the delegation will be as follows:

Chairman of the Delegation - Mr. L. D. Wilgress; Delegates: Mr. A.F.W. Plumptre, Department of Finance; Mr. L. E. Couillard, Department of External Affairs; Dr. A. E. Richards, Department of Agriculture; Mr. A. W. Brown, Department of National Revenue; Mr. B. G. Barrow, Department of Trade and Commerce; Mr. A. Annis, Department of Finance; Mr. M. Schwarzmann, Department of Trade and Commerce; Secretary of Delegation: Mr. W. Lavoie, Department of Trade and Commerce.

Rules News Article Sources Must Be Divulged: Ottawa, Oct. 18 (CP) -- The Supreme Court of Canada today ruled, in effect, that a reporter must divulge his sources of information for an article resulting in a libel action or be deprived of his right of defence.

Unanimously, the five justices refused Blair Fraser, Ottawa editor of Maclean's Magazine, leave to appeal an order of the British Columbia courts striking out his defence in a libel suit brought by Gordon Wismer, former Attorney-General of B.C.

Canada's Resources: Montreal, Oct. 19 (Gazette) -- The United States today depends upon Canada for economic survival, Hon. Paul Beaulieu, provincial Minister of Trade and Commerce, yesterday told the Quebec regional conference on general packaging.

Mr. Beaulieu said the U.S. has been developing its natural resources for 100 years and now finds itself forced to look to Canada for its supplies of many vital raw materials - newsprint and iron ore, in particular. Canada, on the other hand, with an area equal to the U.S., is just beginning to develop its resources with "the surface hardly scratched". . . .

Across Canada: Mr. Howe said yesterday that the latest U.S. curb, restricting imports of barley to 27,500,000 bushels for the year which began Oct. 1, is not too serious. "It is a compromise in which we preserve our market for malting barley and we are not too unhappy about it," he said, according to C.P. . . . Only enough money remains in the reserve fund of the Montreal Museum of Fine Arts for two more years of operations at the present level of expenditure, Mr. F. Cleveland Morgan, President of the Museum Council, said yesterday, the Gazette reported.



# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
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Vol. 5, No. 201

Wednesday, October 20, 1954.

Fear Holland Marsh May Add To Death Total: Toronto, Oct. 19 (CP) -- Order gradually emerged tonight from the chaos left by Hurricane Hazel in the western outskirts of Toronto. But disaster crews were still recovering bodies from the silt and debris piled high by the Humber River, and an unconfirmed report was published that the Ontario death toll of last Friday's storm - now 78 - may exceed 100 when the flooded Holland marsh is drained.

Search parties in small boats poked among floating vegetation for signs of human bodies. Besides the 78 dead, and apart from the reported Holland marsh missing, seven persons are missing and presumed drowned and five are listed as missing.

It may be weeks before the facts are known. Huge pumps must remove millions of tons of water before the land is dry. . . .

Commission May Survey Rehabilitation Needs: Ottawa, Oct. 19 (CP) -- A Royal Commission probably will be established to survey the Toronto area's damage to determine how much the federal treasury should contribute for rehabilitation.

Mr. St. Laurent said today this looks like the most practical way of dealing with the disaster, though no final decision has been reached. He told reporters, after talking by long-distance telephone with Premier Frost of Ontario, that he and Mr. Frost are agreed there should be a Royal Commission if that appears the most expeditious way of handling the matter.

"We both want to know the facts as quickly as possible," he said.

If a Commission is set up, he indicated, it will follow the line of one established for Manitoba's 1950 Red River flood disaster, in which Parliament contributed about \$12,500,000. That was a two-man Commission appointed by the Federal Government but with Manitoba selecting one of its members.

Mr. St. Laurent promised yesterday that federal assistance will be given the Toronto area on the same principles that governed aid following the Winnipeg flood and fires during 1950 at Rimouski and Cabano in Quebec.

"There is going to be nothing left undone to deal with the situation as expeditiously as possible," he said.

Asked if money would be available without a vote from Parliament - due to meet early in 1955 - Mr. St. Laurent said:

"If money is required, it will be made available as soon as it is required."

Ambassador To Dominican Republic And Haiti: (Press Release No. 70) -- The Department of External Affairs announced today that Mr. H. A. Scott, Canadian Ambassador to Cuba, has been appointed Canadian Ambassador to the Dominican Republic and the Republic of Haiti. Mr. Scott, who will continue as Ambassador to Cuba, is expected to present his Letters of Credence to the Presidents of the Dominican Republic and Haiti later this year.

The decision to exchange diplomatic missions with the Dominican Republic and Haiti was announced earlier this year; the missions will be opened about the middle of November. The Commercial Counsellor in the Dominican Republic, Mr. M. B. Bursley, and Mr. E. R. Bellemare, First Secretary of the Embassy in Haiti, will act as Chargés d'Affaires ad interim during Mr. Scott's absence from these two posts.

(over)

14 New Sub Chasers: Ottawa, Oct. 19 (CP) -- Canada is spending \$210,000,000 to construct 14 new sub chasers. Although there have been snags the first vessel will be completed late in 1955, federal authorities said today.

Shipbuilding officials in the Defence Production Department admit progress has been "very slow," but add that snags are being overcome. They estimate that all of the so-called St. Laurent class of destroyer escort vessels should be delivered to the Navy by late 1957.

Plastics Industry Asks Protection: Ottawa, Oct. 19 (CP) -- Canada's young raw plastics industry today appealed for tariff protection against U.S. competitors, prompting similar bids by other industries using the plastic raw material.

Canadian Industries, Ltd., with a \$15,000,000 polyethylene resins plant established at Edmonton, told the Tariff Board it requires a tariff of 20 per cent as protection if the newly-formed Canadian industry is to survive.

The resins are by-products of Alberta's natural gas and provide the raw material for a myriad of flexible plastic products.

Truckers Meet Rate Cuts: Ottawa, Oct. 19 (CP) -- Truckers have slashed rates between Montreal and Toronto as the latest move in a rail-truck war on Canada's busiest freight artery.

The truck move matches sharp railway rate cuts put into effect a month ago in an attempt to snatch back some of the business - among the country's most lucrative - which highway operators have been taking from the rail companies in recent years.

Across Canada: Governor General Massey says good books can check the "rapid and degrading depersonalization" created by modern mass media such as radio, television and films. "Today in a mass-produced, mass-organized, group-thinking society, books are above all others the means by which the individual may be nourished and a free society preserved," he told the 125th anniversary dinner of Ryerson Press last night, C.P. reported. . . . Queen Mother Elizabeth will be presented with a pair of boxing gloves for her grandson, Prince Charles, when she visits Ottawa next month, the City Council was told last night. . . . The Bureau of Statistics reported that the flow of petroleum from Alberta and other Canadian fields rose to 42,232,615 barrels in the first half of this year compared to 33,391,423 in the first six months of 1953. Natural gas output climbed to 65,107,621,000 cubic feet from 52,376,435,000 in the same period.

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Vol. 5, No. 202

Thursday, October 21, 1954.

NATO Ministerial Meeting: (Press Release No. 69, Oct. 19) -- The Department of External Affairs announced on October 19 that the Ministerial Meeting of the North Atlantic Council in Paris, on October 22, will consider the recommendations prepared on the basis of the decisions reached at the recent Nine-Power Conference in London regarding the association of Germany with the West and arrangements for a German defence contribution. This Meeting will be preceded by a meeting on October 21 of the nine Foreign Ministers who attended the London Conference.

Canada will be represented at both these meetings by Mr. L. B. Pearson, Secretary of State for External Affairs; he will be assisted by Mr. L. D. Wilgress, Permanent Representative of Canada to the North Atlantic Council, Dr. R. A. MacKay, Associate Under-Secretary of State for External Affairs; General Charles Foulkes, Chairman, Chiefs of Staff and Air Vice Marshal D. M. Smith, Chairman of the Canadian Joint Staff, London. Mr. J. G. H. Halstead of the Department of External Affairs and Mr. A. B. Hockin, of the Department of Finance, are accompanying the delegation.

The NATO Ministerial Meeting will consider reports on the arrangements for the admission of Germany to NATO, on the reinforcement of the NATO machinery, and on the association of other NATO countries with the Three-Power Declaration on Germany made at the London Conference.

Ambassador To Egypt: (Press Release No. 71, Oct. 21) -- The Department of External Affairs announced on October 21 that Mr. Kenneth P. Kirkwood has been appointed as Canada's first Ambassador to Egypt and concurrently as Canada's first Minister to Lebanon. Mr. Kirkwood, who is at present serving with the Canadian Delegation to the Ninth Session of the United Nations General Assembly, will proceed about the end of November to Egypt and to Lebanon to present his letters of credence. In the meantime, the Canadian diplomatic missions, which have now opened in Cairo and Beirut, will each be under the direction of the senior officer of the mission, serving as Chargé d'Affaires ad interim.

Ambassador To Israel: (Press Release No. 72, Oct. 21) -- The Department of External Affairs announced on October 21, that Mr. T. W. L. MacDermot, the Canadian Ambassador to Greece, has been appointed as Canada's first Ambassador to Israel. Mr. MacDermot, who will continue to be accredited to Greece, will shortly proceed to Israel to present his letter of credence. In the meantime the Canadian Embassy, which has already been opened in Tel Aviv, will be under the direction of the Counsellor, Mr. George P. Kidd, who will act as Chargé d'Affaires ad interim during Mr. MacDermot's absence from this post.

Flood Death Toll Now 79: Toronto, Oct. 20 (CP) -- A boom was strung across the Humber River at Toronto's western outskirts today. Spotters were assigned to watch for drifting bodies of victims of last week-end's death-dealing floods along the river valley.

With searches still going on amid the destruction left by the swirling, water in the Humber Valley and in other sections of Southern Ontario hit by floods, the toll of known dead stood today at 79, with seven persons listed as missing and presumed drowned and six others as missing.

Rescuers expressed fear that the toll might be still higher in the flood-ravaged western suburbs of Etobicoke and Port Credit and in such northern suburbs as Woodbridge.

(over)

The work of searching for bodies, of salvaging belongings and of repairing shattered homes went forward today in cool, cloudy weather.

As contributions to the Ontario Hurricane Relief Fund flowed in from across Canada, officials said more than \$1,500,000 of the \$10,000,000 objective has been realized.

Mr. Drew On Future Of Europe: Morrisburg, Ont., Oct. 20 (CP) -- A union of free European countries could become even stronger than Russia, Mr. Drew said tonight. In co-operation with other free countries in the world, a united free Europe could assure years of continuing peace.

"Never before have we been so close to the fulfilment of that dream," Mr. Drew said at a meeting of the Canadian Club in this St. Lawrence River town.

Mr. Drew, who made a two-month tour of Europe last summer, said reconstruction of war damage has been "little short of a miracle."

"In most countries industrial production is higher than it was before the war."

The rebuilding, helped largely by United States financial aid, had been inspired by the hope of a peaceful Europe. That hope was justified "to an extent that we have hardly recognized." . . . .

Sees Trend To Age Of Scarcity: Ottawa, Oct. 20 (CP) -- The President of the National Research Council believes that Canada must play a bigger scientific role in preparing for an age of scarcity.

Dr. E. W. R. Steacie urged serious consideration of a long-range program of technological development in the 37th annual report of NRC released here today. The report, made public in advance of its tabling in Parliament, reviews the work of the council in the year ended March 31, 1954.

Across Canada: Employment in Canada apparently hit its 1954 peak last month, but it remained under the total of a year earlier. The Government reported yesterday in its monthly employment survey that an estimated 4,820,000 people worked full-time the week ended Sept. 18, compared with 4,748,000 a month earlier and 4,896,000 a year previously, C.P. reports. . . . Prime Minister Mohammed Ali, of Pakistan, yesterday informed Prime Minister St. Laurent that he will be unable to make his planned visit to Ottawa. . . . Prime Minister St. Laurent will lead Montreal's 40th anniversary salute to the Royal 22nd Regiment on Sunday morning and in the afternoon 6,000 marching men take over the spotlight in a day devoted to the armed forces. . . . Mr. Dwight P. Cruikshank, prominent Ottawa Valley industrialist and reeve of suburban Rockcliffe village for the last 16 years, died in Ottawa yesterday following a heart attack.

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Vol. 5, No. 203

Friday, October 22, 1954.

Flood Relief Fund Provides Cash, Necessities: Toronto, Oct. 22 (Globe & Mail) --

Direct assistance for flood victims, in both cash and tools or household needs, will be provided from the Ontario Hurricane Relief Fund, officials of the organization announced yesterday.

As the fund rose steadily to reach a total of \$1,852,381 toward its \$10,000,000 objective yesterday, a plan of relief distribution was announced which would:

1. Provide immediate emergency assistance in cash advances;
2. Provide immediate relief of needs of dependents of flood victims;
3. Provide compensation to flood victims for household effects, clothing and living requirements lost or destroyed.

The assistance would be provided through local committees.

In the statement announcing the basis for assistance, the fund executive stated that extension of these commitments would be considered if further information indicated greater need and if government action, yet to be outlined, necessitated it. It was assumed, however, that compensation for lost or damaged houses would be a government obligation.

Major objective of the fund was provision of food, tools for re-establishing families and provision of household items. In the meantime social welfare workers were preparing reports on dependents of flood victims, and policy with regard to these would be announced soon. . . .

U. K. Strike Slowing Grain Movement: Ottawa, Oct. 21 (CP) -- Mr. Howe said today that Britain's waterfront strike has slowed overseas movement of Canadian grain and that the slow-down is getting "quite serious."

The Minister added in an interview that the walkout, tying up 44,000 British seaport workers and more than 330 ships, also has caused ocean freight rates to "shoot up," increasing traffic difficulties.

Canada's major export to Britain is wheat and normally at this time of year exporters rush to speed movement before the winter freeze-up on the Great lakes and the St. Lawrence River.

Canadian wheat sales to Britain have been rising in the last few months, but federal grain experts feel that Britain's purchases might even be heavier than they are if there had been no dock strike.

Though Canada this year may harvest a poor wheat crop, she has carried over 587,000,000 bushels of unsold wheat from last year's harvest. Canadian authorities have been pushing sales to provide prairie farmers with more income.

Mr. Howe said he hoped the strike will soon end, for if the ships are tied up too long in British ports it may be difficult for them to get loads of Canadian wheat after the freeze-up.

At Montreal, the heart of the Eastern Canadian overseas grain-shiping trade, a steamship operator said that if the labour dispute is not settled this weekend, "complete chaos" may result. Another said the tie-up means that some ships may be able to make one more trip instead of two before the St. Lawrence River freezes and the Montreal port is closed for the winter.

Says Change From Liberal Trade Policies Would Be Harmful: Niagara Falls, Ont., Oct. 21 (CP) -- Finance Minister Harris said tonight he is convinced Canada would suffer if the Government's liberal trade policies were jettisoned at the first breath of international competition.

Finance Minister Harris said tonight he is convinced Canada would suffer if the Government's liberal trade policies were jettisoned at the first breath of international competition.

Speaking at the opening of the Niagara industrial exhibition here, Mr. Harris said increased production in Europe has resulted in more normal competitive conditions in world markets.

For the first time in many years the art of selling had resumed its paramount place in business enterprise. Some producers, both in Canada and elsewhere, has found the readjustment difficult and pressures had developed for increased government assistance of one form or another.

"By and large these pressures have been resisted," Mr. Harris said. "I think this reflects a general awareness that liberal trade policies are not simply fair weather policies. These policies have served us well and they are as valid now as they have been in the past.

"I am convinced that all countries, including Canada, would suffer if these policies were to be jettisoned at the first breath of international competition."

Militia Training And Sunday Church: Ottawa, Oct. 21 (CP) -- Defence officials, replying to criticism that weekend militia training interferes with Sunday church-going, said today national defence is a seven-day-a-week job.

The Ottawa-Montreal Synod of the Presbyterian Church of Canada last night at Montreal adopted a resolution condemning weekend training by militia and cadet units. The Synod suggested that training be held during the week.

Officials here said men in the militia hold civilian jobs during the week and the only time they have to train is during weekends. Whenever possible, units take padres with them on out-of-town weekend training schemes. . . .

Prairie Grain Losses: Ottawa, Oct. 21 (CP) -- The Inter-provincial Farm Union Council estimated today that prairie grain farmers will lose about \$400,000,000 this year because of a poor harvest, battered by bad weather, rust and frost.

Mr. J. L. Phelps, Council President, said in a brief to the Government that the economic "disaster" which confronts the prairies is about four times as great as that caused by Hurricane Hazel which hit the Toronto area last weekend.

Urging an immediate 15 cent a bushel interim payment on last year's wheat crop, Mr. Phelps said failure to recognize the need for boosting prairie farm income can push Canada's agricultural industry "into a full scale depression."

Across Canada: Britain is not alarmed by the appearance of new Russian jet bombers, Lord De L'Isle and Dudley, VC, British Secretary of State for Air, said in Ottawa yesterday, according to C.P. He told a press conference that the new Hunter and Swift day fighters and all-weather Javelin will be "at the top of the list" in fighter aircraft when they are fully in service. He said Canada's development work in air-to-air guided missiles may play a part in equipping RAF fighter planes with such weapons. RAF fighters are to be armed with missiles but he could not divulge the target date. . . . Head office of Ford Motor Company of Canada, which has been in Windsor since the company was founded 50 years ago, has been moved to Toronto. The move will affect about 100 persons, including the majority of officers and top executives, with some supporting staff. The move coincides with the strike since Oct. 10 of 5,700 employees at the Windsor manufacturing plant, but the company said it has been planned for some time, C. P. reports from Windsor.

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Vol. 5, No. 204

Monday, October 25, 1954.

All-Canadian Seaway Future Possibility: Montreal, Oct. 24 (CP) -- Mr. St. Laurent indicated last night Canada is not ready to build an all-Canadian seaway at this time, but may do so in the future.

Except for a short canal to be built on the U.S. side of the International Rapids section, the St. Lawrence Seaway will follow an all-Canadian route. The U.S. section, near Barnhardt Island, will be built by the United States.

Mr. St. Laurent, in a speech at a banquet marking the 10th anniversary of the French-speaking newspaper men's syndicate of Montreal, reviewed the history of Canada-U.S. negotiations in recent years concerning the seaway. . . .

Mr. St. Laurent said construction of the seaway was dependent on construction of a dam across the International Rapids section of the St. Lawrence River. This hydro-electric power development, since it touched both Canada and the U.S., had to be an international undertaking.

Mr. St. Laurent said it is an open secret Canada would have preferred to build all the canals in Canadian territory, but it had to consider joint participation in order to secure U.S. co-operation in the hydro development.

Mr. St. Laurent said if Canada had turned down U.S. participation in the seaway and started to build all canals on the Canadian side, it would have done serious injury to Canada-U.S. relations.

Worse still, he said, Canada might have lost U.S. co-operation in the hydro project and "given proof of childish stubbornness and inexcusable wastage of the financial resources of the country."

"The Canadian Government has made it known to the U.S. authorities, in unequivocal terms, that should Canadian shipping or foreign merchant shipping or foreign merchant shipping bound for Canadian Great Lakes ports be subjected to annoying restrictions in American canal in the international section, Canada would immediately undertake construction of a second canal situated entirely in Canadian territory in the vicinity of Barnhardt Island.

"We have also indicated that should the volume of merchant shipping become sufficiently large, the Canadian Government reserved the right to construct the second canal in Canadian territory.

"At that time, which is not perhaps too remote at the present rate of our industrial development, the entirely Canadian seaway will have become an accomplished fact. . . ."

September Deficit \$84,619,000 (Globe & Mail) -- Budgetary revenues in September continued to run behind those of last year, as they have done ever since the 1954-55 fiscal year began April 1.

The monthly statement of the Government's financial operations, released today by Finance Minister Harris, showed revenues of \$295,958,000 in September, \$28,764,000 less than in the same month last year.

Expenditures were down by \$27,227,000 - to \$380,577,000. The reduction in expenditures occurred almost exclusively in defense spending.

The deficit on the month was \$84,619,000 - not much different from last September's deficit of \$83,092,000.

The former Finance Minister, Mr. Abbott, budgeted for a surplus of \$4,000,000 in this year. However, while his conclusions were optimistic, Mr. Abbott's budget speech contained warnings that unless certain conditions were realized the balanced budget he forecast would not be achieved.

(over)

Revenues in the first six months of the fiscal year are down by \$153,394,000.

The revenue picture shows personal income tax collections remaining about at last year's level, down only \$9,669,000 over the first six months. Corporation income taxes, however, have yielded \$91,689,000 less. Customs duties, sales tax and other excise duties are also down.

UN Must Be Sustained, Says Mr. St. Laurent: Ottawa, Oct. 22 (CP) -- Mr. St.

Laurent said tonight the United Nations must be sustained through "one of the most critical interludes in the history of mankind."

"If civilization is to survive and progress," he said in a statement, "it will be because the ideals and principles which inspired the charter of the United Nations will triumph over the ruthless materialism which threatens the survival of the organization."

His statement was issued to mark the anniversary of the UN charter, which came into effect nine years ago this Sunday. . . .

Premier Mendes-France May Visit Ottawa: Ottawa, Oct. 22 (CP) -- Premier Mendes-France will visit Ottawa Nov. 16 on his way to Washington, it was learned today.

Mr. St. Laurent yesterday invited the French Premier to call here when he learned that Mendes-France was going to Washington. Mendes-France accepted today. He will be here for a day only. His visit will coincide with that of the Queen Mother.

Further details on the French Premier's visit were not immediately available. However, it is understood that efforts are being made to arrange visits to Montreal, Quebec City and Toronto, in which case his stay in Canada probably would extend from Nov. 14 to 17.

Canada Represented At Alamein Ceremony: Ottawa, Oct. 22 (CP) -- Canada and the RCAF will be represented when Field Marshal Viscount Montgomery unveils the Alamein memorial in Egypt Sunday.

The memorial forms the northern boundary of the Alamein cemetery located in the Egyptian desert at the site of the historic battle of Alamein.

Lt.-Gen. Maurice Pope, Canadian Ambassador to Spain, will represent the Canadian Government and the RCAF will be represented by Air Commodore A. D. Ross.

Football: Toronto 30, Montreal 24; Hamilton 25, Ottawa 17; Edmonton 24, Saskatchewan 19; Winnipeg 18, British Columbia 0; Toronto 43, McGill 6; Western 27, Queen's 1.

Across Canada: Prairie farmers have cut an estimated 86 per cent of their grain crops and have threshed 63 per cent, the Bureau of Statistics reported. The report covers harvesting up to Oct. 15 on the five major grains: Wheat, oats, barley, rye and flaxseed. The Bureau said good weather now has returned to the Prairies, plagued by bad weather earlier in the harvesting season. . . . Bodies of four more victims were recovered from the Humber River at the week-end. The Ontario Hurricane Relief Fund climbed to \$2,332,406.



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Tuesday, October 26, 1954.

Mr. Pearson On German Entry Into NATO: Paris, Oct. 25 (Reuters) -- Mr. Pearson said today agreements signed here Saturday to admit West Germany to the North Atlantic Treaty Organization "represented a new and decisive advance in the development of the Atlantic Community."

"They also represented a notable reinforcement of the security of free men everywhere. As such they should receive a warm and widespread welcome in Canada."

He made the comments in a statement issued to the press.

Mr. Pearson signed on behalf of Canada the protocol to the North Atlantic Treaty admitting West Germany. Although Canada will not be a participating member of the new seven-nation Western European Union, he was present at the personal request of French Premier Pierre Mendes-France for the signing of documents setting up this organization.

The Union enlarged the Brussels Pact - composed of Britain, France, the Netherlands, Belgium and Luxembourg - to include Italy and West Germany. Canada and the United States are considered guarantors of the Union's status.

Mr. Pearson will hold consultations here with the Canadian Ambassadors to the Netherlands, Belgium, West Germany, Switzerland and Russia, the Chargé d'Affaires in Warsaw and the Canadian High Commissioner in London before flying to Ottawa tomorrow night.

"Heartening Evidence Of Progress": Ottawa, Oct. 25 (CP) -- Canada in a few years may train German fliers and ship armaments to West Germany, informants said today. Now that Germany has been admitted into the North Atlantic Treaty Organization, she presumably will receive the same treatment as other NATO partners. However, the protocols providing for admittance of Germany into NATO still must be ratified by the 15 countries concerned, including Canada.

Some 3,000 airmen from other NATO nations have been trained in Canada since 1951 at a cost to Canada of nearly \$250,000,000. At the same time, Canada has shipped nearly \$600,000,000 worth of arms to her NATO Allies.

Under arms limitations placed on Germany by the new European Defense Union, Canada likely would report to NATO the amount of military material sent to Germany - provided Germany needed and asked for Canadian arms. Germany will be allowed to build a 1,000-plane air force as a contribution to Western defense.

Informants said it is unlikely - at least at the moment - that any part of the Canadian infantry brigade in Europe will be used to help bring into being or train a 12-division German Army. They said the brigade is too small to break up for such purposes and that if instructional units were needed, they would probably be taken from the British, French and U.S. forces.

Meanwhile, Mr. St. Laurent said in a statement he is confident the protocols will be approved by the Parliaments of the 15 countries within a few months. He said that on behalf of the Government and all Canadians he welcomes their signing in Paris.

The Prime Minister said the decisions reached at the recent nine-power conference in London and in Paris are "heartening evidence of progress along the road to European unity within the wider community of the North Atlantic countries."

Inter-American Economic And Social Council: (Press Release No. 74, Oct. 22) -- The Acting Secretary of State for External Affairs announced on October 22 that a telegram has been received from the President of the Inter-American

Economic and Social Council inviting the Government of Canada to attend as an observer the Council's Fourth Extraordinary Session to be held in Rio de Janeiro on November 22, 1954, and that, on behalf of the Canadian Government, he has accepted the invitation and has informed the President of the Council that Canada's observer at the Session will be Mr. S. D. Pierce, Canadian Ambassador to Brazil.

Canada And Guided Missiles: Ottawa, Oct. 25 (CP) -- Canada intends to get into production of various types of guided missiles. Officials say it won't be for some time, though.

Defence Minister Campney and Defence Production Minister Howe are going to the United States for a week in mid-November to have a look at development work and production there in the fields of guided missiles, new aircraft engines and the like.

They may also be on the lookout for an American engine to power the CF-105, successor to the RCAF's long-range, all-weather CF-100 jet fighter plane. A prototype of the CF-105 is expected to be ready in 1956.

Final stages have been reached in Canada on development of an air-to-air guided missile to arm fighter planes. . . .

Study Changes In Unemployment Insurance: Ottawa, Oct. 25 (CP) -- Broad changes in Canada's unemployment insurance system, aimed chiefly at protecting jobless in winter, are under study by federal authorities.

Legislation is still being drafted by a committee representing several departments. As now contemplated, it was learned that these are among the major points involved:

1. Changes in the formula for calculating "benefit credits," increasing the minimum period for which unemployed workers qualify for benefits.
2. Higher benefit payments for persons in the upper pay brackets.

The question of whether increased contributions will be called for is under study by actuaries examining effects of the proposals on the \$880,000,000 insurance fund, but information to date is that no great change is expected in this respect.

St. Lawrence Joint Board Of Engineers: Ottawa, Oct. 25 (CP) -- Revamping of the St. Lawrence River Joint Board of Engineers was announced today by the Transport Department.

Transport Minister Marler will be Canadian Chairman, with the other member President Lionel Chevrier of the St. Lawrence Seaway Authority. Originally, the Canadian members were Mr. Chevrier - then Transport Minister - and Mr. R. A. C. Henry, Montreal consulting engineer.

Alternates will be Mr. M. V. Sauer and Mr. H. W. Lee, Montreal consulting engineers. Mr. Lee succeeds Brig. Maurice Archer, Vice-Chairman of the National Harbours Board.

Across Canada: More than 50 per cent of eligible Montreal voters turned out yesterday to sweep Jean Drapeau into the mayor's office on the strength of a "Clean Up City Hall" campaign, giving him support almost equal to that of his eight opponents combined. His majority was so great that none of the other candidates were even able to salvage their \$200 deposits since they failed to receive the required 50 per cent of the votes garnered by the winner. Sponsored by the Civic Action League which initiated the vice probe that was to put Mr. Drapeau before the public eye, the new mayor also successfully led the majority of his 34 councillor candidates to victory, the Gazette reported. . . . Once again McGill is facing a serious financial deficit. If the university receives neither a federal nor a provincial grant for this academic year, it's deficit will amount to "something like \$700,000," Dr. F. Cyril James, Principal and Vice-Chancellor, declared last night, according to the Gazette. . . . In the next 25 years Metropolitan Toronto will spend \$233,000,000 building arterial roads, housing and providing various municipal services, Metro Finance Commissioner Arthur Lascelles said last night, The Globe & Mail reported.



# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 206

Wednesday, October 27, 1954.

Mr. Howe Urges Increased Efforts To Sell Abroad: Seigniory Club, Que., Oct. 26 (CP) -- Mr. Howe tonight urged Canadian firms to increase efforts to sell Canadian goods in other countries.

At the same time he stated that Canada, at forthcoming discussions at Geneva, will strongly support renewal of the general agreement on tariffs and trade (GATT), under which Western countries have made trade concessions to one another since 1947.

Addressing the annual meeting of the Canadian Exporters' Association, Mr. Howe said Canada would be fighting to preserve the gains made in the form of lower trade barriers in the postwar world.

"As exporters," he added, "I believe you will profit to the extent that we are successful, and suffer to the extent that we fail to achieve our objectives."

It had been a popular pastime to attack GATT said Mr. Howe, but most of the attack had been based on ignorance although some of it had been based on a desire to see the world revert to restrictionism.

"GATT," he continued, "is not a perfect document from Canada's point of view. It has not always been observed as strictly by other countries as by Canada.

"When everything has been said, however, it remains true that GATT represents the only possibility of preserving the gains that have been made in the postwar period, and the only possibility of preserving a code of rules by which a country's trade practices can be judged.

"When people attack GATT, I ask them for alternative proposals. Invariably they have none,"

Urging his exporter audience to greater efforts to sell abroad, Mr. Howe said the fact that Canada was one of the world's leading export countries, showed that Canadians know something about selling in export markets.

Nevertheless, this knowledge was not as widespread as it might be and this was detrimental to Canadian trade.

"I think opportunities are being lost because Canadian manufacturers are simply not paying enough attention to export markets.

If, however, Canadian producers were to compete successfully in other countries, they could not afford to look upon exports simply as a by-product of production for the domestic market. They must devote just as much attention to exports as to domestic sales. In fact, building of export markets might require more time and attention than home sales.

Canada At The United Nations: United Nations, N.Y., Oct. 26 (CP) -- Mr. Paul Martin of Canada and Mr. Andrei Vishinsky of Russia met privately late today and agreed on steps to be taken tomorrow on disarmament.

The meeting - in which Mr. Martin acted as spokesman for Canada, Britain, the United States and France - followed developments in today's disarmament debate in the political committee.

During the debate, representatives of India and Australia called for a vote on their disarmament proposals.

As a result of agreement today Britain, Canada, the U.S., France and Russia will ask Australia and India not to press for a vote on their proposals.

Both these proposals are regarded by some delegates as obstacles toward seeking solution of the disarmament problem.

Most delegates concede that the next step will be the political committee's unanimous approval of a Canadian resolution calling for resumption of private talks on disarmament by the disarmament commissions sub-committee.

The fact that Russia agreed to co-sponsor the resolution along with Canada, the U.S., Britain and France is regarded as a situation that should be utilized as soon as possible.

These five powers are members of the sub-committee that would meet again to seek an acceptable solution of the disarmament problem.

Mr. Jules Moch of France acted as unofficial spokesman for his fellow co-sponsors today when he urged the committee to unanimously approve the five-power resolution and refer the other two for consideration by the disarmament commission.

High Commissioner Of India: (Press Release No. 75, Oct. 26) -- His Excellency Dr. Mohammed Abdul Rauf on October 25 presented to His Excellency the Governor General his credentials as High Commissioner of India to Canada. The ceremony of presentation took place at Government House.

War Claims Deadline Extended: Ottawa, Oct. 26 (CP) -- The Government has ordered another two-month extension in the deadline for all types of Second World War claims by Canadians. The deadline now is Nov. 30 instead of Sept. 30.

More than three weeks has elapsed since the decision to extend the deadline and the new date was disclosed tonight in the Canada Gazette. It is the fourth extension since the first deadline of Dec. 31, 1953.

It is understood, however, that the Nov. 30 deadline will be the last extension.

Wheat Returned Because Of London Strike: Montreal, Oct. 27 (Gazette) -- Some of the first direct results of London's crippling waterfront strike are lying at their berths in Montreal harbour, today.

The Canadian Pacific freighter Mapledell arrived in Montreal early yesterday morning to become the first to make the return trip to Britain and still have part of the cargo she loaded on her last trip out of here still in her holds.

On Friday, the Canadian Pacific flagship Empress of Scotland docks in Montreal with most of her cargo still aboard. The 26,300-ton luxury liner is another victim of the British waterfront trouble.

In all, 32 inland vessels are listed on the harbourmaster's noon report of ships in the harbour. Most of these are canal-type vessels with grain in their holds.

Grain is still tied up from the St. Lawrence to the Lakehead. Elevators along the entire route all have one thing in common: filled bins.

Troops In Korea: Ottawa, Oct. 26 (CP) -- Officials here say they have some hope that all Canadian troops in Korea may be brought home by next summer.

This will depend chiefly on what action the United States takes and how quickly the Republic of Korea Army can take over the entire defence of South Korea. . . .

Across Canada: Queen Mother Elizabeth next month will place a wreath at the National War Memorial which was unveiled by her husband 15 years ago. The Royal visit will be confined to Ottawa, except for a drive into the nearby Gatineau Hills of Quebec Nov. 13, the same day as the wreath-laying ceremony, C.P. reported. . . . The Federal Government is preparing to fight the Ontario Labour Relations Board's assumption of jurisdiction over dock workers. Federal officials said the Justice Department will join Mr. Frank H. Hall's Brotherhood of Railway and Steamship Clerks in a challenge to the board before the Ontario Supreme Court. . . . Mr. Pearson will report to the Cabinet Thursday on the agreements reached in Paris for rearming West Germany, C.P. reported this morning.



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Vol. 5, No. 207

Thursday, October 28, 1954.

U.N. Committee Passes Canadian Arms Plan: United Nations, N.Y., Oct. 27 (CP) -- Canada gained another international laurel today when the UN political committee unanimously approved her resolution calling for five power talks on disarmament. The resolution, sponsored by Canada, Britain, France, the United States and Russia, marks the first time since 1946 that Russia has joined the west in backing a proposal.

In view of such welcome warmth in the cold war, the 60-nation committee's vote came as no surprise. Delegates were too happy over the rare agreement to have voted against it.

The unanimous approval means that the General Assembly is certain to approve the resolution, which calls on the disarmament commission to reconvene its sub-committee - made up of the five powers - to carry on the work of seeking an acceptable disarmament treaty.

Canada's ability as mediator between the west and Russia won considerable attention last Friday when, after eight days of behind-the-scenes negotiations, Russia agreed to sponsor the then four-power resolution.

Delegates since have expressed the hope that the unanimity will continue and that genuine progress can be achieved toward solving the difficult disarmament problem.

But amid the obvious pleasure of the delegates that Russia and the West had taken this first step together, there were warnings that division still exists on important fundamental points and that the road ahead will not be an easy one.

The committee also approved another resolution by the five powers to send to the disarmament commission an Indian proposal calling for an armaments truce pending agreement on a disarmament treaty. The vote was 58 to 1 with Nationalist China the sole opponent.

This resolution was introduced this morning by Mr. Paul Martin, Vice-Chairman of the Canadian Delegation, after a meeting of the five powers. . . .

Mr. Pearson On Paris Decisions: Ottawa, Oct. 27 (CP) -- Canada made no commitment at Paris to keep its armed forces in Europe for any given length of time, Mr. Pearson said today.

He told a press conference that neither Canada nor the United States was asked to make any such commitment when the agreements for rearming West Germany were drawn up at Paris last week.

"Canada said, in effect, 'In reason, you can count on us,'" Mr. Pearson added.

He said he had no idea whether Canadian forces in Europe - an infantry brigade and air division - would be kept there indefinitely, even when Germany was rearmed.

Canada accepted its continuing obligation to the North Atlantic Treaty Organization and would do its best to discharge its duties, both in European and home defence.

Mr. Pearson said he hopes the protocols providing for German admittance to NATO will be ratified by the 15 countries concerned, including Canada, by mid-January.

He said he expects Parliament will be in session then. If Canada were the only country holding up full ratification, the protocols could be made the first order of business for the House of Commons.

(over)

Mr. Pearson said Canada's only added responsibility in Europe would be to help defend all of West Germany, not only West Berlin or that part of Germany where Canadian servicemen are stationed. However, this added responsibility was more theoretical than actual.

He said he considers the safeguards against a revival of German militarism contained in the new agreements as effective as those provided by the defunct European Defence Community.

Exporters To Push Canadian Trade Abroad: Seigniory Club, Que., Oct. 27 (CP) --  
A drive to step up sales of Canadian goods abroad has been started by the Canadian Exporters' Association.

Latest step, announced today, is formation of a committee under chairmanship of Mr. James Muir, President of the Royal Bank of Canada.

With Mr. Muir, who will represent the chartered banks of Canada, will be the Presidents of the Canadian National and Canadian Pacific railways, Canadian Chamber of Commerce, Canadian Manufacturers' Association, Canadian Congress of Labour, the Trades and Labour Congress, Boards of Trade of Halifax, Montreal, Toronto and Vancouver, and Canadian Exporters' itself.

Mr. S. A. MacKay-Smith, of Ottawa, the Association's immediate past President, said committee members have agreed that exports are of such vital importance to Canada that they will give their utmost co-operation.

First committee meeting will be in Montreal, Dec. 1, and the Association hopes it will set up a permanent body and appoint sub-committees to study specific topics and problems.

One objective will be to stress the importance of export trade to every individual Canadian firm and every individual Canadian, backed by the argument that each Canadian, directly or indirectly gets 25 per cent or more of his living from export business, and is dependent on it for his way of life. . . .

Across Canada: The Trans-Canada Highway, a 5,000-mile coast-to-coast hard-surfaced road begun in 1950, is little more than one-quarter complete and its 1956 target date has gone by the Board. Government informants said it's obvious there will have to be a new federal-provincial conference to renew the highways agreement with the provinces. And after that there will be several more years of construction before the highway is completed, C.P. reported from Ottawa. . . . Mr. David B. Mansur, CMHC chieftain resigned yesterday after 15 years as a Civil Servant to become President of Consolidated Toronto Development Corporation Ltd. . . . Cost of turning the Humber River and Mimico Creek from their flood-carved paths back to their former courses is estimated at \$300,000 by Metro Chairman Fred Gardiner, the Globe and Mail reported.



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Friday, October 29, 1954.

Columbia River Storage Dam: Victoria, Oct. 28 (CP) -- Lands Minister Robert Sommers of British Columbia said today any attempt by the federal Government to block construction by United States interests of a storage dam on the Columbia River in the B.C. interior may result in court action.

"We have to protect our rights," Mr. Sommers said, "and we are prepared to go to court if necessary to prevent infringement on our rights."

The Kaiser Aluminum Company has proposed construction of a \$25,000,000 low level dam on the Arrow Lake near Castlegar in the southeastern interior.

Although the provincial government has received no definite word from Ottawa on the proposal, it is reported the Federal Government is prepared to block construction of the dam. . . .

To Call Parliament Early In New Year: Ottawa, Oct. 28 (CP) -- Mr. St. Laurent said today he plans to call the next session of Parliament as early in the new year as possible.

By getting members together early next January, he said, he hopes Parliament will be able to get as much work done as would have been possible if members had met in November and recessed for a three-week Christmas holiday.

There has been some speculation that Parliament may be reconvened January 13 or January 20. Mr. St. Laurent, speaking to reporters as he emerged from a Cabinet meeting, did not name a date but said the session will be called just as early as members can conveniently get here.

He said Cabinet members spent the day discussing various legislation to be introduced at the next session.

Development Of Whitehorse As Yukon Capital: Ottawa, Oct. 28 (CP) -- The Government tonight announced plans for development of Whitehorse as capital of the Yukon Territory and hub of the northwest, including bridging of the Yukon River and establishment of a \$3,000,000 hospital on a new development site.

Mr. Lesage said cost of construction projects would be shared between the federal Government and the territorial Government of the Yukon. The territorial Government will consider final details shortly. If the plans are approved work will begin next year.

A 300-foot bridge costing \$750,000 will be built across the Yukon River to open a new area east of Whitehorse whose expansion now is hampered by low-lying industrial land of the north, rough, steep terrain to the south and a military airport reserve to the west.

Expect Biggest Tobacco Crop: Ottawa, Oct. 28 (CP) -- Canada's 1954 tobacco crop likely will turn out to be the biggest in history, but there are indications domestic consumption will rise and sales to Britain increase.

(over)

Qualified sources estimated the crop has jumped to a peak of about 180,000,000 pounds, up from 140,000,000 last year, following acreage decontrols among Ontario growers who produce most of the country's crop. An official estimate will be issued next month. . . .

Taxation Agreement: (Press Release No. 76, Oct. 28) -- The Department of External Affairs announced on October 28 that agreements between Canada and Ireland for the avoidance of double taxation in the fields of income tax and succession duties were concluded in Ottawa today. His Excellency Sean Murphy, the Irish Ambassador, signed for Ireland, and the Hon. Walter Harris, Minister of Finance, signed on behalf of Canada.

The Agreements provide generally that each country retains the right to tax at the source income leaving that country while at the same time undertaking to grant relief from taxation on income in respect of which a tax has already been imposed at source in the other country. The same principle is applicable for succession duties.

Across Canada: A guaranteed annual wage for men working in industries subject to periodic layoffs could be instituted but it would be at the expense of the Canadian economy, a Toronto economist said Oct. 28. Professor Gilbert Jackson, a consultant economist, told 500 delegates to the Canadian Council of Foremen's Clubs that a guaranteed wage would force up prices. . . . The first few of an expected 2,000 claims for assistance from the Ontario hurricane relief fund were reported Oct. 28 by Col. W. E. Phillips, fund Chairman. Some were for as much as \$5,000, C.P. reported from Toronto. . . . The number of hours in Canadian labour's work week is dropping more rapidly than at any time in history. A survey completed by the Labour Department indicates that the 40-hour five-day work week has now become standard in the manufacturing industry.



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Vol. 5, No. 209

Monday, November 1, 1954.

**Mr. St. Laurent On Paris Agreements:** Quebec, Oct. 31 (CP) -- Mr. St. Laurent today gave unstinting support to Allied moves to bring a rearmed Western Germany into the North Atlantic community of nations.

In a three-minute address in French to Quebec's oldest regiment - Les Voltigeurs de Quebec - Mr. St. Laurent compared agreements reached in Paris between Western Germany and the Western powers to the planting of a seed, "like the seed planted years ago that closed the gap separating the French from the British."

"Over a century ago relations between the French and the English were not much better than they were not so long ago between the French and the Germans. Relations were not very friendly, but who today would think those nations now could war against each other?"

Mr. St. Laurent made his remarks after a church parade of the regiment held in honour of his visit as honorary colonel of the regiment.

**Mr. Martin On Western Unity:** United Nations, N.Y., Oct. 29 (CP) -- Mr. Paul Martin said today there has been no change in the unity of the West as a result of the Russian Western agreement on a Canadian disarmament resolution.

The West has not abandoned its insistence on major safeguards, Mr. Martin told a meeting of the UN Correspondents Association, and the United States still is standing firm on its proposals for an international control organ with adequate powers to enforce a disarmament treaty.

Canada's Health Minister and acting head of its UN delegation said that in his belief there was nothing illogical in seeking world disarmament and continuing at the same time to build up collective defenses against aggression.

"The Canadian Government for one has always believed that our objective in building up the Western strength required for our survival was to attain a position from which serious negotiations could begin. . . .

"Our primary object is to prevent the next war."

He said the unanimous backing of the Canadian resolution - in which Canada, Britain, the United States, France and Russia propose resumption of private disarmament talks among themselves - has illustrated the effectiveness of the UN.

Mr. Martin said there might be a relationship between the forthcoming private talks and the question of President Eisenhower's atoms-for-peace proposal, next major item to be debated by the UN political committee.

Canada believes the proposed international agency to develop atomic energy for peaceful purposes should be set up like the International Bank, a specialized agency of the UN.

"The Canadian Government has for some time considered that the most appropriate relationship to the United Nations would be that of a specialized agency, and we put this forward to our friends some time ago." . . .

**To Participate In Brussels Worlds Fair:** The Minister of Trade and Commerce, Mr. Howe, announced on October 29, that Canada has accepted the invitation of the Government of Belgium to participate in the Universal and International Exhibition, to be held in Brussels in 1958.

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In making this announcement, Mr. Howe stated that the Government of Canada was pleased to note that the first World's Fair, to be held since the war will be held in the historic city of Brussels. Canada, he said, was especially pleased to accept this invitation, because of the excellent relations and growing trade between Belgium and Canada. . . .

**Canada, Ireland Taxation Agreement:** (Press Release No. 76, Oct. 28) -- The Department of External Affairs announced on October 28 that agreements between Canada and Ireland for the avoidance of double taxation in the fields of income tax and succession duties were concluded in Ottawa on that date.

The Agreements provide generally that each country retains the right to tax at the source income leaving that country while at the same time undertaking to grant relief from taxation on income in respect of which a tax has already been imposed at source in the other country. The same principle is applicable for succession duties.

**Oats Pool Payments:** The Minister of Trade and Commerce, announced October 29 that the 1953-54 Oats Pool, operated by the Canadian Wheat Board, has been closed, as at October 15, 1954. The final payment available for distribution to producers is \$5,631,130.40. During the 1953-54 crop year, producers delivered 89,725,291 bushels of oats to the Board. This compares with 118,967,962 bushels during the 1952-53 crop year.

The average net final payment to producers is 6.2759 cents per bushel after deduction of payment expenses and the Prairie Farm Assistance Act levy.

**Football:** Montreal 41, Toronto 13; Hamilton 30, Ottawa 9; Saskatchewan 14, Edmonton 14; (First game, total-points semi-final). Toronto 36, McGill 12; Queen's 18, Western 11.

**Across Canada:** Canada's stamp series commemorating all her Prime Ministers since Confederation will be continued with the issue of new stamps bearing the likeness of two 19th-century heads of state.

The new stamps will portray Sir John Thompson and Sir Mackenzie Bowell. . . . The Ontario Government is setting up a three-man board to be known as the Hurricane Homes and Buildings Assistance Board to aid persons who suffered loss of or damage to homes and buildings as a result of Hurricane Hazel. . . . Two Canadian destroyers, instead of one as originally planned, will be withdrawn from the Korean theatre in the next six weeks.



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Vol. 5, No. 210

Tuesday, November 2, 1954.

Merger Of Two Smaller Banks Approved: Ottawa, Nov. 1 (Globe & Mail) -- Two of Canada's smaller chartered banks, the Dominion Bank and the Bank of Toronto, have received Federal Government permission to amalgamate.

Finance Minister Harris announced today that he had approved the merger. An amalgamation agreement will be submitted to the shareholders of both banks at their annual meetings in December and, if the shareholders ratify it, the St. Laurent Cabinet is expected to make the union final.

As one entity, to be called The Toronto-Dominion Bank the new organization will have assets of \$1,100,000,000 and 450 branches. In terms of assets, it will rank fourth among the Canadian banks, being surpassed in size by the Royal Bank of Canada, the Bank of Montreal and the Canadian Bank of Commerce, in that order.

Ontario Flood Damage Under \$100,000,000: Toronto, Nov. 1 (CP) -- A two-man Royal Commission has estimated damage in the Oct. 15-16 storm and floods in the Toronto district at less than \$100,000,000.

This figure includes housing loss, estimated at between \$10,000,000 and \$12,000,000, and about as much for personal and household effects and the damage by soil erosion.

Loss was heavy in the Humber River Valley to the west and north of the city but flooding also occurred along other streams in the Toronto district and in the Holland Marsh 35 miles north of the city. Downtown sections of the city itself, together with most suburbs, were undamaged by the storm, the Caribbean-born Hurricane Hazel.

Mr. John B. Carson, former Chairman of the Fraser Valley Diking Board in British Columbia, and Mr. Bruce Shaw of Toronto assessed damage for the Federal and Provincial Governments. They have submitted their reports to Prime Minister St. Laurent and Premier Frost.

Full details of their recommendations will be made public only after both Cabinets have considered them.

Death toll in Ontario as a result of the storm has reached 82 with one person listed as missing. Two more bodies were recovered during a weekend search of the Humber Valley led by Army men.

Canada, Japan Air Service: (Press Release No. 77, Nov. 1) -- The Department of External Affairs announced today that a Canadian delegation headed by Mr. A. D. McLean, a Member of the Air Transport Board, will arrive in Tokyo later this week to take part in discussions with representatives of the Japanese Government looking toward the negotiation of a bilateral Air Transport Services Agreement between Canada and Japan which would provide for the reciprocal exchange of air services between the two countries.

At present Canadian Pacific Air Lines operates under temporary arrangements a service from Vancouver to Tokyo and Hong Kong. It is expected that the volume of traffic between Japan and Canada will increase during the coming years as commercial relations between the two countries are strengthened.

Mr. McLean will be accompanied by Mr. G. Morisset, International Relations Adviser of the Air Transport Board and a representative of the Department of External Affairs.

(over)

Ford Company Strike Complaint: Windsor, Ont., Nov. 1 (CP) -- Ford Company of Canada charged today the United Automobile Workers (CIO-CCL) are using illegal picketing methods at the Ford Oakville assembly plant.

In a statement released today, the Company said supervisors, technicians and engineers have been prevented from entering the plant by the pickets.

Destroyer Haida Home: Halifax, Nov. 1 (CP) -- The destroyer Haida, the only Canadian warship to navigate the globe twice, came home from her second tour of Korean duty today.

Three hundred wives, relatives and friends lined the rain-soaked pier and watched the ship emerge from the fog with flags flying and whistle blowing.

Winnipeg Bombers Make Finals: Regina, Nov. 1 (CP) -- Winnipeg Blue Bombers advanced into the Western Interprovincial Football Union final tonight, defeating Saskatchewan Roughriders 13-11 in the second game of the two-game, total-point semi-final series.

The two-point edge, coupled with a 14-14 tie in the first game in Winnipeg Saturday night, gave Bombers the series 27-25. They meet Edmonton Eskimos Saturday night in Edmonton in the first game of the best-of-three finals.

Across Canada: Canadian Press reports it has learned that legislation to establish the proposed Canada Council for the Development of Canadian Arts and Culture likely will be introduced at the next session of Parliament. . . . Canada's for-hire truckers yesterday called on Provincial Governments to assume control over truck freight rates on interprovincial traffic. Canadian Trucking Associations policy-setting organization for 7,000 truckers doing a \$200,000,000-a-year business, disagreed with the view of provincial roads Ministers that the question of the Provinces setting these rates should be left in abeyance. . . . Speaking in Toronto yesterday, Mr. Drew said Canada's taxation system must be altered to allow for money spent by private corporations on research, according to C.P. . . . The mercury dived some 25 degrees below the freezing mark in Manitoba and Eastern Saskatchewan early yesterday to abruptly end a Prairie Indian summer that now lingers only in Alberta.



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Vol. 5, No. 211

Wednesday, November 3, 1954.

Human Rights Idea Supported By Canada: United Nations, N.Y., Nov. 2 (CP) --  
Canada today voiced support for the idea of international agreement on human rights but took exception to some clauses in the drafts. Mrs. K. G. Montgomery outlined the Canadian position in an address to the UN Social Committee. She said Canada generally supports the idea of a covenant on civil and political rights and also believes in the need for protection of economic, social and cultural rights.

Mrs. Montgomery, outlining some of the difficulties Canada sees in the drafts, said: "It is difficult for us to conceive of a clear-cut interpretation of many articles" in the economic covenant. She mentioned specifically such terms as fair wages, decent living, healthy working conditions, adequate food and housing, and adequate standard of living.

She said Canada does not think the International Court of Justice should be asked to elect members of a proposed human rights committee. In the Canadian view, the job was non-judicial and should be left to political organs such as the General Assembly or to the parties to the agreement.

Mrs. Montgomery said the Canadian Government takes strong exception to an article in both covenants which says "the provisions of the covenant shall extend to all parts of federal states without any limitations or exceptions."

The Canadian objection was based on the fact that in "international agreements dealing with matters coming exclusively within the jurisdiction of the Canadian provinces do not become the law of the land even though these agreements may be approved or ratified by the Federal Government."

Mr. Harris On Colombo Plan Goal: Flesherton, Nov. 2 (CP) -- Finance Minister Harris said today that Canada's Colombo Plan giving cannot be directed to the goal of meeting the special needs of Canadian industry and agriculture.

The receiving countries, not Canada, must decide on the type of aid given under the 17-country plan for developing the economy of South and Southeast Asia.

However, if the plan's goal is achieved, Canada will find new markets for her food and manufactures produced, Mr. Harris said at an agriculture federation meeting in his home constituency of Grey Bruce.

In two recent instances, India and Pakistan had chosen to take Canadian wheat instead of capital goods under the Colombo Plan but "the ultimate choice must lie with the receiving countries," he said.

"The plan cannot be built or guided in such a way as to meet the particular needs of Canadian industry or Canadian agriculture, unless these needs happen to fit in with the expressed desire of the recipient countries."

(over)

Quebec Tax Views Studied: Ottawa, Nov. 2 (Montreal Gazette) -- Mr. St. Laurent is now studying a detailed outline of the Quebec Government's position with respect to a possible re-establishment of normal fiscal relations with the Federal Government.

The Prime Minister's office said tonight that the outline was contained in a communication from Premier Duplessis received here this afternoon.

The first step to be taken in Ottawa will be for the Prime Minister to submit the matter to his Cabinet colleagues for consideration. . . .

Holland Marsh Flood Emergency Over: Bradford, Ont., Nov. 2 (CP) -- Mr. George Horlings, Chairman of the local flood relief committee, said today the emergency resulting from the Oct. 16 floods in the surrounding Holland Marsh area is over. He made the announcement following a meeting with the Ontario Hurricane Relief Committee in Toronto.

"The emergency housing units have been set up and now refugees are being looked after by a well-oiled machine," he said.

Siphoning of the four-foot-deep lake which covered 7,000 acres of Ontario's richest farming land continues. With the aid of borrowed pumps, officials said they expect the job to be completed around the end of the month.

Across Canada: Sales of Ninth Series Canada Savings Bonds are lagging behind those of a year ago, but the Bank of Canada reported that a big increase is expected in the next two weeks. Sales at the end of two weeks of the current campaign totalled \$240,000,000 compared with \$270,000,000 for the similar period last year. . . . A minimum average price of 42 $\frac{1}{4}$  cents per pound for this year's record flue-cured tobacco crop was set yesterday by the Market Appraisal Committee of the Ontario Flue-Cured Tobacco Marketing Association. This figure is three-quarters of a cent less than the 43 cents set last year, when the price actually paid was 43.85 cents per pound. . . . Ontario Labour Minister Daley said yesterday he will take immediate action to prosecute a Dresden restaurant owner who has consistently refused to serve coloured persons, the Globe and Mail reports.

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Thursday, November 4, 1954.

Dominion-Provincial Tax Conference: Ottawa, Nov. 3 (Montreal Gazette) -- The end of the protracted tax war between the Federal and Quebec Governments is in sight tonight. No agreement has been signed - nor will this be done for at least two months. But Prime Minister St. Laurent and Premier Duplessis have virtually worked out the details of such an agreement.

Mr. St. Laurent submitted the Quebec Premier's written proposals - some sources report that his letter contained a complete "formula" - to his Cabinet colleagues today. He emerged to tell reporters that this hurdle had been crossed. The next step? Mr. St. Laurent said that he "hoped" to be able to submit the new interim tax agreement with Quebec to a special meeting of Provincial Premiers "before the end of the year," to give them a chance to adopt the formula themselves, or to voice objections to it.

Neither Government will sign the agreement prior to this meeting, the Prime Minister indicated, as this would be tantamount to confronting the other Provincial Governments with a "fait accompli". But the new formula will be available to all other provinces if they choose to substitute it for their existing agreements which expire in 1957.

Following this conference, Quebec and Ottawa will then sign their agreement, according to present plans. It will be an interim agreement timed - like others in existence - to expire in 1957.

All Federal-Provincial tax agreements will be re-negotiated at the next regular Dominion-Provincial fiscal conference slated for late in 1956. The Dominion-Provincial meeting planned between now and the end of the year will be a special one, arising out of the Quebec-Ottawa rapprochement.

Meanwhile, the basis of the new Quebec-Ottawa agreement has been turned over to tax experts of the Finance Department who will study its fiscal implications.

Mr. St. Laurent said that he had discussed the matter further with Premier Duplessis today by telephone. The purpose of this had been to clarify "a few points."

It was probable, he said, that he and Mr. Duplessis would be in constant contact with one another between now and the convening of the special Dominion-Provincial Session.

The Prime Minister said that he didn't think that it would be difficult to "work out something that is going to be acceptable to Quebec and to any other of the Provinces which may wish to use it as an alternative to the present tax agreement." . . .

UNESCO Delegation: (Press Release No. 78, Nov. 4) -- The Department of External Affairs announced November 4 the composition of the Canadian Delegation to the Eighth General Conference of the United Nations Educational, Scientific and Cultural Organization (UNESCO) which will take place in Montevideo, Uruguay, from November 12 to December 11.

The Delegation will be under the Chairmanship of Mr. S. D. Pierce, Canadian Ambassador to Brazil, with Mr. Bona Arsenaault, M.P., as Vice-Chairman. The other members of the Delegation are: Mr. C. W. Carter, M.P.; Dr. Philippe Panneton, Montreal physician and author; Dr. G. T.

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Page, General Manager, Chemical Institute of Canada; Dr. A. Vibert Douglas, Dean of Women, Queen's University; Mr. F. K. Stewart, Executive Secretary of the Canadian Education Association; Mr. Fulgence Charpentier, Chargé d'Affaires, Canadian Embassy, Uruguay.

The Delegation will be accompanied by two Advisers, one from the Department of External Affairs and another from the Canadian Embassy in Buenos Aires.

Wheat Crop Estimates Low: Toronto, Nov. 4 (Globe & Mail) -- Fears of a wheat surplus in Canada have been diminishing rapidly as bad weather plagues farmers across the country, and in the west there is already talk of another spring harvest.

The International Fédération of Agricultural Producers, world-wide farm organization, notes that the latest estimates put the Canadian crop not too far above half of last year's yield. Earlier estimates had set the 1954 crop at near the 1953 level.

At present, according to reports, the crop is estimated at 378,000,000 bushels as compared to last year's 614,000,000 bushels. The previous estimate had been 513,000,000 bushels.

Not only will the yield be lower than was originally expected, but quality of the wheat is expected to be low. An official has estimated that only about 25 per cent of the crop will be good enough for milling, and the rest will have to be used for feed.

The Government estimate for Western Canada ran to 351,000,000 bushels. A more recent estimate from Winnipeg has set the western figure at 298,000,000 bushels. If this figure is correct it would bring the total for the country down to 325,000,000 bushels which should leave few worries about surpluses. . . .

Across Canada: The Canadian Government has apologized to Premier Grantley Adams of Barbadoes, who is coloured, because he was refused a room in Montreal's Windsor Hotel. Officials said they had learned that it was not general policy of the hotel to turn away coloured persons and that Mr. Adams was refused a room because of some clerk's stupidity, C.P. reported from Ottawa. . . . Provincial trucking associations yesterday attacked the railways' agreed charges system of rate setting, now under investigation by a federal Royal Commission. The attack came in annual reports of affiliates of Canadian Trucking Associations, national policy-making body for the \$200,000,000-a-year highway transport industry, at its annual convention. . . . Mr. St. Laurent indicated Nov. 3 the federal Government will carry half the cost of aid payments to those whose homes were damaged or destroyed in the Toronto area's Hurricane Hazel floods last month.



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Vol. 5, No. 213

Friday, November 5, 1954.

Commonwealth Conference: Ottawa, Nov. 4 (Office of the P.M.) -- The Prime Minister stated this morning that Sir Winston Churchill was making the following announcement in the House of Commons in Westminster, at 3.30 p.m., Greenwich Time:

"I have recently been in communication with the Prime Ministers of the other members of the Commonwealth about the holding of a further meeting between us. Many events of great importance in the international field have taken place since our last meeting at the time of the Coronation. These will be among the principal subjects for our consideration when, as we have now agreed, a meeting of Commonwealth Prime Ministers is held in London, opening on January 31st.

"I know that the House will join me in welcoming this opportunity for consultation with the heads of other Commonwealth Governments from which I am confident that as on former occasions general benefit will result."

Mr. St. Laurent stated that the date suggested for the opening of that meeting had been selected after giving careful consideration to what might suit the convenience of the majority of those who would be attending the conference, and he hoped that the work of the forthcoming session of Canadian Parliament would be well under way by the time he would have to leave for London.

Disarmament Resolution Approved: United Nations, N.Y., Nov. 4 (CP) -- The General Assembly late today unanimously approved Canada's resolution for calling for resumption of private five-power talks on disarmament.

The rare unanimous vote was the second given the resolution, jointly sponsored by Canada, Britain, the United States, France and Russia.

The Assembly's 60-nation Political Committee last week voted unanimously to send the resolution to the General Assembly.

The resolution asks the disarmament commission to reconvene its sub-committee - made up of the five co-sponsors - for the purpose of seeking an acceptable solution of the disarmament problem and the prohibition of nuclear weapons. . . .

Before the vote today, Canada's Paul Martin told the Assembly that despite the five-power agreement, a gap still remains between certain positions of the powers.

"To minimize the remaining gap in a mood of wistful optimism would be as irresponsible as to ignore the fact that headway has been made," Mr. Martin said.

He added that in sub-committee talks lay the best conditions "for finding out in private what further abridgement of the gap may yet be attainable."

"All of us now have a great opportunity to make a constructive contribution to the cause of peace. Let none of us fall to grasp this opportunity."

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Net Income Deficit Of \$25,000,000 For CNR: Toronto, Nov. 4 (Montreal Gazette) --

Mr. Donald Gordon, Chairman and President of the Canadian National Railways, in an address today said that a heavy annual loss in a relatively prosperous year is a reminder that in spite of its unique history and special place in the Canadian economy, the CNR's business future is a straightforward question of costs versus revenues.

Speaking before a joint meeting of the Canadian and Empire Clubs, Mr. Gordon predicted a revenue decline in 1954 of about \$60,000,000 below 1953, and a net income deficit for this year of at least \$25,000,000.

"Such a result, viewed against the efforts of the CNR organization is a crushing disappointment," said Mr. Gordon. . . .

Control Works In Flood Area: Ottawa, Nov. 4 (CP) -- The federal Government may provide financial assistance under a 1953 act of Parliament for construction of water conservation and control works in Toronto's Hurricane Hazel flood area.

An informed Government source said today assistance likely will be given under the Canadian Water Conservation Act if it is requested by the Ontario Government and municipalities in the flood area.

Aid under the act would be in addition to federal financial help to those whose homes were damaged or destroyed in the October 15-16 floods.

The Carswell-Shaw Royal Commission report estimated that damage to dwellings amounted to \$2,796,570. Mr. St. Laurent indicated yesterday the federal Government would pay half this or more than \$1,000,000.

Airport Expansion: Ottawa, Nov. 4 (Montreal Gazette) -- Transport Minister

Mr. Marler today confirmed the expansion and modernization programme for Montreal Airport at Dorval and said that construction of a new terminal building will begin next spring.

As the programme was outlined by Mr. Marler, construction of the new terminal building will be only one step in a long-range multi-million dollar improvement to airport facilities. . . .

Civil Defense Effort Criticized: Ottawa, Nov. 4 (CP) -- Canada's federal civil defense co-ordinator thinks the capital city's civil defense organization is "an empty shell."

Maj.-Gen. F. F. Worthington, in a speech here, also criticized the province's civil defense effort.

"I don't think the Province of Ontario has accepted any responsibility for the safety of the people," he said. . . .

Across Canada: Resources Minister Jean Lesage in Quebec last night asked

provincial governments to collaborate in a "programme of rational and effective forestry development." . . . Governor-General Massey yesterday inspected his personal troop of RCMP officers and men, a ceremony which may become an annual event. . . . One of the famous exploits of David Thompson, early Western explorer and geographer, will be marked Sunday with the unveiling of a monument at Castlegar, B.C.



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Monday, November 8, 1954.

**Mr. Duplessis Ready To Reach Understanding:** Quebec, Nov. 5 (CP) -- Premier Duplessis said today he will go to Ottawa, "ready to reach an understanding provided our constitutional rights are protected," when Prime Minister St. Laurent calls a federal-provincial conference.

Mr. Duplessis said the third session of Quebec's 24th Legislature opening Nov. 17 will be adjourned early if Mr. St. Laurent decides to call provincial premiers to Ottawa to discuss new taxation proposals this year.

Mr. St. Laurent announced Wednesday in Ottawa he has received a letter from Mr. Duplessis outlining the Quebec Government's conditions for a taxation agreement, accepted by all other provinces since the Second World War but turned down by Quebec.

Contents of the letter, known only to the two political leaders and their Cabinets, was not revealed. It was drafted after the two men met privately in Montreal Oct. 5.

The Speech from the Throne inaugurating the annual session is expected to set the new tone of Quebec-Ottawa relations. . . .

**Seaway Progress:** Quebec, Nov. 5 (CP) -- President Chevrier of the St. Lawrence Seaway Authority has asked the Quebec Government on what conditions it will be ready to make available a "six or seven-mile" stretch of the St. Lawrence River bed for the construction of a 300-foot-wide canal on the South Shore of the river opposite Montreal.

Premier Duplessis said during his Friday press conference Mr. Chevrier called on him this week to make the request. An answer will be made within a week, he added. Informants close to the Premier said the meeting was "cordial."

Copy of the canal plans was unfolded on his desk by Mr. Duplessis, who explained it will extend from St. Lambert westward to Caughnawaga.

Two huge concrete walls will form the sides of the waterway passing beneath the Victoria, Jacques Cartier and Honore Mercier bridges. . . .

**Peary Supply Cache Found In Far North:** Ottawa, Nov. 5 (CP) -- Remains of a supply cache left in Canada's Arctic wastes for Admiral Robert E. Peary during his 1909 dash to the North Pole have been discovered by a Canada-United States expedition.

The Canadian and American explorers also found records left in the North by Admiral Peary in 1906, by a British expedition in 1876, by a Danish expedition in 1920 and by a German expedition which was swallowed up by the Arctic in 1931.

The discoveries were made in the area of Ellesmere Island, some 2,500 miles north of Ottawa, by Canadian and American scientists engaged in geological, oceanographic and hydrographic studies.

**Voting In Six By-Elections Monday:** Ottawa, Nov. 7 (Globe & Mail) -- Citizens in six constituencies in Ontario, Quebec and Manitoba will go to the polls tomorrow (Monday) to choose their representatives in Parliament.

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By-elections are being held in Toronto-Trinity and suburban York West, in Stormont in Eastern Ontario, in the Montreal ridings of St. Lawrence-St. George and St. Antoine-Westmount and in Selkirk.

Canal System Closing: Ottawa, Nov. 5 (Transport Dept.) -- To enable an early start being made in the construction of two vehicular tunnels under the Cornwall Canal to facilitate work on the St. Lawrence Seaway and Power project, progressive closing of navigation of Canada's main canal system will commence at midnight, December 4. In a notice to Mariners issued over the signature of Mr. J. R. Baldwin, Deputy Minister of Transport, closing dates for all main and secondary canals are listed.

Football: Montreal 19, Hamilton 15; Toronto 18, Ottawa 12; Edmonton 9, Winnipeg 3; (Edmonton leads best-of three final 1-0). Queen's 20, McGill 0; Toronto 12, Western 12.

Across Canada: Mr. Drew on Friday called for an early meeting of Parliament to prepare Canada's course for the January 31 conference of Commonwealth Prime Ministers in London. . . . Ford of Canada has announced more than 1,500 office workers in Windsor had been laid off. The company statement said, however, 670 employees would be recalled for essential work. . . . Premier Duplessis of Quebec said he met this week with officials of a company interested in construction of a pipeline to bring in natural gas from Alberta and Texas. . . . Workers at the Toronto plant of the Massey-Harris-Ferguson farm implement firm on Friday voted by secret ballot to reject a strike-settlement proposal and continue their 55-day strike. . . . Gradual abolition of rent controls in Quebec Province was forecast in Three Rivers on Nov. 7 by Premier Duplessis, the Gazette reported. . . . Dr. Léo Marion, Director of the Division of Pure Chemistry of the National Research Council of Canada, has been elected President of the French Canadian Association for the Advancement of Science for 1954-55.



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Tuesday, November 9, 1954.

Mr. Pearson On Co-Existence: Detroit, Nov. 8 (N.Y. Times) -- The guarded hope that recent moves by the Soviet Union may indicate an intention to avoid open conflict with the free world for the present was expressed today by Mr. Pearson. He told the Economic Club of Detroit that it was a situation in which the West should be "hard-headed but open-minded." He warned against either an "attitude of defeatism or a posture of provocation."

"It requires that we should go half-way, or even beyond that point, to meet these overtures, with a view to seeing whether a basis can be found on which the issues that now so tragically divide the world might be solved," he said.

Mr. Pearson saw as one example of a Communist intention to seek Communist ends by peaceful means instead of by open aggression, the recent joint sponsorship in the United Nations of a resolution to study the question of world disarmament. . . .

Liberals Win Four Of Six By-Elections: Montreal, Nov. 9 (Gazette) -- The Liberal Party won four of six Federal by-elections yesterday - including two seats on Montreal Island - while the Progressive Conservatives retained the Ontario riding of York West. The sixth seat - in Manitoba's Selkirk riding - was won by the C.C.F. from the Liberals.

In Montreal, Transport Minister George C. Marler defeated Progressive Conservative candidate, Mr. Egan Chambers, by nearly 5,000 votes in St. Antoine-Westmount riding, while in St. Lawrence-St. George, Mr. Claude Richardson won the riding for the Liberals by defeating his P.C. opponent, Mr. David de Volpi, by 2,066 votes.

In Toronto York West, Progressive Conservative candidate Mr. John B. Hamilton, a 41-year-old lawyer, won in a four-way contest for the riding which had been held since 1940 by Mr. Rodney Adamson, the P.C. member who was killed in an air crash April 8 at Moose Jaw, Sask.

In the other Toronto riding - Toronto-Trinity - Mr. Donald Carrick, 48-year-old lawyer, won the riding for the Liberals.

Mr. Pickersgill On Immigration: Winnipeg, Nov. 8 (CP) -- Fewer than 2,500 persons have been deported from Canada in the last five years, Immigration Minister Pickersgill said tonight.

In the same period, he added, nearly 750,000 immigrants entered Canada and between 40,000,000 and 50,000,000 non-immigrants, including tourists, were examined at the ports of entry each year.

"Assuming that most of the undesirable persons are discovered and dealt with, this record does suggest that the selection of immigrants has been reasonably effective at least in protecting the country from undesirable immigrants."

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[illegible text]

Mr. Pickersgill was addressing the Winnipeg Junior Chamber of Commerce.

At another point, the Minister said:

"All the officers abroad are instructed to advise all applicants to take nothing for granted and on no account to give up their employment or their homes or take any other steps until they actually secure a visa. Notwithstanding this advice, there are unfortunately some applicants who do these things and then have to be disappointed.

"Of course, the main purpose of the immigration officer is not to discourage unsuitable immigrants but to encourage suitable immigrants to come to Canada at suitable times. The amazing record of satisfactory settlement of our postwar immigrants is, I think, the best evidence this work has been done well. . . .

Across Canada: The Ontario Hurricane Relief Fund yesterday climbed to a total of \$3,593,054.71. . . . Canada's for-hire truckers have boosted their business to the point of making more than one-third the revenue of the railways, a railway economist estimated yesterday. The estimate was made by Mr. W. G. Scott, transportation economist with the Railway Association of Canada, in testimony before the Royal Commission on rail agreed charges. . . . One of the famous exploits of David Thompson, early western explorer and geographer, was commemorated at Castlegar, B.C., Nov. 7, with the unveiling of a cut-stone monument on a spot overlooking the Columbia River. . . . Most of Montreal's plumbers returned to work after an eight-week wage strike that paralyzed construction projects throughout the city.



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Vol. 5, No. 216

Wednesday, November 10, 1954.

Invites Russia To Help Arrange Atom Talks: United Nations, N.Y., Nov. 9 (CP)-- Resuming her role as United Nations mediator between East and West, Canada today invited Russia to help arrange an international conference to explore means of developing peaceful uses of atomic energy.

Mr. Paul Martin, acting as spokesman for seven Western powers, proposed that Russia, India and Brazil join the United States, Britain, France and Canada in an advisory committee.

This committee would consult with Secretary-General Dag Hammarskjold on invitations to the scientific conference, preparation of the agenda, and selection of the site.

In making the offer before the 60-nation political committee, Mr. Martin said he was encouraged by Russia's recent agreement to co-sponsor with the West a resolution for new talks on disarmament.

NATO Aid \$1.1 Billion Since 1950: Ottawa, Nov. 9 (CP) -- Canadian taxpayers have given outright \$1,100,000,000 to Canada's European allies since April 1, 1950. The up-to-date figure for this country's dollar aid for European defence was disclosed tonight by Defence Department officials.

Though the \$1,100,000,000 is an outright gift since the beginning of the North Atlantic Alliance's mutual aid programme, it is an integral part of Canada's defence budget. This country gets no physical aid in return but it is buying protection by helping to arm its European allies.

The total does not include the cost of maintaining in Europe the RCAF air division or the 1st Canadian Infantry Brigade group. Together, they cost more than \$650,000,000 a year.

Of the \$1,100,000,000, more than \$800,000,000 has gone for military equipment - everything from rifle cartridges to minesweepers - some \$260,000,000 for training 4,080 NATO aircrew in Canada and the remainder for such things as construction of airfields in Europe.

Canada has given its European allies 74,656,881 items of military equipment since the start of mutual aid. The figure was divulged by defence officials for the first time.

Countries receiving aid from Canada are Belgium, Denmark, France, Greece, Italy, Luxembourg, The Netherlands, Norway, Portugal, Turkey and the United Kingdom.

Canada's Defence Expenditures May Drop: Vancouver, Nov. 9 (CP) -- Canada's defence expenditures may be down \$100,000,000 this year compared to the year before, Defence Minister Campney said here today.

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"We're not doing anything spectacular in any one thing, but we are saving here and there," the Minister said in an interview. "If the world situation does not change, I think we can reach the goal of \$100,000,000.

He said the defence bill this year will be about \$2,000,000,000.

TLC Delegation Before Cabinet: Ottawa, Nov. 9 (CP) -- Mr. St. Laurent said today the Government does not think this winter's unemployment will reach last season's postwar high.

He told a Trades and Labour Congress of Canada delegation he disagrees with a TLC prediction of higher unemployment, adding that "there are indications that make us feel it will not be realized."

The TLC's suggestion of increasing unemployment was made in its annual brief to the Government, presented today to about a dozen Ministers, in which it proposed a five-point programme for holding the line on jobs particularly in the relatively-slack winter season.

"We are as concerned as you are about unemployment," Mr. St. Laurent replied, "but I don't think we agree with your expectation that it is apt to be more severe than last year."

Across Canada: The Government, through its price support programme, has accumulated the biggest butter surplus in history, but there will be no below-cost bargain sales to Canadian consumers. Federal authorities said yesterday the Government's selling price will be the same as last year - 61 cents a pound wholesale, for deliveries to Montreal and Toronto. . . . Some of the regulations that restrict the sale of Canadian securities in the U.S. may be in for an overhaul before long, according to Mr. O. E. Lennox, Chairman of the Ontario Securities Commission, the Toronto Globe and Mail reports. . . . Canada Steamship Lines yesterday opposed a CPR formula to help Canadian railways preserve their competitive position in the transportation market. . . . Canada's three Prairie Provinces, Alberta, Saskatchewan and Manitoba, produced a total of 60,012,561 barrels of crude oil in the first eight months of this year, an increase of 22 per cent over the 49,326,165 barrels turned out in the same period last year.

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Friday, November 12, 1954.

Legion Urges Peacetime Conscription: Ottawa, Nov. 11 (CP) -- As Canada bowed today in memory of its 100,000 war dead, the Canadian Legion urged peacetime military conscription to strengthen this country in the face of the threat of a new war. Very Rev. John Anderson of Ottawa, Legion President, presented to Prime Minister St. Laurent and Cabinet the Legion's annual brief.

It asked for compulsory selective service in the active forces for "a period long enough to train a substantial defence organization, without crippling the economy of the country in the process; and service by those discharged or released from the active forces for a definite period in the reserves."

A Legion spokesman said later the length of service in the regular forces and the reserves would be for the generals to decide but that the legion had in mind two years in the regulars, five in the militia.

"...Scientific and world developments have made Canada's initial position in the event of war much more precarious than it was at the outset of either the First or Second World Wars," the nine-page brief said.

"Members of the Legion...are disturbed by the fact that Canada is the only major nation of NATO that does not have compulsory military service. The Legion believes that in the world today this is unrealistic and dangerous to our country.

"It is the responsibility of the Government to initiate a policy on national defence that is for the benefit of the people and realistic for the world in which we exist. Only such a policy will avoid defeatism and a feeling of hopelessness amongst ordinary people as they think of the tremendous engines of destruction which science has recently evolved...

"The Legion's belief now is that only the armed services presently in being, recruited and reinforced by compulsory service, can meet the present need."

Canada's Air Defences: Quebec, Nov. 19 (Ottawa Citizen) -- Canada's air defences are to have secret "gates" in them through which friendly aircraft can pass, Air Marshal C. Roy Slemon, Chief of the Air Staff, divulged here last night.

Air Marshal Slemon told 800 aviation men and their ladies gathered in the Chateau Frontenac for the annual presentation of the McKee Trophy, that civil aircraft would "in due course" have to keep to these coded and classified "gates" when they wished to fly across Canada's lines of air defence barriers.

The RCAF's chief said:

"We now have coming into full operation the first phase of the air defence of Canada. We have developed the system today to the point where it would be impossible for hostile aircraft to pretend for long that they were friendly."

Every time an unidentified aircraft is pinpointed, Air Marshal Slemon explained, "all means possible are taken to determine whether it is friendly or hostile; and if these measures fail fighter aircraft are sent aloft to intercept it."

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"If he (the fighter pilot) fails to establish definitely that the aircraft is friendly he forces it to land."

The appearance of any unplotted plane in one of the RCAF's air defence zones, automatically triggers off the alarm.

The Chief of the Air Staff told the aviation men -- delegates to the 20th annual convention of the Air Industries and Transport Association -- that the air defence system would gradually be extended and that it would mean increased control of civil air traffic by the military. . . .

Mr. Coldwell Impressed By Britain: Ottawa, Nov. 10 (CP) -- Mr. M.J. Coldwell, National CCF leader, returned Tuesday from a three-month trip abroad and said he was most impressed with conditions in Britain since he was there six years ago.

Mr. Coldwell, who spent seven weeks in Britain and then went to Israel, said Britain's maintenance of rationing and controls until there were adequate supplies had worked out very well.

One of the results, he said, is that Britain now has the lowest cost of living in terms of money of any other country in Europe, much below living costs in Canada and the United States.

Viscount Montgomery On Unity: Ottawa, Nov. 11 (CP) -- Field Marshal Viscount Montgomery tonight recalled his order of the day to the British group of armies May 8, 1945, when the German war ended.

It read:

"Great problems lie ahead; the world will not quickly recover from the upheaval that has taken place; there is much work for each one of us. We have won the German war. Let us now win the peace."

That peace is not yet won, but it can be won "if we stick closely to our aim, which is: Peace through strength and strength through unity," Lord Montgomery said in a Remembrance Day speech which he called "Lest We Forget."

Football Play-Off: Winnipeg, Nov. 11 (CP) -- Winnipeg Blue Bombers, showing a pulverizing ground attack and a hard-charging line, defeated Edmonton Eskimos 12-6 today to deadlock their best-of-three Western Interprovincial Football Final at one game apiece and force a third and deciding game at Edmonton Saturday night. Esks won the opener 9-3 at Edmonton last Saturday.

Across Canada: Canada's politicians soon will take TV tests. So-called dry runs of television speeches on a CBC closed circuit will start in a week or ten days, CBC officials said. The results will determine whether the network will carry a television version of its radio series "The Nation's Business", C.P. reported. . . . More than 3,000 applications have been made by Canadian loggers for 100 positions open in a new lumbering project in New Zealand's north island, Mr. J.A. Symington said at North Bay according to C.P. Mr. Symington, a New Zealand forestry official, is interviewing applicants in a cross-Canada tour.



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Monday, November 15, 1954.

State Dinner, Reception For Queen Mother at Rideau Hall: Ottawa, Nov. 14 (CP) -- Queen Mother Elizabeth says she hoped her current visit to Canada will not be her last. She made the remark Saturday night during chats with guests at a glittering State dinner and reception at Government House. About 440 guests--the capital's top governmental and diplomatic dignitaries -- stared frankly in admiration at the beautifully-gowned Queen Mother. She wore a crinoline dress of white lace worked with silver thread and iridescent beads and with frills of tulle on the lower part. Decorations and accessories included a diamond and ruby tiara, pendant necklace, bracelets and earrings, the Order of the Garter Blue sash and star and, at her left shoulder, two rosettes, one bearing the likeness of the Queen, the other of the late King George VI. Ninety-one guests were invited to dinner. The Queen Mother was piped into dinner by three pipers of the Black Watch Regiment, of which she is colonel-in-chief. After the dinner some three hundred and fifty guests were presented to Her Majesty, who had a handshake, a smile and brief word for each.

Mendes-France Predicts Stronger Franco-Canadian Solidarity: Quebec City, Nov. 14 -- France's twentieth premier since the end of the Second World War, Pierre Mendes-France, arrived here this afternoon by air for a four-day Canadian visit before leaving for Washington where he will confer with President Eisenhower and officials of the United States Government. The French premier said that he will explain to Canadian leaders the essential political policies of his country. "I will show them that these policies are simple and fair and that they are inspired by some great principles, those very principles that have guided you for so many years; sense of responsibility and solidarity among Western powers, a constant will to succeed on internal and external affairs, a desire for world of liberty and peace," he said. "I am glad of having this occasion to define once again the policies of France. I am sure that the Franco-Canadian solidarity will emerge stronger than ever" he added.

B.C. Conservatives Defend Record of Leader George Drew: Vancouver, Nov. 14 (CP) -- Howard Green, Progressive Conservative member of Parliament for Vancouver Quadra said here Saturday night, that criticism of Federal Leader George Drew stems from a battle for power. He made the statement on behalf of himself and the other two British Columbia Conservative members, Major General G.R. Pearkes VC, of Esquimalt-Saanich, and A. Davie Fulton of Kamloops. The announcement came directly following the one-day convention of the B.C. party which called for national meeting of the party as soon as possible. "The only reason for these vicious attacks on our national leader George Drew" the statement said, "is that he refuses to give control of federal activities in British Columbia to the provincial leader, Deane Finlayson.

Federal TV Policies Review Set for Coming House Session: Ottawa, Nov. 14 (CP) -- Federal Television policy will be reviewed next year if the Government accepts a recommendation made in 1951 by the Royal Commission of Arts, Letters and Sciences. Reports are circulating here that the Government has accepted the Massey Commission recommendation. This would mean that the independent body would begin its review early next year. However, Review Minister McCann, who reports to Parliament for the CBC, says the question of establishing an independent investigating body is not being considered at the present time.

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Dr. McCann said the Canadian Association of Radio and Television Broadcasters recently urged the Government to adopt the Massey Commission recommendation. He said the Association "was given no assurance that anything would be done".

Hon. George Drew Slightly Better: Ottawa, Nov. 14 (CP) -- Hon. George Drew, serious ill with meningitis, was reported to be showing "slight improvement" today. "You can say he is doing reasonably well" Dr. Whitely said.

Football -- Saturday's Games: Big Four -- Ottawa 14, Montreal 12; Hamilton 15, Toronto 7. Intercollegiate -- Western 43, McGill 19; Varsity 11, Queen's 9.

Across Canada: Two airliners flying in opposite directions across the top of the world this week, will inaugurate a radical new commercial route linking North America with Europe. Winnipeg is a refuelling stop. (CP). The forty-hour week is now enjoyed by 53% of Canada's factory workers, a jump of 10% from 1953.... A joint study issued this weekend by the Canadian Congress of Labour and the Canadian and Catholic Confederation of Labour says Quebec workers receive an average hourly wage of fifteen cents lower than that of their Ontario counterparts.... CP reports that Alberta, faced with a power demand that has nearly tripled in the last ten years of industrial expansion, is in the midst of 10 major construction and expansion projects that will double the province's generating capacity by 1956.... CP reports Gold, copper and natural gas were among 10 minerals which showed production increases in July, the Bureau of Statistics reports. Six other leading minerals showed declines, including coal iron ore and zinc.



# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 220

Wednesday, November 17, 1954.

Mr. Harris Considers Tax Easing: Montreal, Nov. 16 (CP) -- Finance Minister Harris said tonight he has made an initial examination of Canada's tax rates and has found them pretty high. He described the personal income tax as severe.

Mr. Harris, who took over the finance portfolio last July, said he is also concerned over the corporation tax rate under which the Federal Government "takes away half or more of the rewards of hard work which leads to promotion."

"We will get together later to see what we can do about lower tax rates," he told the Canadian Tax Foundation.

While agreeing that rates are high and exemptions low, Mr. Harris added that tax rates must be high if the Government is to find revenue to pay bills.

But, he continued, "there is so much to be gained if we can preserve initiative and enterprise."

"It would be most unfortunate if prospects in this land of opportunity were dimmed by unwise Government demands on the fruits of success in business and professional life--indeed in any gainful employment."

Canadians, he said, should never lose sight of the fact that economic expansion and development is left largely to the private business world on which the Government levies a 49 per cent corporation tax. Canadians depend on the private enterprise system for their national livelihood.

"Surely a case can be made for encouraging initiative and enterprise and if so, I would hope it would receive general support--and a sympathetic hearing from the Government." . . . .

Premier Mendes-France On Russian Proposals: Ottawa, Nov. 16 (CP) -- Premier Mendes-France indicated today that France will leave in abeyance Russian proposals for talks with the West until ratification of the Paris agreements on West Germany. However, he told a press conference, this view does not mean that there should not be a meeting some time in the future.

The French Premier said that before talks with Russia can take place the West's position must be strengthened and made clearer.

"I think," he said, "that for such confrontations to take place it is necessary to prepare to avoid useless talks based on propaganda needs and not on constructive needs."

Mr. Mendes-France said it might be dangerous to have an unprepared meeting with Russian leaders because if such talks did not succeed the result would bring more discouragement in Europe and do more harm than good. A meeting at this time would be unrealistic and would have no chance of improving the international situation.

He said ratification of the Paris agreements signed last month must not wait or be delayed in connection with the proposed talks with Russia.

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RCAF Fighters Going To France: Ottawa, Nov. 16 (CP) -- The shifting of the RCAF's No. 1 fighter wing from North Luffenham, England, to a new NATO base at Marville, France, will start this month, air force headquarters announced today.

The wing is part of the RCAF's No. 1 Air Division, which is assigned to NATO. Withdrawal of the wing from North Luffenham, where it has been since late 1951, will leave the air material base at nearby Langer as the RCAF's only station in the United Kingdom.

Two of the wing's squadrons will be moved temporarily to bases in West Germany, No. 410 going to Baden-Soellingen this month and No. 441 shifting to Zweibrucken in December.

The third squadron, No. 439, will fly direct to Marville when the North Luffenham station closes, probably in late January, to be joined there by the other two. Approximately 50 aircraft are involved.

Warns Of Increased European Industrial Competition: Quebec, Nov. 16 (Gazette) -- Quebec's Minister of Trade and Commerce, Hon. Paul Beaulieu today issued a warning to businessmen that industry must reduce present production costs or face serious competition from European countries now revamping their economy.

He said that France, Western Germany and Great Britain would soon become competitors and that as production costs overseas are reduced by the much lower wage scale in force there than in Canada, producers here will have to prepare themselves to meet stiff competition.

"Many of these European countries are now actively engaged in sweeping reform in production methods and when they are able to replace outmoded machinery by modern production units they will be in a position to undersell Canadian producers," said the Minister.

Across Canada: Canada may earmark a quantity of fissionable atomic material for use under President Eisenhower's atom-for-peace programme to build experimental reactors in other countries, a Government spokesman intimated yesterday, according to C.P. . . . Four candidates for mayor were nominated yesterday in Toronto. Mayor Leslie H. Saunders will be opposed by Nathan Phillips, Arthur J. Brown and A. Albert MacLeod . . . . Dr. Harry O. McCurry, 65, plans to retire shortly as Director of the National Art Gallery, C.P. reports it learned yesterday. . . . Workers in seven plants of the Canadian General Electric Co. voted yesterday to accept no general wage increase for another year. In votes taken at the plant gates of CGE factories in Toronto and Peterborough, a majority of the Company's 5,600 production workers agreed to work under a no-wage-increase contract which had been recommended by their union leaders.



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Vol. 5 No. 221

Thursday, November 18, 1954.

Soviet Accepts Invitation To Join Atom Conference: United Nations, N.Y., Nov. 17 (CP) -- Russia today accepted Canada's invitation to join an advisory committee to call an international conference on atomic energy.

Chief Soviet delegate Mr. Andrei Vishinsky also said that Russia is continuing negotiations with seven powers on establishing an international agency for the development of peaceful uses of atomic energy. Mr. Vishinsky spoke in the 60-nation political committee, now debating a seven-power draft resolution that would set up the agency and call the conference.

Mr. Paul Martin of Canada said after the meeting Mr. Vishinsky's speech "clearly advances the Russian position and has considerably narrowed the gap between us."

Mr. Vishinsky referred to discussions on changes Russia had asked in the resolution and added: "I have a feeling that both parties are making every effort to eliminate the differences."

He cautioned against haste and asked that Russia not be pushed or driven into accepting a deadline for agreement. . . .

Quebec Speech From Throne Touches Tax Problem: Quebec, Nov. 17 (CP) -- The doors to a new era of increased co-operation with the Federal Government on taxation matters were thrown open by the Quebec Government today.

Quebec has sparred for 10 years with Ottawa over taxation powers but a new attitude was shown in the Speech from the Throne as the Third Session of the 24th Legislature was opened. . . .

"My Government recognizes the negotiations actually in progress between the Provincial authorities of Quebec and the federal authorities will be crowned with a complete success to which the Legislature will be asked to co-operate," the 1,300-word Speech said.

"My Government recognizes the rights and the obligations of the federal authority; it reiterates once more that the Province asks for no favours but only for the full respect of its rights, prerogatives and liberties. . . ."

Conversations With Prime Minister Of France: (Press Release No. 80) -- During his visit to Ottawa, the French Prime Minister, Mr. Pierre Mendès-France, had conversations with the Canadian Prime Minister, Mr. L. S. St. Laurent, the Secretary of State for External Affairs, Mr. Pearson, the Minister of Finance, Mr. Harris and other Canadian Ministers and personalities.

Concurrently with the conversations between the Ministers, officials in the French Prime Minister's party met with Canadian officials in conferences at the East Block.

The exchanges of views between the Ministers which covered all fields of common interest were very full and gave to each party a complete knowledge and understanding of the problems with which the other is faced and of the policies proposed for their solution. . . .

In the field of Franco-Canadian trade relations, it was agreed

(over)

that discussions would take place at an early date between officials of the two countries.

Queen Mother Says Farewell: Ottawa, Nov. 17 (CP) -- "It has been wonderful."

With these words, Queen Mother Elizabeth took leave of Canada today after a five-day visit.

Before she walked up the ramp of the RCAF C-5 plane for the flight to New York, she shook hands warmly with Governor-General Massey and said:

"Thank you, Mr. Massey. Thank you for everything."

Wearing an off-blue ensemble with matching plumed hat and purse, she turned at the top of the ramp to wave as the crowd at Uplands airport bellowed a "three cheers."

As the plane taxied away from the hangar, the Queen Mother waved from a window. . . .

Savings Bond Sales \$615,000,000: Ottawa, Nov. 16 (Bank of Canada) -- Canada Savings Bonds sales continue to rocket, reaching a \$615 million total at the end of the fourth week of official selling. This continues the unexpectedly fast pace of earlier reports and compares with \$655 millions at the same time last year.

Alouettes Take Five Point Lead In Series: Hamilton, Nov. 17 (CP) -- Montreal Alouettes parlayed a kicking-and-passing game to triumph 14-9 over Hamilton Tiger-Cats today in the first game of their home-and-home total-point series for the Big Four football title.

Across Canada: Appointment of eight Parliamentary Assistants to Ministers whose Departments have a heavy load of administrative work was provided in a Bill tabled in the Legislative Assembly by Premier Duplessis yesterday. . . . The Canadian Trucking Association said at Ottawa extension of the agreed charge method of setting railway freight rates could destroy Canada's motor transport industry.



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Friday, November 19, 1954.

Distant Early Warning Radar: (Press Release No. 81, Nov. 19) -- Following is the text of a joint announcement by the Governments of Canada and the United States, issued simultaneously in Ottawa and Washington on November 19:

On September 27, 1954, the Defence Departments of Canada and the United States issued a joint announcement on the progress being made in the development of a comprehensive jointly operated system for warning of the approach of hostile aircraft and for the control of interceptor aircraft. Four main elements of a warning and control system now appear to be practicable, namely: the main control and warning radar installations in the populated part of Canada (the jointly operated Pinetree network) and in the United States, which are now in operation; a warning line north of the settled areas of Canada (the Mid-Canada Line) being built by Canada; a warning line across the most northerly practicable part of North America (the Distant Early Warning Line); and portions of the complete warning and control system in Canada to be extended to seaward on both flanks of the continent by the United States.

In the announcement of September 27, it was stated that the Canadian and United States Governments had agreed in principle that there was a need for a distant early warning line across the far northern part of North America and had directed that detailed planning for such a line should be initiated at once.

As a consequence of the progress which has been made since the announcement last September, the two Governments have now decided to proceed with the construction of the Distant Early Warning Line.

Experience has shown that projects of this nature can be carried out most effectively by vesting responsibility for all phases of the work of construction and installation in a single authority. In the joint statement of September 27, referred to above, it was announced that Canada had undertaken the responsibility for the construction of the Mid-Canada Line. In the case of the Distant Early Warning Line it has been agreed that although both Canada and the United States will participate in the project, responsibility for the work of construction and installation should be vested in the United States.

Mr. St. Laurent On Pending Fiscal Conference: Ottawa, Nov. 18 (CP) -- Prime Minister St. Laurent said tonight he has in mind calling a federal-provincial fiscal conference after he has a new meeting with Quebec Premier Maurice Duplessis on taxation arrangements.

But he told reporters after a Cabinet session that he does not know when a general conference might be held and that it could be some time yet before he and Mr. Duplessis repeat their historic peace-making meeting of October 5 at Montreal.

"We are not going to let haste take priority over the consideration of the matters before us," he said as he came out of the Cabinet sitting. He had no announcement of any Government action in the three-hour meeting of Ministers. . . .

(over)

Mr. Coyne Governor Of Bank Of Canada: Ottawa, Nov. 18 (Globe & Mail) -- Mr. James E. Coyne, was named today to the most highly paid post in the Government service, Governor of the Bank of Canada.

When he takes over as Governor on Dec. 31, succeeding Mr. Graham F. Towers, who earlier this week announced his resignation from the post on that date, Mr. Coyne will have a salary of \$50,000 a year.

Mr. Coyne will be succeeded as Deputy Governor, a position paying \$30,000 a year, by Mr. J. Robert Beattie, now Executive Assistant to the Bank Governors. Both these appointments were made by the Cabinet.

At the same time, the Directors of the Bank announced that Mr. Louis Rasminsky, 46, an Executive Assistant to the Governors, as is Mr. Beattie, and Mr. Ralph B. McKibbin, 40, the Bank's Securities Adviser, would become Deputy Governors. They will be junior to Mr. Beattie, however, and will be paid \$25,000 a year.

By this action, the directors expanded the number of Deputy Governors to three, apart from Mr. Beattie.

Labour Congresses In No-Raiding Treaty: Ottawa, Nov. 18 (CP) -- Two labour congresses with a combined membership of almost 1,000,000 today signed a no-raiding treaty, described by their leaders as a step toward unification of the rival groups.

The peace pact, barring membership raids, was signed by chiefs of the 580,000-member Trades and Labour Congress and the 400,000-member Canadian Congress of Labour. It had been endorsed previously by their annual conventions. . . .

1,000 Of Second Battalion Return From Korea: Seattle, Nov. 18 (CP) -- The nearly 1,000 men of the 2nd Battalion Black Watch came home today from a year's police duty in Korea. They were the first Canadian unit to be returned following the British Commonwealth's decision to cut the divided and devastated republic's garrison by two-thirds.

Across Canada: The Ontario Government's contribution to flood control programmes in the danger zones will be lands that the Government plans to expropriate, Attorney-General Porter said yesterday at Toronto. . . . Progressive Conservative Leader Drew, his doctor told party headquarters last night, is "definitely out of the woods." Dr. H. T. C. Whitley said Mr. Drew showed "great improvement" in his recovery from a serious attack of meningitis that sent him to hospital a week ago, C.P. reported . . . . No Government of Quebec has been more considerate of the English-speaking population than that of Premier Duplessis, Mr. John W. French (NU, Compton) said in the Legislative Assembly yesterday according to C.P. . . . Mr. E. A. McPherson, a onetime clothing store clerk who became Chief Justice of Manitoba, died yesterday while visiting Kenora for a family celebration. He was 75.

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Monday, November 22, 1954.

Establishment Of Canada Council: Ottawa, Nov. 19 (CP) -- Mr. St. Laurent indicated tonight the Government soon will announce the establishment of a Canada Council to help stimulate the country's cultural development.

He told the second national conference of the Humanities Research Council of Canada that "the creation of such a body will be of great importance to Canada both in assisting cultural development within our borders and maintaining our relations with cultural organizations abroad."

"We also hope that it will provide the machinery to facilitate even more extensive research in the humanities."

Establishment of a Canada Council was recommended in 1951 by the Royal Commission on Arts, Letters and Sciences. It proposed that the Council should encourage the development of the arts, letters, humanities and social sciences.

"Although my colleagues and I have viewed this recommendation with favour, for a variety of reasons it has not yet been possible to create such a body," Mr. St. Laurent said, speaking in English. "Nevertheless, I wish to assure you that we have been giving very active consideration to this subject particularly in recent weeks and I am hopeful that before too long we shall have something of a very positive nature to report."

Co-operation And Understanding Keystone Of Unity: Ottawa, Nov. 19 (CP) -- Mr. St. Laurent said tonight the keystone of Canadian unity is the co-operation and understanding existing among English and French-speaking Canadians and others who have elected to live in this country.

He told the second national conference of the Humanities Research Council of Canada that this co-operation and understanding is the characteristic which has been spoken of as tolerance. He spoke in both English and French.

"In my opinion tolerance is more than mere acceptance of a situation or of circumstances as being beyond our control," he said.

"Surely it is the genuine recognition of and respect for the rights of others different from ourselves, recognition of their inherent dignity and appreciation of the intrinsic value of their own principles and ideals." . . . .

Canada And UN Budget: United Nations, N.Y., Nov. 21 (CP) -- For the third year in a row, Canada may pay a higher per capita contribution toward the United Nations budget than the United States.

This will happen if the General Assembly approves - and it is expected to - a decision taken last week by its budgetary committee in setting the scale of assessments for 1955.

Under the new scale, Canada would pay 3.63 per cent of the \$40,000,000 budget. This year Canada paid 3.3 per cent of the budget, which amounted to \$1,363,900. On a per capita basis, this amounted to 9.2 cents.

While the U.S. this year paid 33.33 per cent of the budget, on a per capita basis this amounted to 8.6 cents.

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Tariff Board Textile Hearing: Ottawa, Nov. 21 (CP) -- The Canadian Federation of Agriculture says a tariff boost against United Kingdom wool cloth would increase Canadian consumer costs by about \$12,000,000 a year.

Dr. Ernest Hope, the Federation's economist, told the Tariff Board Saturday that the extra cost which would result from higher retail prices of wool products is too much to pay for the sake of providing a few more jobs in the Canadian wool textile industry.

Mr. J. Grant Glassco of Toronto, speaking for the Canadian industry, suggested higher import duties would have very little effect on retail prices. And anything extra paid by consumers would remain in Canada. Profits now earned by British producers would be shifted to Canadian producers.

The federal treasury would benefit from increased customs duties and levies on corporation profits. Workers would benefit through bigger payrolls and increased job opportunities. . . .

Five-Year Census: Ottawa, Nov. 19 (CP) -- A new national nose count will take place in 1956. It was disclosed today that the Government has decided to hold a country-wide census every five years, instead of every 10, and the first five-year count will take place in June, 1956.

In previous years, Canada relied on the 10-year census for main statistical guidance, holding the five-year count only on the prairies.

The decennial census also guided redistribution of federal political ridings. Official riding boundary changes still will take place only once every decade. The ridings will not be affected by the five-year population changes. . . .

Conqueror Of North West Passage: Halifax, Nov. 21 (CP) -- The Arctic patrol ship Labrador nestled into her home berth today with a proud list of firsts for the Canadian Navy.

Her trip from Esquimalt, B.C. to Halifax via the Panama Canal made her the first naval vessel to circle North America.

She left Esquimalt last month after becoming the first vessel of any navy to conquer the North West Passage, the largest ship ever to make the trip, and the first to find a route with commercial possibilities through the Canadian archipelago.

Church Union Negotiations: Toronto, Nov. 19 (CP) -- Canada's two major Protestant denominations, the Church of England and the United Church, said today they are willing to renew negotiations toward union.

The executive committee of the Church of England in Canada at the final day of its annual meeting voted in favour of continuing discussions as recommended by the church's committee on reunion of Christendom.

Football: Big Four Final: Montreal 24, Hamilton 19 (Montreal wins round, 38-28)  
Grey Cup Semi-Final: Edmonton 38, Kitch.-W. 6; Intercollegiate Semi-Final Western 20, Queen's 18.

Across Canada: Ceremonies honouring French Canada's great political hero, Sir Wilfrid Laurier, brought Prime Minister St. Laurent and Premier Duplessis together on the same public platform for the first time in their careers in Quebec City on Sunday. It was a non-partisan occasion to unveil a bronze statue of Sir Wilfrid in the heart of the Federal Quebec East riding which he represented for more than 40 years in the House of Commons . . . . Opening the Royal Canadian Academy of Art's 75th anniversary exhibition at the Montreal Museum of Fine Arts, at the week-end, Governor General Massey said that though individual artists and groups might disagree heartily, he trusted they would always have enough mutual respect to co-operate in the common cause of art.



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Tuesday, November 23, 1954.

Rail Workers' "Fringe" Demands Partially Awarded: Ottawa, Nov. 22 (CP) --

The politically-touchy proposal of a subsidy on Western grain freight rates was made today by Chief Justice Gordon Sloan of British Columbia in awarding non-operating railway employees a \$7,000,000-a-year segment of their fringe benefit demands.

The Chief Justice, Cabinet-appointed arbitrator in the long dispute that threatened a general rail strike last summer, gave the 145,000 workers a fraction of what they asked, granting only partially two of their four requests.

He said the railways cannot afford to meet their demands in the face of declining revenues. And he blamed the decline in large part on "distortion and imbalance" of the freight rate structure caused by the low "Crow's Nest Pass" rates on export grain moving through the west.

He suggested a federal subsidy to spread "some fair share at least of this burden" across the national economy.

Increased freight rates now are not the answer to rising railway costs, the arbitrator said. These have been used to cover previous postwar increases in the wage bill of the carriers.

But with competition stiffening, Chief Justice Sloan said, higher rates would probably only "tend to increase the present imbalance and expose greater areas of railway traffic to outside competition."

While his observations on the Crow's Nest rates went outside his terms of reference and constituted only an opinion - he was empowered just to write contract terms for the disputants - they unquestionably will stir up political repercussions.

Premier Campbell of Manitoba promptly said there should be no subsidy to railways until it is "abundantly established" that their revenues are not meeting expenditures. The West was prepared to "fight to the finish" to maintain the grain rates. . . .

Armed Forces, CDO May Issue Dosimeters: Ottawa, Nov. 22 (CP) -- The armed forces soon may start issuing atomic radiation detection devices to servicemen, it was learned today.

The Defence Research Board now is testing a Canadian-designed "dosimeter," the name given the small detection machine. If the device fits the bill, the civilian Civil Defence Organization plans to issue some 300,000 of them. They probably would be manufactured in Canada.

The armed forces are acquiring some dosimeters but no policy has yet been laid down whether they will be issued to all 115,000 servicemen or say, one to each infantry platoon.

The Civil Defence Organization for months has been trying to purchase dosimeters but the ones so far obtained have come from either Britain or the U.S. They are scarce in those countries so the Defence Research Board is trying to develop its own dosimeter.

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Scientific Aids For Army Chiefs: Ottawa, Nov. 22 (CP) -- Appointments of scientific advisers to the Army and Air Force chiefs of staff were announced today by the Defence Department.

Dr. N. W. Morton, Chief of the Defence Research Board Division involving operational and medical research, will become scientific adviser to the Chief of the General Staff and Dr. John W. Abrams, Superintendent of the Board's operational research group, scientific adviser to the Chief of the Air Staff. The appointments will be effective early next month.

The Merchant, Caesar Chosen By Stratford: Toronto, Nov. 23 (Globe & Mail)

-- Two of the most popular Shakespearean plays, Julius Caesar and The Merchant of Venice, are the choice of the Stratford Shakespearean Festival for next summer, it was announced yesterday. In addition, the festival plans a limited number of repeat performances of last season's Oedipus Rex, and also the introduction of the Stratford Music Festival, to run in conjunction with the season of theatre. . . .

\$775,000,000 Savings Bond Sales: Ottawa, Nov. 22, (Dept. of Finance) --

The Minister of Finance announced that the sale of Ninth Series Canada Savings Bonds will be discontinued November 30, but pointed out that applications made prior to this date with arrangements for deferred payment are not affected.

He said that the sale of the Ninth Series had run well ahead of pre-campaign expectations. Transfers of cash to the Bank of Canada in settlement for purchases now amount to \$711 million and it seemed likely that the final total would be close to \$775 million.

Gardeners Would Patent New Plants: Ottawa, Nov. 22 (CP) -- Market gardeners today proposed that they be permitted to patent new plants just as their counterparts have done in the United States for the last 25 years.

The proposal was contained in a brief to the Ilsley Commission by the Canadian Horticultural Council, supported by the Canadian Association of Nurserymen and the Allied Florists and Growers of Canada.

Across Canada: Overseas ships are arriving in Montreal in such numbers that the only space for some of them is in the middle of the river, the Gazette reports. . . . A total of 36,561 veterans' insurance policies with a face value of \$113,571,000 have been issued since the Second World War, the Veterans' Affairs Department said. . . . Dr. Norman MacKenzie said before the Ottawa Canadian Club yesterday Canada will become the richest land on earth if it can build a strong nation on the principle of diversity. . . . The Army said Friday artillery ammunition and other high explosives will be shipped to four European countries later this month under terms of NATO's mutual aid programme.

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Wednesday, November 24, 1954.

Canada And Japan Initial Air Transport Agreement: Ottawa, Nov. 24 (CP) -- Canada and Japan have initialed a bilateral air transport services agreement providing for use of each other's territory in extension of air lines across the world.

The Department of External Affairs announced early today that the draft text of the agreement was initialed in Tokyo by Mr. A. D. McLean, Member of the Air Transport Board and Canadian representative and Mr. K. Teraoka, special assistant to the Vice-Minister in the Foreign Ministry, representing Japan.

The agreement will become effective after it has been approved by Parliaments of both countries.

Under the agreement the airlines of Japan will be entitled to operate an international air service from Tokyo to Vancouver and further on a route extending to South America. The airlines of Canada will be given the right to operate a similar air service from Vancouver to Tokyo and Hong Kong.

Huge Iron Deposit In Southwest Labrador: New York, Nov. 23 (UP) -- Premier Joseph R. Smallwood of Newfoundland Monday disclosed the existence of a 1,000,000,000-ton deposit of iron ore in Labrador.

"It may prove to be the greatest iron mine on the face of the world", the Premier said.

The open pit deposit is located at Lake Wabush in the southwest corner of Labrador, some 500 miles northeast of Montreal.

Mr. Smallwood made the disclosure at a luncheon given by Canadian Javelin, Ltd., which discovered the deposit after it was granted a concession by the Newfoundland Government.

"This deposit may contain as many tons as were originally in the hole of the famed Mesabi range", Mr. Smallwood said. The Mesabi range in Minnesota, with total deposits estimated at 3,000,000,000 tons, has long been known as the world's biggest iron ore source.

Mr. Smallwood said that he confidently expected "to see a great industrial boom in Labrador in the near future".

Chairman John C. Doyle of Canadian Javelin said his Company expects to develop the find and to ship 3,000,000 tons of the Labrador ore in 1956. This ore, which will go to the United States and to Europe, would be used in blast furnaces, Mr. Doyle said.

Sees Success For Tax Discussions: Quebec, Nov. 23 (Gazette) -- Premier Duplessis reiterated that he has "every reason to believe and hope that the discussions now in progress between Quebec and Ottawa will be crowned with success." Mr. Duplessis said this in connection with tax discussions, in his speech during debate on the Speech from the Throne in the Quebec Legislature.

The Quebec Premier, however, said he wanted to make it plain that he had not changed his attitude in regard to the position of Quebec and that he would ever protect the interests of the people of this Province.

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Mr. Duplessis followed Liberal Opposition Leader LaPalme, who, dealing with the constitutional aspect of the Quebec-Federal tax exchanges, suggested a special committee of the House should be set up to discuss the matter. . . .

Heralds Canadian Food Shortage In Decade: Ottawa, Nov. 23 (CP) -- Mr. F. H. Kortright, President of the Ontario Conservation Council, said last night Canada will not be able to feed itself in 10 years.

Urging a national conservation plan in the face of increasing population, he told the Agricultural Institute of Canada that in this country "soon we shall not be able to produce enough food for ourselves".

"In Canada, as a whole, it has been calculated that, in 10 years, we shall not be able to support the then probable population."

Mr. Kortright said the most basic of all resources is the layer of topsoil about six inches deep "that covers the face of the earth. It is more precious and vital to us than all else in creation".

To Increase Newfoundland Agriculture: St. John's, Nfld., Nov. 22 (CP) -- Newfoundland, better known for its fishing than its farming, is trying to increase agriculture production which at present provides only 45 percent of the vegetables consumed in the Province.

The Government is spending \$541,200 this year to help the Province's 3,700 farmers step up their output. A Royal Commission, headed by Mr. A.M. Shaw, an agricultural expert from Ontario, has studied the farm problem and its report and recommendations are expected soon.

Across Canada: The stock market soared to another 20-year high yesterday in early trade, C.P. reported from Toronto. After the first hour the industrial index was ahead more than a point to 370.18, its best since the exchange began it in 1934. . . . A New Zealand logging company has recruited 100 Canadian loggers, who with the wives and children of the 34 married men among them, will be going to New Zealand in January, The Globe and Mail reports. . . . Chief Justice J. L. Ilesley of Nova Scotia yesterday said a Royal Commission on patents is much impressed by a recommendation that this country adopt British patent procedure to simplify its patent law. . . . Officials of the Quebec Labour Relations Board, hearing a petition for the decertification of Local 144 of the International Union of Plumbers and Steamfitters (AFL), yesterday told a Montreal reporter he was not obliged to reveal his source of information for a news story.

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Vol. 5, No. 226

Thursday, November 25, 1954.

Planning For Boost In \$300,000,000 Tourist Industry: Ottawa, Nov. 24 (Journal) -- A three-day conference to map plans for boosting Canada's \$300,000,000-a-year tourist trade will be held here next week.

"Vacations Unlimited" again will be the theme of a federal-provincial parley, ninth since Canada entered the tourist business in a big way.

Provincial Ministers and their deputies in charge of tourist traffic, along with federal officials and representatives of railways, airlines, steamship and bus companies will open the conference November 29. The Minister of Northern Affairs, Mr. Lesage, will make the initial address.

The agenda will cover tourist accommodation, roads, trailer parks, "package" tours of Canadian scenic spots and integrated promotional programmes. Even food offered tourists and how it is cooked will be discussed.

Canada's tourist trade grossed a record \$307,000,000 in 1953 compared with about \$250,000,000 in 1945. The 1954 figures are still incomplete but officials expect them to be down some 10 percent from 1953 or close to the \$285,000,000 tourists spent in 1952.

Mechanical Engineers Most In Demand: Ottawa, Nov. 24 (Globe & Mail) -- As they have been since 1952, mechanical engineers will be the professional persons most in demand by industry in the next two years, according to a survey and forecast, of which a summary was released today.

This Survey of Industrial Requirements for Professional Personnel, 1952-56, was the work of the Economics and Research Branch of the Department of Labour.

Also issued today was a companion document, a bulletin on The Supply and Demand Situation in Regard to University Graduates, which was prepared by the Executive and Professional Division of the National Employment Service.

The main finding of this study was:

"The general supply and demand situation for university graduates is more or less in balance; "more or less" means that there are still some shortages. . . . There are few, if any, surpluses. It is almost certain that this situation will remain about the same over the next few years."

Cold Weather Brings Increase In Jobless: Ottawa, Nov. 24 (CP) -- Unemployment is increasing with the arrival of cold weather, though the number of persons at work last month was about the same as a year earlier.

The Bureau of Statistics estimated today 179,000 persons were without jobs and looking for work at Oct. 23, compared with 167,000 a month earlier and 111,000 a year previous.

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At the same time, the Bureau estimated 4,819,000 persons were working full time on that date. This was almost exactly the same as the 4,820,000 a month before and compared with 4,830,000 a year earlier. However, persons on part-time work swelled the total by 334,000 compared with 344,000 in September and 286,000 in October, 1953.

During the year, the labour force increased to 5,461,000 from 5,351,000.

In a simultaneous release today, the Labour Department reported that 259,270 persons were looking for work through National Employment Service at Oct. 21. This was up 15,753 from a month earlier and 67,324 from a year earlier.

A rise in the number of job hunters between this year and last was shown in every province, with the increase sharpest in Toronto.

Temporary Tax Agreement Planned: Quebec, Nov. 24 (CP) -- Premier Duplessis said today officials of the Federal Income Tax Bureau will call on Quebec tax officers to discuss details of a temporary tax agreement in the near future.

Mr. Duplessis made the announcement after adjournment of the day sitting of the Legislative Assembly.

Stock Market At New Highs: Toronto, Nov. 24 (CP) -- The stock market shot to new highs today on the heels of business and mining news.

The industrial index touched two successive 20-year highs that brought its total climb in the last three weeks to more than 17 points, one of the sharpest gains in market history.

The base metal index hit its highest since July, 1953, and the Western oil index its best since last June.

A  $4\frac{1}{2}$ -cent boost in the price of nickel touched off the base metal climb, shooting International Nickel ahead \$2.50 and Falconbridge \$1. Western oils surged ahead after reports an agreement is to be signed that will mean piping natural gas from Alberta's Peace River district to the United States Pacific Coast.

Across Canada: Mr. Charles Fremont, general superintendent for the Quebec Game and Fisheries Department, told Quebec hunting and fishing lodge owners non-residents will pay more for a season's fishing license and their catch limits will be tightened. . . . The Canadian Council of Churches said Tuesday only 30 percent of university students have any church connection. . . . Mr. Drew got out of his hospital bed for a few minutes yesterday for the first time since he was stricken with meningitis two weeks ago. Hospital authorities said the Progressive Conservative Party Leader is recovering favourably. . . . Sqdn. Ldr. A. R. (Andy) MacKenzie, DFC, 34-year-old Canadian fighter ace, will be released Sunday December 5 at the Hong Kong border by the Chinese Communists after exactly two years as a prisoner-of-war, C.P. reported from Ottawa.



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Vol. 5, No. 227 Friday, November 26, 1954.

Parliament To Meet Friday, Jan. 7: Ottawa, Nov. 25 (CP) -- Parliament today was summoned to meet Friday, Jan. 7, with an indication that the business of the session will be speeded.

Mr. St. Laurent's announcement of the date was accompanied by a departure lending force to earlier statements that legislation will get a clearer track than it did at the speech-laden session of 1953-54.

This was a decision to clean up on opening day one of the major formalities of the session, the traditional Commons speeches of the mover and seconder of the address in reply to the Speech from the Throne delivered by the Governor-General.

The Prime Minister's office announced the mover and seconder, respectively, in the Commons will be Yves Leduc (L-Montreal Verdun) and Donald Carrick (L-Toronto Trinity).

\$500,000 For Palestine Aid: United Nations, N.Y., Nov. 25 (CP) -- The Canadian Government intends to seek Parliamentary approval for a contribution of \$500,000 for 1954-55 to the UN Relief and Works Agency for Palestine refugees, it was announced today.

Mr. G. D. Weaver, Liberal Member of Parliament for Churchill, made the announcement in the UN's special Political Committee, now debating the Palestine refugee problem.

The agency was established in 1949 to provide for the relief and resettlement of about 950,000 Arab refugees left homeless by the hostilities in Palestine in 1948. They now are being sheltered in Syria, Lebanon, Jordan and Egypt.

Canada is one of the largest contributors to the agency, its total contributions since 1948 being slightly more than \$3,500,000, including \$500,000 made available for the 1953-54 budget.

Mr. Weaver told the Committee that Canada understands the relief programme is to be only an interim measure pending final settlement of the problem.

"It cannot be expected that member governments of the United Nations will be able or willing to contribute indefinitely to a relief programme for undiminishing proportions."

Mr. Martin On Peace Outlook: Ottawa, Nov. 25: -- "There may have been indications in recent months that the Kremlin - for reasons best known to its own masters - may be sincere in its wish to work out a pattern of peaceful co-existence with the West," said the Minister of National Health and Welfare, Mr. Martin, in an address in Brantford, Ont., today.

The wars in Korea and Indochina have been stopped. There is increasing diplomatic contact between East and West. At the United Nations, as I have said, the Soviet Union has agreed to co-sponsor a Western resolution on disarmament. Finally, the Soviet Union has joined with the other member nations in unanimously approving President Eisenhower's plan for the peaceful development of atomic energy.

"All this may point to the fact, that the U.S.S.R. has come to recognize at last the frightful significance of a third world war, which would be unprofitable for victor and vanquished alike. It does not mean, however, that the Soviet Union has abandoned its aim of extending the empire of Communism.

"If the U.S.S.R. has, in fact, decided that world war should be avoided, we can expect that its aims will be advanced in other ways. Thus, in the ideological competition for the allegiance of the world's peoples the ultimate decision may be won, not on the battlefield, but on the merits and the appeal of the two conflicting ways of life...."

Quebec Taxation Discussions: Quebec, Nov. 25 (Gazette) -- Premier Duplessis told newspapermen tonight that four experts from the Federal Department of Finance who conferred with Quebec officials today have returned to Ottawa.

He said that the Ottawa experts, after visiting him early this morning, spent the greater part of the day with Provincial Controller of Revenue George Shink. He said that the experts were given all the latitude they required to examine Quebec tax figures and that they would report their findings to their superiors.

Chamber Of Commerce Submission: Ottawa, Nov. 25 (CP) -- The Canadian Chamber of Commerce observed today that seasonal unemployment is becoming increasingly serious and urged the Government to move quickly with remedial measures.

The organization urged also that immigration be increased to provide Canada with a population of 30,000,000 by 1975 - double Canada's current manpower - and that there be no let up in the Government's defence planning.

The greatest danger for 20th-century Canadians, said the Chamber in a brief to the Cabinet, is the tendency to believe that defence spending should be a temporary rather than a permanent part of life.

Across Canada: A network of strategically-located centres where Canadian cancer patients may be treated with the famed Cobalt Bomb therapy unit is being planned by the federal, provincial and municipal governments. Health Minister Martin told the 75th anniversary dinner of the Canadian Order of Foresters that he expects the network of cancer treatment centres will be in operation in the near future. . . . The Canadian Army in all likelihood soon will adopt the British Patchett as its standard sub-machine-gun in place of the Sten. Brig. S. E. E. Moores, Deputy Quartermaster-General for design and development, said today the Patchett probably will be manufactured in Canada. . . . Liberals won the hotly contested Nova Scotia Legislature seat of Hants East on a returning officer's tie-breaking ballot today but the losing Progressive Conservative immediately demanded a recount, C.P. reported from Kennetcook, N.S.



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Vol. 5, No. 228

Monday, November 29, 1954.

October Surplus \$28,415,000: Ottawa, Nov. 27 (CP) -- Declining revenues and heavier expenditures put a further squeeze on the federal treasury in October, cutting the month's surplus to \$28,415,000, less than half the \$65,863,000 surplus a year ago.

The small October balance increased the total surplus for the first seven months of the current fiscal year to \$91,836,000. But this was just one-third the \$266,024,000 surplus in the similar period a year ago, Finance Minister Harris' monthly treasury statement showed today.

The Government ended the last fiscal year with a surplus of \$46,000,000 and estimated it will have a surplus of \$4,000,000 for the current year. However, the continuing decline in revenues and sustained expenditures may force the 1954-55 budget into the red by between \$50,000,000 and \$100,000,000, the first annual deficit in the postwar era.

October revenues totalled \$344,394,000, down by \$18,010,000 from \$362,404,000 last year, reducing the seven-month total by \$171,404,000 to \$2,279,617,000 from \$2,451,021,000.

Collections of personal income tax and excise duties increased slightly during the month but offsetting these gains were continuing declines in collections of corporation income tax, import duties and sales tax.

While October's over-all revenues declined, expenditures increased by \$19,438,000 to \$315,979,000 from \$296,541,000 last year. This boosted the seven-month total to \$2,187,781,000, about \$2,700,000 higher than the \$2,184,997,000 last year.

Defence spending during the month increased by \$1,653,000 to \$137,387,000 from \$135,734,000 -- the result of increased expenditures under mutual aid.

Civil Defence Plan for Ports: Ottawa, Nov. 26 (CP) -- A basic civil defence plan for Canadian ports has been drawn up, the Government said today.

Formation of the plan followed a four-day conference on waterfront disaster control problems. Attending the meeting at the Civil Defence College at Arnprior, Ont., were representatives of harbour control agencies, marine industries, docking companies, shipping interests and scientists and armed forces experts.

The group studied the handling of inflammable cargoes, munitions and explosives, control of oil fires, maintenance of clear seaway channels and other problems that would be encountered in a harbour area in event of an enemy attack or a natural disaster.

The federal Health Department said in a statement that representatives of port authorities and commercial interests from St. John's, Newfoundland, Halifax, Saint John, N.B., Montreal, Toronto, Vancouver, New Westminster, B.C., and Victoria pooled their maritime experience to draw up a basic plan which could work in any port.

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Plan To Improve Tourist Attractions: Ottawa, Nov. 28 (CP) -- Tourism experts from every province meet with federal officials here tomorrow to map plans for boosting Canada's \$500,000,000-a-year tourist trade in 1955.

As the three-day meeting begins officials predicted that Canada's tourist trade take this year will be down between eight and 10 per cent from the \$307,000,000 spent by tourists in 1953. The weather was mostly blamed for the decline.

But officials were optimistic for the tourist outlook in 1955. Suggestions and plans will be laid before the conference for improving tourist attractions, putting them before the public via television and other advertising mediums and for stepping up the "package" tour idea.

Grey Cup Goes West: Toronto, Nov. 28 -- One electrifying Montreal miscue, climax to a tremendous heart-thumping succession of thrills, sent the lightly-regarded Edmonton Eskimos into the select circle of Grey Cup champions Saturday.

With less than three minutes to go, and the east leading 25 to 20, Edmonton's Jackie Parker picked up a loose ball and galloped 95 yards for a converted touchdown. It was a wild pass by Huntsinger that Parker retrieved.

Beaten down by the odds-makers -- 5 to 1 or even money on a 13-point spread -- the Western champions flouted the odds to record the greatest upset in the history of the East-West classic with a 26-25 victory over Alouettes.

Varsity Wins College Championship: London, Nov. 28 (Globe) -- The versatility of halfback Steve Oneschuk, playing his final game of college football, carried University of Toronto Blues to their first senior championship since 1951 here Saturday.

Oneschuk booted a 40-yard field goal, scored a touchdown on a five-yard plunge and added the convert as Blues dethroned University of Western Ontario Mustangs, 9-8, before 8,000 in Little Memorial Stadium.

Across Canada: An arm-long programme is building up for the 1955 session of Parliament that opens January 7. Apart from what develops after the New Year, there seems to be enough prospective business on hand now to keep the legislators going for a few months, C.P. reports from Ottawa. . . . More shipments of guns, ammunition and vehicle spare parts will leave Montreal and Quebec this month en route to three European countries under NATO's mutual aid programme, the Army said Friday. . . . Canadian soldiers in Korea over-subscribed by \$40,000 the mark set for them in the last Canada savings bond campaign. The Army said total sales came to \$285,000. . . . Mr. A.H. McDonald, 35-year-old farmer and Liberal whip in the provincial legislature, was elected new leader of the Saskatchewan Liberal Party.



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Vol. 5, No. 229

Tuesday, November 30, 1954.

Exports Down \$29,800,000 In October: Ottawa, Nov. 29 (CP) -- Canada's exports declined by \$29,800,000 in October, cutting the total for the first 10 months of 1954 by \$274,000,000. The month's trade produced a deficit of \$14,000,000.

A preliminary estimate by the Bureau of Statistics today placed October's shipments at \$318,000,000, down from \$347,800,000 last year. The 10-month total was estimated at \$3,182,500,000, down from \$3,456,500,000 a year ago.

Imports also continued to decline, dropping by \$26,300,000 in October and by \$309,700,000 in the 10-month period.

Total imports declined to \$332,000,000 from \$358,300,000 in October and to \$3,383,300,000 from \$3,693,000,000 in the 10 months.

With imports still running higher than export totals, Canada showed a deficit of \$14,000,000 in October's trade, up from the \$10,500,000 deficit a year ago, though the 1954 10-month adverse balance at \$200,800,000 was still below last year's \$236,500,000.

Exports to the United States declined during October to \$193,100,000 from \$201,900,000, reducing the 10-month total to \$1,932,700,000 from \$2,033,500,000. Imports from the U.S. also declined although they still were well above exports. Purchases from the U.S. dropped to \$235,000,000 from \$258,300,000 in the month, and to \$2,445,000,000 from \$2,729,900,000 in the 10 months.

Shipments to Britain were reduced in October to \$46,600,000 from \$55,800,000 and in the 10 months to \$509,200,000 from \$565,100,000. Imports decreased to \$31,600,000 from \$36,800,000 in the month and to \$332,200,000 from \$376,200,000 in the 10 months.

Students Ask Scholarships To aid Study: Ottawa, Nov. 29 (CP) -- University student representatives today asked the federal Government to take the initiative in a \$5,500,000 a year programme to provide bursaries and scholarships to 10,000 students.

In a brief presented to Prime Minister St. Laurent, the National Federation of Canadian University Students said such a programme would help valuable good students as well as brilliant ones.

The brief, read by NFCUS President Douglas Burns of the University of Saskatchewan, proposed 2,500 "relatively substantial bursary awards" annually on a four-year basis. It said an annual outlay of \$5,500,000 would provide grants, most of them averaging about \$500 a year to one-fifth of the country's university population.

The Federation said it realizes such a programme must be based on agreements between federal and provincial Governments, but added:

"We do feel, however, that in view of the relatively great financial power of the federal Government, the initiative required for the inauguration of a bursary programme of the scope we are suggesting must come from that Government."

University education had become necessary for almost any form of personal advancement, but there were financial barriers to equality of opportunity, essential to a free society.

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Representative To ICAO: (Press Release No. 84, Nov. 26) -- The Secretary of State for External Affairs and the Minister of Transport announced on November 26 the appointment of Mr. J. A. Irwin to succeed Brigadier Booth as Canadian Representative to the International Civil Aviation Organization. Brigadier Booth's appointment as Assistant Deputy Minister of Transport was announced on August 17, 1954. Mr. Irwin who has been First Secretary at the Canadian Embassy in Djakarta, Indonesia, is expected to take up his new duties in December.

Ceylon Prime Minister's Visit: (Press Release No. 85, Nov. 26) -- The Department of External Affairs announced that at the invitation of the Government of Canada the Rt. Hon. Sir John Kotelawala, K.B.E., Prime Minister and Minister of External Affairs and Defence of Ceylon will pay an official visit to Canada for four days from December 2 to December 6, during the course of a tour which will take him around the world. A programme has been arranged for the Prime Minister's visit to Ottawa, Toronto, Niagara Falls and Montreal.

No Workable Definition Of An Invention: Ottawa, Nov. 29 (CP) -- The Ilsley Royal Commission on patents was left today with a hint that it should not attempt to write a new legal definition of an invention.

Mr. Harold J. Fox, Toronto patent attorney, told the three-man body that he does not think it could arrive at a workable definition. Nobody had been able to do so in more than 100 years of patent law practice and experience.

Mr. Fox appeared before the Commission headed by Chief Justice J. L. Ilsley of Nova Scotia to present briefs on behalf of the Canadian Manufacturers' Association and the Toronto Board of Trade.

The Royal Commission is studying Canadian legislation on patents, copyright, trade marks and industrial design.

Operation Santa Claus: Ottawa, Nov. 29 (CP) -- A draft of 1,300 Canadian soldiers, the largest yet in the withdrawal of two-thirds of Canada's brigade in Korea, left there Saturday for home, army headquarters announced today.

Next month 300 more soldiers will be flown home on Operation Santa Claus.

Across Canada: For reasons of national security now and in the future, Canada needs far more than her 15,000,000 people who occupy half a continent, Ontario's Labour Minister Daley said last night in a CBC broadcast. . . . Mr. George A. Scott, has been appointed Director of Economic Policy for the Transport Department, it was announced. . . . The layoff of Canadian National Railways employees has reached its peak, Mr. Donald Gordon, CNR President said yesterday. He said in an interview he believed no further staff cuts would be necessary. . . . A federal-provincial tourist conference heard a warning yesterday that Canada must wake up to the necessity of conserving her bounteous stocks of fish and game or suffer the consequences. . . . Mr. John David Southam, 45, publisher of the Calgary Herald and a prominent sportsman and military figure, died suddenly at his home in Calgary, Sunday night.



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Vol. 5, No. 230

Wednesday, December 1, 1954.

**Fewer Immigrants:** Ottawa, Nov. 30 (CP) -- The flow of new immigrants to Canada was reduced sharply in October to help prevent the possibility of large-scale unemployment during winter months. The Immigration Department estimated today that arrivals dropped by 7,368 to 11,256 in October from 18,264 a year earlier.

Most of the decline was in the movement of North Europeans, though there were declines also in the flow of immigrants from Italy and other parts of the world.

The October decline reduced the total influx for the first 10 months of 1954 to 138,109, down 5,613 from 143,722 a year earlier.

Officials said the main reason for the decline is the earlier seasonal cut-off date on the movement of unsponsored immigrants - those without jobs and without friends or relatives in Canada. The cut-off date, last year set at Oct. 31, was moved back to Sept. 30 this year.

October's immigrants from North Europe - including Germany, France and The Netherlands - were reduced by one-half of 3,747 from 7,701 last year. The 10-month total decreased to 54,311 from 61,568.

New immigrants coming to Canada from West Germany declined during October to 2,452 from 4,191 a year ago; the influx from The Netherlands slumped to 446 from 1,982; from Austria to 310 from 696; from France to 241 from 401.

The monthly total from the United Kingdom also declined to 3,976 from 4,817, though the 10-month total was down only slightly to 40,087 from 40,390. Those of English origin dropped in October to 2,457 from 2,642 last year; Irish, to 405 from 998; Scottish, 1,020 from 1,112. Those of Welsh origin increased to 94 from 65.

The downward trend was reflected in the movement of immigrants from other parts of the world. Those of Italian origin declined in October to 1,390 from 3,216 last year, though the 10-month total was still higher at 20,717 compared with 17,426 in 1953.

The number of Poles coming to Canada in the month declined to 201 from 351 last year; Hebrews, to 97 from 352; Ukrainians, to 37 from 88. However the number of Chinese increased to 153 from 142 and the number of Greeks to 260 from 207.

**Keep Canada Canadian, Mr. Lesage Urges:** Ottawa, Nov. 30 (CP) -- The ninth federal-provincial tourist conference wound up its two-day sitting today with a ministerial message to keep Canada Canadian.

Resources Minister Lesage told delegates from every province that tourists from Canada's biggest market - the United States - don't come to see Americanism here.

They come to see something different and they should be shown things Canadian, served typical Canadian food and told of Canadian folklore.

He and other delegates deplored the practice of some tourist caterers of flying the American flag and putting American names on their establishments in an effort to attract American tourists.

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Keeping Canada Canadian, Mr. Lesage said, should be the slogan for the 1955 tourist year.

Main objective of the meeting on tourist trade was an exchange of ideas among federal and provincial tourist officials and representatives of the railways, air lines, steamship companies and bus lines so advertising and other programmes could be correlated.

Wire Fence Combine Alleged: Ottawa, Nov. 30 (CP) -- The Restrictive Trade Practices Commission charged today that wire fence prices were fixed illegally for about 20 years and accused six companies, virtually the entire industry, of having participated in the alleged combine.

The three-man anti-combines body, in a report to Justice Minister Garson, said it appears that the combine was formally dissolved in mid-1952, but that some of its characteristics have continued, becoming imbedded as a trade custom.

It suggested a court order be obtained, barring the companies, including two of Canada's top steel companies, from exchanging information or engaging in other activities which might in any way lead to a resumption of the restrictive practices. Mr. Garson said he will announce the Government's decision later. . . .

Two Large Firms Approve Rail Freight Plan: Ottawa, Nov. 30 (CP) -- Algoma Steel Corporation Limited and British American Oil Company Limited today approved continued use by Canadian railways of the agreed charge form of setting freight rates.

The Companies gave their approval to a Royal Commission studying agreed charge contracts between Canadian railways and shippers. Agreed charges are special low contract rates given by the railways in return for a guaranteed percentage of a shipper's business.

Across Canada: Premier Duplessis of Quebec said yesterday the Province of Quebec was in "no hurry" to undertake the hydro-electric power development on the St. Lawrence Seaway project and that the province had "adequate power reserves for the foreseeable future," the Montreal Gazette reported. . . . The condition of Mr. Drew, recovering in the hospital from an attack of meningitis, was described as excellent last night by a spokesman for the family. . . . Army and air force officers made last-minute preparations last night for Exercise Bulldog Two - a joint training scheme to test men and equipment in the subarctic country of northern Manitoba, the Globe and Mail reported from Ottawa. . . . Premier Duplessis told a labour union delegation in Quebec yesterday he had no intention of revoking legislation adopted by his Government to combat communism in unions and prohibiting strikes in public services, the Montreal Gazette reported.



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Thursday, December 2, 1954.

Cabinet Considers Parliamentary Agenda: Ottawa, Dec. 1 (CP) -- The Cabinet met for 5½ hours today and considered a lengthy agenda, most of it believed dealing with legislation to be placed before the new session of Parliament opening Jan. 7. There were no announcements.

Mr. St. Laurent told reporters that Cabinet's next session will be next Wednesday, providing it does not conflict with the visit of the Austrian Chancellor, Julius Raab.

The Prime Minister said there will be an exchange of views between himself and the Austrian Chancellor relating to the European situation.

First Visit To Canada Of A Ceylon Prime Minister: Ottawa, Dec. 1 (CP) -- Canada wants Ceylon to remain as a strong link in the Commonwealth unity.

Prime Minister St. Laurent said today there will be no special problems to discuss when Sir John Kotelawala, Ceylon's Prime Minister, arrives tomorrow to begin a five-day Canadian visit. But, he added, there will be concern to make Sir John continue to feel that Canada values his country's presence in the Commonwealth.

Sir John's trip will mark the first visit to Canada of a Prime Minister of Ceylon.

Mr. St. Laurent recalled that Sir John had given him a great reception during his world tour. Included was a "very brilliant function" at Sir John's home.

Mr. Stewart Bates CMHC President: Ottawa, Dec. 1 (CP) -- The Government today appointed a new housing chief, elevating a Scottish-born economist from \$15,000-a-year Fisheries Deputy to the \$22,500-a-year Presidency of Central Mortgage and Housing Corporation.

Mr. Stewart Bates, Deputy Fisheries Minister, will step into the job of handling the \$600,000,000 Corporation on Dec. 6, succeeding Mr. David B. Mansur who left last month to head a private investment firm.

There was no indication who will succeed Mr. Bates.

Cabinet Considers Polar Route Application: Ottawa, Dec. 1 (CP) -- Application of Canadian Pacific Air Lines for a licence to open an airline service from Canada over the North Polar region to Europe is still under study by the Government.

Prime Minister St. Laurent, emerging from a Cabinet meeting today, said the application has reached Cabinet level, but not yet in its final form.

(over)

"We have asked studies to be made by our people and they are not yet complete," he said.

Scandinavian Airlines recently opened a trans-polar service linking Los Angeles with Copenhagen via Winnipeg. CPA has asked Government approval of a route linking Canada's West Coast with Europe.

Biggest House-Building Year: Montreal, Dec. 1 (CP) -- Canada is closing its biggest house-building year and prospects for 1955 warrant optimism for another healthy building programme, Works Minister Winters said today.

Mr. Winters said new housing starts this year, including conversions, will be between 110,000 and 115,000, and completions will range from 104,000 to 108,000.

"This will represent an increase by a substantial margin over any previous year in our history," he told the Electrical Club of Montreal.

Across Canada: Canada Packers Limited, yesterday, before the Royal Commission, accused Canadian railways of proposing a method of setting freight rates which does not consider the problems of industrial firms and could threaten the existence of established industry. . . . Roughly 60,000 football fans, biggest crowd ever to watch an Edmonton parade, swarmed over the central business section of Edmonton yesterday in a mammoth cheer for the Grey Cup Champion Edmonton Eskimos, C.P. reported from Edmonton. . . . The Army announced yesterday that after five years of research, a lighter, cheaper and more durable base plate for firing mortars has been produced. The new 25-pound circular base plate is made of high-grade aluminum alloy and can be produced for \$65, about half the cost of the steel plate now in use.



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Vol. 5, No. 232

Friday, December 3, 1954.

Ceylon Seeks Canada's Help On Air Survey: Ottawa, Dec. 2 (CP) -- Prime Minister Kotelawala said today he would like Canadian help in getting an aerial geological survey job done on his country to determine the nature of mineral-oil resources and thus help Ceylon to help herself.

That was the main point made by the Prime Minister at a press conference on the first day of his two-day visit to Ottawa. He said he has mentioned the matter in talks earlier with Prime Minister St. Laurent, but that "no promises were made."

Ceylon, he said, was doing a \$25,000,000-a-year two-way trade with Canada. She was most thankful for Canadian Colombo Plan help to her fishing industry, in sending technicians to Ceylon and in teaching Ceylonese the industrial arts in Canada.

Canada, he said, provides about 60 per cent of all Colombo Plan help to Ceylon and this was of great importance and value. His people now were beginning to reap some of the benefits.

What was needed now is a team of scientists to conduct a geological survey of Ceylon to assess her oil-mineral potential.

Overseas Scholarship Awards: Ottawa, Dec. 2 (CP) -- Government overseas scholarship awards will be granted to a number of Canadian students and artists again next year, the Royal Society of Canada announced today.

The awards, for use in France and the Netherlands, are financed by blocked Canadian currency in these countries. They were first granted in 1952.

The awards are of two kinds: scholarships of \$2,000 for students with a master's degree or young artists, and fellowships of \$4,000 for senior scholars and artists, over the age of 30.

Twenty-seven Canadians now are in Europe under the scheme, and an additional 27 will be chosen in 1955.

Exercise Bulldog II: Fort Churchill, Man., Dec. 2 (CP) -- A hostile striking force of only three or four small parties, said a senior Canadian officer today, could create "tremendous confusion" in the Canadian north.

Brig. George Kitching, chief of staff at the Canadian Army's Western Command headquarters in Edmonton, made the statement to service officers and press representatives here for Exercise Bulldog II.

Brig. Kitching said the ideal location for such a strike would be in the Mackenzie River valley where the northern population is mainly gathered and where radio communications are good.

"Politically speaking it would force action. Three or four small parties, that's all...would create tremendous confusion," he said.

Brig. Kitching, Director of Bulldog II, a joint exercise of Western Army Command and No. 1 Tactical Air Command, said the Army must consider two questions:

1. Why would the enemy "come over the top?"
2. How would it be tried? Bulldog II is expected to supply the answers.

(over)

Increase In Crow's Nest Pass Rates Urged: Ottawa, Dec. 2 (CP) -- A university economist today urged an increase in the low Crow's Nest Pass rates on grain and its products moving to export points from Western Canada.

The suggestion was made by Prof. John L. MacDougall of the Department of Commerce at Queen's University, Kingston, Ont., to a Royal Commission studying the controversial issue of railway agreed charge contracts. Agreed charges are special low rates given by the railways in return for a guaranteed percentage of a shipper's business.

Prof. MacDougall argued that the railways should be permitted to increase low rates and cut high rates in order to meet truck competition.

Ontario Planning Development Projects: Toronto, Dec. 2 (CP) -- Premier Frost said today the Ontario Government is planning new development projects which, in the long run, will help meet the unemployment situation. The Premier did not specify the development projects under discussion.

He said they will enable Ontario to make a significant contribution to "great expansion" Canada is experiencing.

Premier Frost urged strengthening of federal-provincial ties by conferences on the technical level "where problems can be solved by mutual discussion rather than the formal atmosphere of high-level meetings."

He said more work between Ottawa and the provinces was accomplished at informal meetings where there was no tension.

Winnipeg Threatened By Transit Strike: Winnipeg, Dec. 2 (CP) -- Greater Winnipeg moved tonight toward a transit strike and Monday looks like the end of the line.

Buses and streetcars travelled their regular routes tonight after sitting idle part of the day while more than 1,000 transit employees attended a mass meeting.

The union announced that drivers, mechanics and labourers will quit work at the end of the Sunday shifts unless settlement is reached.

There was no modification in demands for a 10-cent-an-hour increase and fringe benefits. Bus drivers now get \$1.50 an hour, mechanics \$1.60 and labourers \$1.17. The Greater Winnipeg Transit Commission has rejected the bid for higher pay.

Across Canada: The Government announced yesterday that \$9,601,914 in defence production and construction contracts of \$10,000 or more were let for the first half of November. . . . Television manufacturers sold a record number of sets during September. The Bureau of Statistics reported that September's sales totalled 84,342 sets, almost double the 42,705 a year earlier. The previous high was 59,277 sets sold during October, 1953. During the first nine months of this year sales rose to 347,059 sets from 200,444 during the corresponding period last year. . . . Eleven Wolf Cubs and Scouts will be invested with awards for rescue work by Governor-General Massey, Canada's Chief Scout, at Government House Tuesday. Four scouting officials will be honoured for distinguished service.

## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 5, No. 233

Monday, December 6, 1954.

Experiments With Flying Saucer: Ottawa, Dec. 3 (CP) -- The Canadian Government has lifted a security curtain to confirm it attempted to build a flying saucer but shelved the project because of cost. The project, subject of rumours from time to time, was never officially admitted until Defence Production Minister Howe brought it out from behind a cloak of secrecy during an overseas interview.

Mr. Howe reported today in London that Canada sunk "perhaps \$4,000,000 to \$5,000,000" in the saucer project, which "would have cost \$1,000,000,000 if carried through."

He said the oval-shaped aircraft, developed by A.V. Roe Canada Ltd. at its Toronto plant for the Defence Production Department, got "beyond the drawing board but it never left the ground."

Informants here said Canadian scientists worked on the project for 18 months before abandoning it about a year ago.

Mr. Howe first talked of it in an interview Thursday when he arrived at Southampton, England, enroute to trade talks at Geneva.

He said in the original statement that the experiment Canada produced was "oval-shaped with exhaust pipes, not unlike some of the drawings which have appeared in magazines."

Neither he nor defence officials in Ottawa divulged further details.

It was suggested that the project was started by experiments aimed at producing an aircraft other than a helicopter that would take off vertically and still incorporate speed and manoeuvrability for military application. Such a craft would dispose of the need of expensive runways.

Mr. Howe said the project was discontinued because "we decided it was not suitable to our purpose" and because it "did not seem sufficiently promising to be worth going on with."

Austrian Chancellor's Visit: (Press Release No. 86, Dec. 3) -- The Department of External Affairs announced on December 3 that on the invitation of the Canadian Government, Chancellor Julius Raab, Prime Minister of Austria will visit Canada from December 5 to December 8. The Chancellor will arrive in Niagara Falls on Sunday, December 5 and will be in Ottawa from Monday, December 6 until Wednesday morning December 8. He will leave later that morning to spend the remainder of the day in Montreal, and will leave that evening for New York. . . .

Federal-Provincial Agricultural Conference: Ottawa, Dec. 5 (CP) -- The annual Federal-Provincial Agricultural Conference opens here tomorrow.

. . . .  
Two national farm groups, the Canadian Federation of Agriculture and the International Farm Union Council, will gather with federal and provincial agriculture Ministers in a two-day study of outlook reports on Canada's multi-billion-dollar farm economy.

(over)

Major problems this year centre on the prairie crop failure, the decline in wheat prices, a huge pile-up of surplus butter and farm demands for an expansion of federal price support.

Annual Slaughter Of Buffalo: Fort Smith, N.W.T., Dec. 5 (CP) -- A dozen Cree Indians armed with high-powered service rifles station themselves around a hay-camp corral. Fifty-odd snaggy buffalo are herded into the pen to meet their executioners.

Thus continues the controlled annual slaughter of 600 of the 15,000 buffalo in North America's largest wildlife preserve - Wood Buffalo Park, a 17,300-acre tract straddling the boundary between Alberta and the Northwest Territories.

The killings are necessary. This northern herd, the world's largest, multiplies by roughly eight per cent each year. Marauding timber wolves can't fully cope with the herd decrease necessary for its own well-being.

The slaughter will provide Yuletide steaks for Montreal meat markets, poison wolf bait for northern trappers and clothing and food for Eskimos in danger of being by-passed by migrating caribou herds.

The most dangerous and thrilling task in the Government-supervised slaughter is the aerial roundup by Herdsman Pat Carey, who pilots a ski-equipped aircraft.

Release Of Sqdn. Ldr. MacKenzie: Hong Kong, Dec. 5 (CP) -- Sqdn. Ldr. A. R. (Andy) MacKenzie, 34, Montreal air ace shot down in the Korean war, reached Hong Kong today after two years' imprisonment in Red China. He told officials that some American war prisoners are being held at his former prison camp.

Across Canada: Charles McDonald, President of Local 200, United Automobile Workers (CIO-CCL), said Sunday at Windsor he will meet with representatives of the Ford Motor Company of Canada to try to settle a nine-week-old strike. . . . Workers at the Chrysler Corporation of Canada at Windsor Sunday gave their negotiating committee authority to call a strike vote to enforce demands for a wage increase. . . . A parachute instructor who saved a rookie's life in a training drop accident last July has been commended by Queen Elizabeth for "heroism and personal disregard for danger." Lieut. William C. Robertson, Saskatoon, grabbed a trainee's deflated chute after a collision in the air and made a safe landing without injury to himself or the student. . . . Five votes were called in the Quebec Legislative Assembly Friday in debate that saw Premier Duplessis invoke a rarely used Parliamentary rule to end a debate on an appropriation of \$5,000,000 for rural electrification.



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Vol. 5, No. 234

Tuesday, December 7, 1954.

Sovereignty Highest Hope, Says Chancellor Raab: Ottawa, Dec. 6 (CP) -- Chancellor Julius Raab of Austria said tonight Austrians want to be masters in their own house.

After 16 years of occupation by the Germans and by the Allies and Russia, Austria now wants only to press its economic reconstruction and foster friendly relations between itself and other countries.

Chancellor Raab spoke at a special convocation at Ottawa University where he received an honorary doctorate of laws.

"To abandon this country (Austria) to its fate would be to sin against the defence of freedom. We Austrians are convinced that in your freedom-loving land, too, we will find a sympathetic response to our quest for political sovereignty and independence," he said.

He said that Austrians have no more ardent wish than to see Austria's cultural treasures accessible to all peoples and countries.

"Once you realize, ladies and gentlemen, that there is in the heart of Europe a small, yet spirited and receptive nation whose people have always contributed and always will to the great spiritual and cultural progress of mankind, you may more readily understand why we Austrians persistently appeal to the conscience of the world to give this Austrian nation its full political freedom as well."

Mr. Raab referred to the Berlin conference earlier this year when Austria found it could not accept Russia's proposal that occupation troops remain in Austria even after the peace treaty was signed.

He said freedom may be abused and suppressed but it always will emerge with its aura of immortality.

"I am therefore firmly convinced that the day will come when we Austrians will have our freedom too," he said.

Withdrawal From Korea: Ottawa, Dec. 6 (CP) -- The last Canadian soldier probably will be out of Korea by next spring.

Under current Government plans the remainder of the 25th Canadian Infantry Brigade will be withdrawn from Korea early next year, it was learned authoritatively today.

No definite date for final withdrawal has been set but a Defence Department official said: "We expect that all Canadian troops will be out of Korea early next year and that we can clear Korea off our books..."

"It doesn't serve any military purpose to have a few hundred troops over there now that two-thirds of the brigade has been pulled out."

Even before the final withdrawal, the 25th Brigade is expected to pass into Canadian Army history. Brigade headquarters is scheduled to return to Canada before Christmas and it will be disbanded soon after, signalling the end of the 6,000-man fighting unit.

Brig. Frederick Clift, of Saskatoon, last Commander of the 25th Brigade, will leave Korea by air Thursday. He will become director-general of Army personnel at headquarters here. . . .

(over)

Mr. Marler On Seaway Plan: Montreal, Dec. 7 (Gazette) -- An all-Canadian seaway may become a reality within our lifetime but is certainly not practical at present, Transport Minister George C. Marler said in Montreal last night. He was delivering the fourth annual David Jassby Memorial lecture at Temple Emanu-El.

"Many Canadians would prefer to have a wholly Canadian deep waterway, but geography seems to make this difficult," he said.

"Our long-standing friendship with the American people makes it essential for us to approach the development of the waterway in a friendly spirit and to find a method of carrying out the work that is mutually satisfactory and acceptable."

He said Canada and the United States must proceed on a plan which will provide the greatest advantages to both countries.

"I think the present allocation of works in the International section is fair and equitable and that Canada's rights have been adequately safeguarded," he said.

Mr. Howe Urges Removal Of Trade Restrictions: Geneva, Dec. 6 (CP) -- Trade Minister Howe of Canada said today the removal of import restrictions is an essential condition for a secure and prosperous world economy.

Mr. Howe told the conference revising the General Agreement on Tariffs and Trade that all Governments "are tempted from time to time to pursue two self-contradictory goals: Unrestricted access to the markets of others, combined with freedom to keep out imports."

"We all know that such a policy would not be in the economic interests of any Government, even if it could be carried out." Quantitative and discriminatory trade restrictions should be eliminated as quickly as possible and the elaboration of new GATT trade rules with this aim was "the greatest single task" of the present conference. . . .

Across Canada: Mayor Whitton was reelected in Ottawa by a comfortable margin of votes. . . . Ald. Nathan Phillips defeated Mayor Saunders in Toronto for the mayoralty. . . . Dr. D. M. Stephens, President Engineering Institute of Canada said at Vancouver that Canadian universities are not producing enough engineers to keep pace with Canada's development, according to C.P. . . . The Canadian Polish Congress asked Mr. St. Laurent to speak out against Communist domination of Poland. Representatives of the Congress, representing 126 Polish organizations with a membership of 250,000 Canadians of Polish origin, talked with Mr. St. Laurent and asked for a sympathetic voice toward Poland. . . . More than 1,300 Canadian soldiers returning from Korea will arrive at Seattle, Wash., Saturday aboard the United States troopship General J. Pope, the army said.

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Wednesday, December 8, 1954.

CBC Shows TV System Surplus Of \$5,283,000: Ottawa, Dec. 7 (Journal) -- The CBC report for 1953-54 today showed a television system surplus of \$5,283,000 but gave warning that revenues cannot be expected to meet the main costs of producing national television programmes and distributing them.

The surplus was said to be largely due to the system of providing operating revenues to CBC from excise taxes on receiving sets.

Revenues were large in the year because of the number of Canadians who bought television sets but this income probably would decline. At the same time, operating costs "will inevitably rise steeply as the system spreads across the country and as programme production develops".

When the old system of licence fees for radio sets was in operation, revenues had a relation to the number of sets in use. Now while the CBC expects commercial revenues in television to develop considerably, it also anticipates that such revenues will not meet the main costs of production and distribution.

The surplus for the sound broadcasting and common services was \$1,283,895, making a total surplus of \$6,567,862.

Payments from the Federal Government for sound broadcasting were \$11,306,745 and for television \$11,703,149. The largest individual outlays were for programmes - \$7,575,176 for sound and \$4,128,139 for television.

The television surplus will be applied to the financing of capital projects now under way. The sound surplus will be used for replacements.

Chancellor Raab Confers With Ministers: Ottawa, Dec. 7 (CP) -- Austrian Chancellor Julius Raab got down to one of the fundamentals of trade today by visiting a super-market. He looked over carefully what the grocerteria had to offer. A few hours later, he conferred with Mr. Fred Bull, Deputy Trade Minister.

Trade was believed to have ranked high among the topics of conversations between the Chancellor and various Canadian Government officials.

Austria imported \$5,000,000 worth of goods from Canada last year and sold \$3,000,000 worth to this country.

Dr. Raab also conferred with Prime Minister St. Laurent for an hour and met separately with acting External Affairs Minister Martin and Immigration Minister Pickersgill.

Wheat Carry-over: Edmonton, Dec. 6 (CP) -- The Chief Commissioner of the Canadian Wheat Board said today it will not be possible to dispose of the entire wheat surplus in the present crop year although there'll be a reduction in farm carry-over.

Here to address the annual convention of the Farmers' Union of Alberta, Mr. George McIvor of Winnipeg said in an interview "we expect that deliveries will take practically all the surplus wheat off the farms this year and all the surplus oats and barley, including carry-over and the new crop."

He said latest reports show 338,000,000 bushels of wheat in elevators and 350,000,000 on farms.

(over)

Women's Rights Measure In Quebec Legislature: Quebec, Dec. 7 (CP) -- The Legislative Assembly unanimously passed today the bill introduced by Mr. Lionel Ross (L-Montreal-Verdun) respecting the legal status of women in the Province of Quebec. Mr. Ross' bill would abolish an old principle of French law preserved in Quebec's Civil Code, and places married men and women on an equal footing with regards to grounds for separation. The bill now goes to the Legislative Council for discussion.

Mr. Ross, who introduced the measure with Premier Duplessis' support and the support of Liberal Leader Lapalme, said the Quebec Civil Code had preserved 18th and 19th century notions that married women were legally incapable of giving valid consent in ordinary transactions. French jurists of the period believed woman's inferiority to man was part natural law and the provisions were incorporated into the Quebec Civil Code in 1867. . . .

Mr. Drew Expected To Leave Hospital Today: Ottawa, Dec. 7 (CP) -- Opposition Leader Drew is expected to return home from hospital tomorrow but he won't be permitted to receive visitors for some weeks.

The Progressive Conservative Leader entered hospital Nov. 11, following his return to Ottawa by plane from London, Ont., suffering from a meningitis infection.

A statement by his physician, Dr. H.T.C. Whitley, issued by Conservative Party Headquarters, said Mr. Drew likely will leave hospital at noon.

Dr. Whitley said Mr. Drew will be confined to his home for the first part of his convalescence but will be able to spend part of the day out of bed. If he continued to make good progress he would be permitted to take short walks in about a week.

RCAF Seeking Engineering Officers: Ottawa, Dec. 6 (CP) -- The RCAF opened a campaign today to attract engineering officers from Canadian universities.

Air Force Headquarters said a team of RCAF technical officers began at Nova Scotia Technical College at Halifax, a series of lectures that will take them across the country.

They are addressing final-year science and engineering students on the work done by RCAF engineering officers.

A headquarters spokesman said the main object is to attract such students into the Air Force. The RCAF already has an air crew educational programme under way in universities by which an air crew recruit gets university tuition.

Across Canada: The expected arrival of a troopship with 1,300 Canadian soldiers returning from Korea has been set back two days until Dec. 13, the Army said. . . . The Ontario Department of Health's mass-survey X-ray units on Tuesday completed their 3,000,000th free X-ray in the fight against tuberculosis. . . . Two per cent more foreign travelers entered Canada by rail, bus, boat and plane in the first nine months this year than in 1953, the Bureau of Statistics reported. . . . A civilian aircraft hangar and 25 planes at Calgary's Municipal Airport burned to the ground Monday night in a \$2,500,000 blaze.



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Vol. 5, No. 236

Thursday, December 9, 1954.

Jailing Of U.S. Fliers Violates Truce, Says Mr. Pearson: United Nations, N.Y., Dec. 8 (CP) -- Mr. Pearson today accused Red China of violating not only the Korean armistice but "our deepest humanitarian instincts" in jailing 11 U.S. fliers as spies.

He addressed the General Assembly asking that it agree to consider a resolution sponsored by the Korean allies seeking the release of the fliers and all other UN personnel of the Korean war still detained.

The General Assembly voted 48 to 5 (Soviet bloc) to place the complaint on its agenda after hearing Mr. Pearson, U.S. delegate Henry Cabot Lodge and Britain's Anthony Nutting argue for inscription of the item. Russia, Poland and Czechoslovakia argued against inscription.

Following the vote on inscription, the Assembly then voted 44 to 5 (Soviet bloc) to begin the debate at once without adjourning and without the usual committee action.

Mr. Pearson said the resolution results from the feeling that the case of the prisoners "is a challenge to our deepest convictions as to the rights of human beings."

The leader of Canada's UN Delegation answered a Russian argument that Red China was not a belligerent in the Korean war and hence not bound by the armistice agreement.

He recalled that Red China's Premier and Foreign Minister, Chou En-lai, made proposals at the Geneva Conference on Korea involving the withdrawal of foreign forces of both sides from Korea. . . .

Chancellor Raab In Montreal: Montreal, Dec. 9 (Gazette) -- Chancellor Julius Raab of Austria, paying a one-day visit to Montreal as guest of the Canadian Council of the International Chamber of Commerce, said at City Hall yesterday that he is "fully in favour of asking Russia for a state treaty with Austria."

The Chancellor signed the Golden Book at City Hall, flanked by Mayor Drapeau. He said he had received a "wonderful" impression of his city, "a symbol of two well-blended cultures of Europe and America."

Speaking in German, Chancellor Raab said he heartily approved a move by French Premier Mendes-France, who was reported to have asked Russia yesterday to grant Austria a state treaty.

"Do you think Russia will grant such a treaty?" Chancellor Raab was asked.

"One never knows," he said. "This is something like the weather, but if Russia should grant my country such a treaty, my people would welcome it."

Mr. Raab said Austria was busy rebuilding its industries and cities, still suffering from the damages of war.

Report Rail Unions To Ask New Disputes Board: Ottawa, Dec. 8 (CP) -- A new legislative deal for handling railway-union contract disputes - which have produced one general strike and a series of crises in recent years - likely will be proposed soon by the major unions.

The proposals, informants say, will involve lifting the railways' troubled industrial relations out of the normal scope of existing federal legislation and setting up a special category for an industry in which a strike hamstring the country's economy.

(over)

The unions' suggestions, still not completely formed, will emerge from a meeting early in the new year of the general conference committee of the railway unions. The session of the 105-man committee will open Jan. 5 at Montreal.

The committee includes representatives, not only of the 145,000 non-operating employees who threatened to strike last summer for fringe benefits, but three of the four running-trades unions with about 40,000 members.

.....

Speed Trans-Canada Highway: Ottawa, Dec. 8 (CP) -- The federal Government has appealed to provinces to speed Trans-Canada Highway construction partly as a means to meet the threat of unemployment, it was learned authoritatively tonight.

Works Minister Winters is understood to have made the appeal in letters to provincial highway Ministers in all provinces except Quebec, which did not enter the federal-provincial Trans-Canada Highway agreement in 1949.

Mr. Winters is said to have added that at this time when provincial and federal Governments want to achieve a high level of employment, it would appear that the Trans-Canada Highway was a worth-while project to be pushed ahead.

Canadian International Paper Co. Expansion: Quebec, Dec. 8 (Gazette) -- Premier Duplessis tonight announced that a \$15,000,000 expansion programme will be undertaken by the Canadian International Paper Co. at La Tuque and that work on the project will be started immediately.

The Canadian International Paper Co., the Premier said, recently acquired the Canadian interests of the Brown Corporation, which included the Brown mill at La Tuque.

"The Company," the Premier declared, "intends to undertake a programme of expansion and renovation that will improve the capacity of the mill and modernize its equipment."

Embassy Of Haiti Opened: (Press Release No. 87, Dec. 8) -- The Embassy of Haiti in Canada was formally opened December 8 when Mr. Martial Petrus presented his credentials as Chargé d'Affaires ad interim to the Under-Secretary of State for External Affairs, Mr. Jules Léger. Mr. Petrus, who has the rank Minister-Counsellor, will head the Embassy pending the accreditation of the Ambassador designate, Mr. Jacques Léger.

Mr. Pearson, Mr. Campney To Paris: Ottawa, Dec. 8 (CP) -- Defence Minister Campney, accompanied by Mr. Pearson, will attend the ministerial meeting of the North Atlantic Council at Paris this month - his first since he became Defence Minister last summer. The two Ministers will leave Ottawa by air next Tuesday to attend the Paris meetings December 17.

Across Canada: Appointment of Mr. George B. Clark, 46, as Deputy Fisheries Minister was announced last night. Assistant Deputy Fisheries Minister since 1950, he succeeds Mr. Stewart Bates, recently named President of the Government's Central Mortgage and Housing Corporation. . . . Bernard Keble Sandwell, 78, celebrated Canadian editor-economist, lecturer and wit, died in Toronto yesterday. . . . George Frederic Sanderson, former Deputy Speaker of the House of Commons where he sat for the Ontario constituency of Perth, died yesterday at London, Ont., at the age of 85.



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Vol. 5, No. 237

Friday, December 10, 1954.

Mr. Martin On Canada-US Trade: Ann Arbor, Mich., Dec. 9 (CP) -- The Minister of National Health and Welfare, Mr. Martin, tonight warned against the possibility that trade relations between Canada and the United States might become "a closed corporation."

"In our efforts to work out better trading relations with one another we should not do so at the expense of other nations with which each of us must trade," he said in a speech before a study conference of the Michigan Bankers Association.

"We must not and cannot disregard the welfare of our friends abroad, for no nation can long remain prosperous in a bankrupt world.

"In this international world, if the United States or Canada were to pursue policies which would adversely affect the interests of other free countries, our own common interests would eventually be imperilled as well."

Referring to trade across the Canada-U.S. border, Mr. Martin said:

"For every football player who heads north, we sent two hockey players to liven things up in the National Hockey League. We just wish that we could maintain the same favourable trading balance in respect to other commodities."

He said trade relations between the two countries generally have been satisfactory, but Canada through other foreign markets found itself becoming immune to the results of economic disturbances in the U.S.

1955 Farm Immigrants Need: Ottawa, Dec. 10 (Dept. of Labour) -- The 12th Federal-Provincial Farm Labour Conference opened in Ottawa, December 9 with delegates from the federal and provincial Governments, and observers from the United Kingdom, United States, German and Netherlands Governments, the International Labour Organization, the Canadian Federation of Agriculture, the Canadian National Railways, and other interested organizations in attendance.

The delegates were welcomed to the meeting by the Minister of Labour, Mr. Gregg, who thanked them for the valuable work they were doing.

The Deputy Minister of Labour, Mr. A. H. Brown, said that following the discussions at last year's conference the standards of selection for immigrant farm workers had been raised from the point of view of the extent of their farm experience and suitability for work in agriculture in Canada. This resulted, he said, in some reduction in the number of immigrant farm workers who came to this country in the current year. He told the meeting that there might be increasing difficulty in the coming year in getting an adequate supply of the types of immigrants from Europe that were required for farm labour in Canada, which would necessitate greater emphasis being placed on domestic farm labour recruitment.

Dr. H. H. Hannam, President of the Canadian Federation of Agriculture, said it was expected that the demands for farm workers in Canada would be as great, if not a little greater, next year than they had been in 1954. He said also that there might be a slight increase in the number of immigrants needed in 1955 for work on Canadian farms.

(over)

700 Scientists And Service Officers Meet: Ottawa, Dec. 7 (ND) -- Scientific activities in the Canadian north are featuring the Defence Research Board's sixth annual symposium being held December 8 - 10 at the Chateau Laurier Hotel in Ottawa.

An estimated 700 Canadian scientists and Service officers, augmented by 80 interested visitors in similar fields from the United Kingdom and the United States, are attending the series of closed sessions.

Most of the 43 papers to be presented by scientists from the Board's 11 nation-wide laboratories relate to research in the north. Typical are presentations on improved northern transportation and communications and the maintenance of the health and comfort of troops operating under extreme conditions.

In addition to providing staff members and Canadian service officers with detailed overall information on the Board's activities, the symposium affords the scientists with an opportunity to present the results of their classified investigations to interested scientists from the tripartite countries. The symposia have proved also especially useful in promoting the exchange of scientific information between the countries concerned.

United Nations Association: Ottawa, Dec. 9 (CP) -- The 4,000-member United Nations Association in Canada has pulled out of the 30-nation World Federation of UN Associations, it was learned today.

A spokesman for the Canadian group said main reason for the withdrawal is insistence by the World Federation on reaching unanimous decisions. This had led to extraordinary concessions to the Communist point of view because the Federation includes associations from five Communist-controlled countries. Russia is not one of them.

The spokesman said the Federation's desire to achieve political unanimity was unrealistic and resulted in nonsense or dangerous propaganda.

The Canadian Association feels, the spokesman said, that the Federation has tried to become a duplicate of the UN and spends its time discussing questions and making decisions which only governments can deal with.

"Only the votes of Government decide what the UN will do and we feel the influence of the Canadian Association should be applied to the Canadian Government."

Across Canada: Brig. F. A. Clift of Melfort, Sask., said on his return from Korea yesterday that Canada is not planning to pull all her troops out of that country, CP reported from Vancouver. . . . The Legislative Assembly yesterday approved by a vote of 53 to 17 a Government bill authorizing public works loans up to \$20,000,000 as a first step toward the establishment of new mental hospitals in Montreal and Sherbrooke. . . . After two years imprisonment in Red China, S/L Andrew R. MacKenzie was united with his wife and family at Vancouver yesterday.



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Vol. 5, No. 238

Monday, December 13, 1954.

Canada Rejects Soviet Charges: United Nations, N.Y., Dec. 10 (CP) -- Canada today attacked as "wanton and reckless" Russian charges of United States aggression against Red China and said such charges should be rejected as "malicious concoctions."

Mr. G. D. Weaver, member of Parliament for Churchill and UN delegate, said the Canadian and many other delegations regretted "that the Soviet Union should once more have inflicted on the United Nations a sterile and mischievous discussion of this sort."

Mr. Weaver spoke in the Assembly's special political committee that later rejected a Russian resolution seeking UN condemnation of the U.S. "acts of aggression and piratical attacks" in the area of the China seas.

The vote was 5 (Soviet bloc) in favour, 39 against and 7 abstentions.

"Surely it must be clear to the Soviet authorities," Mr. Weaver said, "that if they wished their avowed interest in better international relations to be taken seriously, they should have denied themselves whatever satisfaction they expect to get from this exercise of cold war vilification."

Mr. Weaver said that if there was any doubt as to who really threatens peace in the Far East, it would be dispelled by the statement by Soviet Delegate Arkady Sobolev.

No Major Breach Of Indo-China Armistice: Ottawa, Dec. 10 (CP) -- Neither Communist North Viet Nam nor anti-Communist South Viet Nam has committed any major breach of the Indo-China armistice, a Canadian official indicated today.

Mr. R. M. Macdonnell, Assistant Under-Secretary for External Affairs and until recently Canadian Commissioner for Cambodia, said that under the Geneva truce terms any major breach of the armistice was to be reported to the Geneva conference powers if the international truce supervisory commission was satisfied that there had been a breach.

No such reports have been made to the Geneva conference powers, he told a press conference.

Mr. Pearson at the same time told reporters:

1. The Government wants to bring the remaining Canadian troops home from Korea "as soon as we can" but that no definite date for final withdrawal has been set.

2. Canada will withdraw from the Indo-China Truce Commission if it feels the Commission's work is being stymied. However, there was no present intention of withdrawing.

3. He and Prime Minister St. Laurent sent a telegram of encouragement last week to Prime Minister Nehru of India, who has attempted to obtain the release of 11 American fliers imprisoned by Red China on charges of spying. New Delhi reports said India has been rebuffed by China.

4. About another 15 Canadians will be needed in Indo-China to serve on the truce teams with the Indians and Poles. There now are between 150 and 160 Canadians in Indo-China.

5. He plans to have a talk Monday with Sqdn. Ldr. Andy MacKenzie of Montreal, released last Sunday by the Chinese Communists after being held for two years as a prisoner-of-war.

(over)

Wheat Leads Decline In Exports: Ottawa, Dec. 10 (Globe & Mail) -- Due mainly to a sharp contraction of wheat sales, Canada's export suffered a marked decline both in October and over the first 10 months of this year, according to figures made public today.

At \$311,700,000, October exports were 9 per cent below October, 1953. The total for the 10 months, January-October, was \$3,128,300,000 or 8.2 per cent under the previous year. The October sales abroad were 6.4 per cent smaller in volume and 3 per cent less in price than in the comparable month of 1953. On the 10 months, volume fell by 5.7 per cent and value by 2.7 per cent.

The decrease was more or less general in respect of all world areas. Only exports to the Commonwealth countries, other than Britain, and to Italy, The Netherlands and Yugoslavia showed increases in October, all others declining.

Over the 10 months, the only countries to boost their buying of Canadian goods were Australia, New Zealand, Brazil, Cuba, Columbia, France, Norway, West Germany, Israel, the Philippines and Turkey.

Olympic Team Will Be Cut: Vancouver, Dec. 10 (CP) -- Canada's team for the 1956 Olympics will have fewer members, but a larger budget to work on, it was reported here today in the current edition of the Canadian Olympic Bulletin.

For the Melbourne Games Canada will have 87 competitors against 113 in the 1952 Helsinki games. The biggest cuts will be in track and field, canoeing, rowing and yachting.

There will be only 18 track and field athletes, including six women, compared with 23 in 1952.

U.S. Legion Of Merit To Brig. Allard: Ottawa, Dec. 10 (CP) -- President Eisenhower has awarded the United States Legion of Merit to Brig. Jean Allard of Quebec for service in Korea, the Army announced today.

The award was given for Brig. Allard's leadership as Commander of the 25th Canadian Infantry Brigade from April, 1953, to June, 1954.

The citation commends him for "exceptionally meritorious service - evincing forceful leadership and aggressiveness" during sustained combat operations.

Across Canada: The Canadian Automobile Association on Friday asked the Government to remove the 15 per cent excise tax on automobiles. . . . The Government has proclaimed the Disabled Persons Allowance Act to take effect Jan. 1, a special edition of the Canada Gazette reported Saturday. Eight provinces - all except Quebec and Prince Edward Island - have signified their intention of entering into an agreement with the Federal Government to pay \$40 a month allowances to totally and permanently disabled persons. . . . Capital inflow to Canada for direct investment totalled \$220,000,000 in the first three quarters of 1954, a reduction of 6.8 per cent from \$29,000,000 in the like 1953 period, according to the quarterly official report on balance of payments. Of these funds, most of which came from the United States, the Bureau of Statistics estimates that 60 per cent was destined for the oil industry, 30 per cent for mining and the balance for manufacturing and other undertakings. . . . Two shipments of ammunition will be sent to the Turkish Army later this month under NATO's mutual aid programme, the Army said. . . . Maj. Gen. Howard Kennedy, chairman of the Federal District Commission, said he will attend a meeting in Toronto Monday to discuss federal-provincial-municipal participation in a proposed \$14,500,000 expressway across Ottawa. . . . A \$15,000,000 expansion programme will make Toronto General Hospital the biggest on the North American Continent, Mr. H. M. Turner, Chairman of the hospital's building committee said.



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## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
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OTTAWA - CANADA

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Vol. 5, No. 239

Tuesday, December 14, 1954.

\$26.4 Million For Colombo Plan: (Press Release No. 89, Dec. 13) -- The Department of External Affairs announced on December 13 that the Government has decided to ask Parliament to make available \$26.4 million for Colombo Plan purposes during the fiscal year 1955-56. This represents an increase of \$1 million over the amount approved by Parliament for use in the current year.

In the past capital aid and technical assistance have been provided to India, Pakistan and Ceylon and a limited amount of technical assistance to other member countries in the area. If this vote is approved it will permit the expansion of technical assistance being provided by Canada to the countries of South and Southeast Asia and the investigation of other projects which might be suitable for development in future years. This proposed vote would bring the total of Canadian assistance made available since the beginning of the Plan to \$128.4 million.

The Canadian Government reviews periodically the nature and extent of the assistance it might appropriately provide under the Colombo Plan.

During the coming year member governments of the Colombo Plan will give consideration to the future of the Plan after June 30, 1957, which is the end of the period referred to in the first Colombo Plan Report prepared at the 1950 Meeting in London. Such consideration will, of course, include the question of the amount of future contributions.

Yukon Development: Edmonton, Dec. 13 (CP) -- Federal and territorial authorities are planning a \$4,250,000 building programme in the Yukon, it was learned today.

Government Departments involved in the development programme included the Yukon territorial Government, and the federal Departments of Defense, Northern Affairs, Resources, and Health and Welfare. Most of the projects still are in the planning stage.

Foremost on the programme is a 120-bed hospital at Whitehorse, Capital of the Yukon. Construction of the \$300,000 hospital is expected to start next spring and be completed by the end of 1956.

A \$750,000 steel bridge will be built across the Yukon River at Whitehorse. Its purpose will be to develop the potential townsite on the river's opposite side where the new hospital will be built. Work is expected to start next spring and be completed by the end of 1956.

The army plans construction of permanent quarters for married personnel. Also planned are three barracks blocks, an ordnance building, central heating plant and new sewer mains.

The RCAF is building 204 units for married personnel.

Gas Pipe Line From Peace River: Vancouver, Dec. 13 (CP) -- Premier Bennett announced here late today that an agreement has been signed for construction of a natural gas pipeline from the Peace River area through British Columbia to the U.S. border.

The statement from the Premier said an agreement was signed at Tulsa, Okla., during the day.

Principals are Frank McMahon of Westcoast Transmission, Ray Fish of Pacific Northwest Pipeline Corp., New York, and Paul Kaiser of El Paso Natural Gas Co.

(Over)

The contract calls for an initial capacity of 300,000,000 cubic feet a day. Construction of the pipeline will start as early as possible in 1955.

Westcoast Transmission will withdraw its appeal against the U.S. Federal Power Commission's order to allow Pacific Northwest Pipeline to serve the Northwest states from points in the United States.

The statement said Canadian labour and materials will be used where possible.

1300 Soldiers Arrive From Korea: Seattle, Dec. 13 (CP) -- Thirteen hundred Canadian soldiers who served in Korea and Japan with the 25th Infantry Brigade returned here today, bound for their homes and Christmas leave.

They landed from the U.S. Navy transport Gen. John Pope, which also carried 1,900 U.S. Army officers and men.

It was the largest draft to date in the current movement which will see two-thirds of the 6,000-man force home for Christmas.

Ford Peace Talks Collapse: Windsor, Dec. 13 (Globe & Mail) -- Resistance by Ford of Canada and leaders of the striking CIO United Auto Workers brought collapse in less than two hours today to the peace talks initiated by Labour Minister Daley.

Shortly before Mr. Daley and his chief conciliation officer, Louis Fine, left Windsor by airplane tonight, the Labour Minister announced that his Department will not again enter the 64-day-old strike unless one side asks for intervention.

Across Canada: An official of the Ontario Hurricane Relief Fund said in Toronto yesterday the fund has had to borrow eight social workers from the United States because there aren't enough of them in Canada. . . . Canada's natural disasters of fire, flood and hurricane are being studied by a group of civil defence experts from across the country. The study opened a three-day meeting at the civil defence training school at Arnprior. . . . The CPR and CNR asked the Board of Transport Commissioners to give them back the right to decide rates for commuter service. . . . Federal, provincial and civic Governments yesterday agreed to build a \$15,000,000 thoroughway across the city of Ottawa, C.P. reported from Toronto. . . . The Saskatchewan Federation of Labour (CCL) which claims a membership of 11,000 renewed its request for a 40-hour, five-day week without loss in take-home pay, C.P. reported from Regina. . . . A proposed salary increase of \$400 annually for all Toronto elementary and secondary school teachers was unanimously approved by Board of Education's Finance Committee yesterday, the Globe and Mail reported.



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Vol. 5, No. 240

Wednesday, December 15, 1954.

Report Says Colombo Plan Problems Serious: Ottawa, Dec. 14 (CP) -- The third annual report on the Colombo Plan, issued today, says the financial problems of the recipient countries, relative to their development needs are "most serious."

The consultative committee of the 17-nation plan for co-operative development in South and Southeast Asia met here in October. Canada has contributed \$25,400,000 a year to the plan for the last four years and intends to give \$26,400,000 next year.

"While progress can be reported in many particular respects. . . . on balance it appears that the gap between the estimated costs of firm development programmes and foreseeable available financial resources is widening rather than narrowing," the report says.

"New private investment has been small. In fact, in some countries there has been some net disinvestment (withdrawal) of private foreign capital."

The report was not all gloomy. It said that during the last year most Asian countries participating in the plan appreciably increased the volume of output in all the main fields of economic activity and expanded their social services.

"The larger output of foodstuffs was due partially to favourable seasons, but there is no doubt that in all fields, including agriculture, much of the improvement is attributable to the progress made with the development programmes."

At another point, the report says: "It is true that the basic development, especially in some countries, has been slower than is needed to achieve the objects of the plan. Nevertheless in some directions, and notably in food production, the improvement during the last year has been substantial."

U. Of T. President On Canada-US Relations: Providence, R.I., Dec. 14

(Toronto Globe & Mail) -- Newspapers have paid too much attention to stupid pronouncements by Americans, Dr. Sydney Smith, President of the University of Toronto, said here today. This, he told a meeting of the British Empire Club, was one of the reasons for misunderstandings between Canada and the U.S.

Another was the stage of "somewhat adolescent mentality," which he said Canada has been going through. "Canadians have been oversensitive to being belittled, criticized or ignored," said Dr. Smith.

The U.S. had abandoned isolationism and taken on a thankless task of leadership. At the same time, Canada had become one of the Middle Powers and had not allowed her foreign policy to be a mere reflection of either the U.S. or the U.K.

"Relations between Canada and the U.S have never been so close as they are now - and never so complicated and difficult," Dr. Smith told the club, which was commemorating the death of George Washington and the birth of George VI.

N.Y. Canada House To Cost Taxpayer Nothing: Montreal, Dec. 15 (Gazette) -- A \$3,000,000 "Canada House" "to symbolize the Canadian spirit of self-reliance" will be built in New York without any cost to the taxpayers of Canada, Hon. Ray Lawson, Consul General in New York, said here yes-

terday.

Mr. Lawson told the Rotary Club he had joined 29 other Canadians in investing \$100,000 each to build the centre in the United States metropolis.

The proposed centre will house all Canadian Government offices in the city, and all Canadian societies and private businesses now operating in New York. Most of these institutions are now scattered throughout Manhattan.

"It will be a great showplace for Canada," Mr. Lawson said. "We plan to make the building self liquidating and no profit will accrue to any individual."

Mr. Lawson said that when the centre is paid for and those who have invested have got their money back, the building will be turned over to the Canadian people without cost.

S/L MacKenzie Offered "Thousands" For Story: Ottawa, Dec. 14 (CP) -- Sqdn.

Ldr. Andy MacKenzie, of Montreal, has been offered thousands of dollars for the story of his two-year imprisonment by the Chinese Communists, it was learned tonight.

His wife, Joyce, has also been offered money for the letters her husband wrote her from a Communist prisoner-of-war camp. The offers come from different Canadian and American publications. The highest bid so far to Sqdn. Ldr. MacKenzie himself is believed to be \$10,000.

Mr. MacKenzie, who was flown back to Montreal late today after interrogation by intelligence officers and a physical examination, has accepted none of the offers, at least so far.

Preservation Of Niagara Falls: Niagara Falls, N.Y., Dec. 13 (AP) -- The In-

ternational Niagara Board of Control today approved the removal of a coffer dam for the completion of the first stage of the big erosion control project being performed on Niagara Falls by the United States Army Engineers.

The project is aimed at spreading the flow of water over the brink of the falls to control erosion and preserve the beauty of the cataract.

The first phase of the project involved building a big coffer dam to divert a tremendous volume of water toward the west side of the Canadian Horseshoe Falls.

The dam will now be removed and tons of rock taken from the river bed above the falls will be used to construct an improved observation area at Terrapin Point. That's the second phase of the project.

Across Canada: Railcar loadings rose 18 per cent in the last nine days of

November, the first increase over comparable 1953 totals since last April. However, the total for the first 11 months of 1954 was still down 8.2 per cent from 1953, the Bureau of Statistics reported. . . . Six workmen were injured yesterday, one critically, as a demolition crew neared the end of its task of ripping out the ornate interior of Canada's Gothic Parliamentary Library damaged by fire in 1952. . . . Leaders of the CIO United Auto Workers were laying ambitious plans at Windsor to build up a war chest big enough to tide Ford of Canada strikers over Christmas and well into the new year, The Globe & Mail reported. . . . Toronto high school teachers' representatives yesterday turned down Board of Education's offer of an across-the-board increase in salary of \$400 annually and asked for \$600 next year and increased increments until the maximums for teachers reach \$1,000 above their present level, The Globe & Mail also reported.

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Thursday, December 16, 1954.

Estimate Drop Of 2 P.C. In 1954 National Product: Ottawa, Dec. 16 (Montreal Gazette) -- The Dominion Bureau of Statistics yesterday estimated that the value of Canada's national production for 1954 will drop by about \$500,000,000 from last year's record \$24,350,000,000, but the value of output will still be the second highest in history.

It said the two per cent decline would be caused entirely by lower crop outputs and would be the first drop in nine years in the gross national product. The Bureau's estimate was based on figures for the first nine months of 1954.

Manufacturing output also dropped during the first nine months of this year, although over-all non-farm production appeared to be leveling off after a slight recession during fall and winter last year.

The industries showing declines were those dealing with iron and steel products, transportation equipment, electrical apparatus and supplies, clothing and textiles. But these industries have shown signs of strengthening and other industries have increased production.

Looking over economic trends, the Bureau came up with these other estimates:

1. Consumer spending, if continued in the last three months at the nine-month rate, would rise to a record \$15,500,000,000 from last year's \$15,000,000,000.

2. Spending on new houses would increase to a peak \$1,109,000,000 from \$1,021,000,000 last year.

3. Spending on new institutional and commercial construction, new machinery and equipment and Government spending on goods and services would decline.

Another significant trend which showed up in 1954 was the decision by business men to cut down their inventories or stocks on shelves.

Consumer spending was sustained and strengthened by high labour income. Though the number of unemployed increased in 1954, many persons with jobs apparently got higher pay. Labour income in the third quarter was running at an annual rate of a record \$11,960,000,000, up from last year's total of \$11,661,000,000.

Businessmen Predict Upturn: Montreal, Dec. 16 (Montreal Gazette) -- A panel of Canadian businessmen and economists last night predicted a five per cent increase in the level of Canadian business activity in 1955.

The experts voiced their opinion at the annual business outlook meeting of the Montreal Branch of the American Marketing Association. They said that "the opportunity for better business in Canada is certainly present."

"Aggressive, intelligent and resourceful selling could make 1955 the biggest year in Canadian business history."

The consensus was that automobile sales and heavy equipment industry would fare better next year while appliances sales would probably not change much.

It was felt that business activity in the United States would be slightly higher next year. The group thought that the fourth quarter recovery there would extend well through the first half of 1955 and should supply a sound prop to the free world economy.

(over)

The panel, chaired by Mr. E. W. Kierans, Director of the McGill University School of Commerce, included: Mr. Monteath Douglas, Director of the Canadian office of the National Industrial Conference Board; Mr. J. R. Petrie, Economist for Jones Heward Company; Mr. Howard Gamble, Editor of The Canadian Business Magazine; Mr. J. H. Ranahan, Vice-President and General Manager of the Industrial Acceptance Corporation; and Mr. W. A. D. Murray, Assistant Merchandising Manager for the Henry Morgan Company.

Two Provinces Break Oil Records: Regina, Dec. 15 (CP) -- Oil companies operating in Saskatchewan and Manitoba shattered all production records in the first nine months of 1954.

Results of an independent survey showed records broken in drilling, oil and natural gas production and refining.

The success ratio of wildcat ventures was low and has caused some pessimism by operators, but overall operations, particularly in Saskatchewan, may have counter-balanced this in the quantity and quality of oil produced, the increase in reserves and the approach of regular markets.

Marketing facilities, one of the problems holding back Saskatchewan and Manitoba oil production, improved with construction of new pipelines and expansion and construction of refineries.

Drilling activity in both provinces increased by 10 per cent in the nine months, resulting in completion of 746 ventures, 13 of them natural gas wells. There were 554 wells drilled in Saskatchewan and 192 in Manitoba.

Some operators had a success ratio as low as one producer in 62 holes. But the picture was brighter than indicated with 25 discoveries, including 15 oil and 10 natural gas wells, out of 308 wildcats, equal to one producer for every 12 holes drilled.

Six discoveries were recorded of 61 wildcats in Manitoba. All were light oil strikes. Some were extensions of proven fields and others established new fields.

Saskatchewan discoveries included nine new oil finds and 10 natural gas. The most important strike was made near Frobisher in Southeastern Saskatchewan. Production figures zoomed in both Provinces.

In Saskatchewan, cumulative production to the end of September climbed to more than 3,550,000 barrels, nearly double production in the same period of 1953. Cumulative production increased in Manitoba to 1,419,000 barrels from nearly 360,000.

Across Canada: The Board of Transport Commissioners heard a warning yesterday that if the railways get a 100 per cent increase in Montreal area commuter fares and put it into effect they'll be pricing themselves right out of the commuter traffic market in that region. The warning came from Mr. Armand Poupart and Mr. Jacques Viau of Montreal, Joint Counsel for 26 suburban Montreal communities and 40,000 rail commuters. . . . The Quebec Legislative Assembly was set to adjourn Thursday for the Christmas holidays after it adopted unanimously the Government measure authorizing Quebec to enter into an agreement with Ottawa for the payment of monthly pensions to invalids, the Montreal Gazette reported. . . . A federal grant of \$477,000 to pay half the cost of Ontario's cancer-fighting programme in the 1954-55 fiscal year was announced yesterday. . . . More than 1,300 applications for assistance have been received by the Hurricane Homes and Assistance Board which set yesterday as the deadline for requests from individuals whose properties were lost or damaged in the flood disaster two months ago, the Toronto Globe and Mail reports.



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Vol. 5, No. 242

Friday, December 17, 1954.

Consider Televising Opening Of Parliament: Ottawa, Dec. 16 (Globe & Mail) --

A decision as to whether the opening of Parliament on Jan. 7 will be shown on CBC television may be made within a few days.

If it is technically possible to televise the proceedings in the Senate chamber on opening day, the decision as to whether the CBC should be given the necessary permission to record the scene will lie with Governor General Massey and the Speaker of the Senate.

Interviewed at the close of a Cabinet meeting which lasted four hours and a quarter, Mr. St. Laurent said today that the responsibility for televising the opening lay with the Senate. Mr. St. Laurent expressed no opinion as to whether he personally favoured the TV show.

1955 Wheat Price: Ottawa, Dec. 16 (CP) -- Canada will maintain the current price line on wheat in 1955, a Trade Department spokesman said today.

The spokesman said there will be no price retreat, though there may be changes in world supplies and market conditions.

He was commenting on a London dispatch which quoted the International Wheat Council as warning there may be a "disastrous break" in wheat prices unless exporting countries can work off surpluses in an orderly way.

Expressing surprise at the nature of the council's report, he said there is no indication of any "disastrous break" in prices.

The Wheat Council is the central office administering the 46-country International Wheat Agreement of which Canada is a member.

Support For Railways' Agreed Charges Plan: Ottawa, Dec. 16 (CP) -- British Columbia and Manitoba today gave partial support to a proposed CPR-CNR formula to give Canadian railways greater freedom to make agreed charge contracts with shippers.

The two Provinces also urged the repeal of federal legislation enacted in 1951 to give Alberta points a share in low trans-continental freight rates.

The suggestions of the two Provinces were placed before a Royal Commission investigating the agreed charge method of setting freight rates. Spokesmen were Mr. C. W. Brazier, counsel for B.C., and Mr. C. D. Shepard, counsel for Manitoba. Agreed charges are special low contract rates given by the railways in return for a guaranteed percentage of a shipper's business.

Biggest Housing Year: Ottawa, Dec. 16 (Globe & Mail) -- This has been the highest year since the end of the Second World War for the construction of housing in Canada.

The number of houses started between Jan. 1 and Oct. 31, the last date for which figures are available, was 97,424. This was only 5,000 fewer than were started in the full 12 months last year.

If the same number of new units were started in November and December this year as in 1953, the year's total will be almost 110,000. There were 102,409 starts in 1953, the previous postwar high.

(over)

The year began with a carryover of 59,967 units (houses, duplexes, apartments) started in 1953. Added to this were the 97,424 starts of the first 10 months. In the same period, 79,327 were completed and, at the end of October, there remained 75,456 unfinished.

Completions at the end of October were 5,000 more than at the same date last year.

The increased house-building can be attributed to greater availability of labour, materials and mortgage money - principally the latter.

Asks Inquiry Into Mass Transportation Problem: Ottawa, Dec. 16 (CP) -- A national inquiry or Royal Commission investigation into problems of moving commuter traffic in Canada's growing metropolitan areas was suggested today before the Board of Transport Commissioners.

The suggestion came from Mr. Armand Poupart of Montreal, counsel for 26 Montreal-area communities, as final argument was completed before the Board on a railway application for a doubling of commuter fares in the Montreal area.

Mr. Poupart, opposing the increase, said he hoped there might be a meeting of representatives of all levels of Government, the railways, the public, and particularly commuters, to go into the whole problem of mass transportation in Canada.

Across Canada: Formation of a new CF-100 all weather fighter squadron at Comox, B.C., was announced by RCAF headquarters, C.P. reported from Ottawa. . . . Canada's only Provincial Upper House yesterday marked the birthday of its oldest member. Congratulations from both sides of the House were offered Hon. Ernest Lemieux, Liberal Member for the District of Montarville, who will be 91 on Sunday. . . . The campaign against tuberculosis made another big cut during 1953 in the death rate from the disease, once a major killer in Canada. The rate of TB deaths dropped by more than a quarter, the Bureau of Statistics said in a report. . . . Premier Bennett of B.C., yesterday proposed an immediate programme of direct unemployment relief to be shared by the federal, provincial and civic Governments, C. P. reported from Victoria.



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Monday, December 20, 1954.

Sqdn. Ldr. MacKenzie Press Interview: Ottawa, Dec. 17 (CP) -- The slow, insidious pressure of 16 months in solitary confinement in a Communist Chinese prison caved in the mental resistance of Sqdn. Ldr. Andy MacKenzie.

The 34-year-old Montreal fighter pilot told a press conference today that after holding out for months he finally signed a false statement that he had "invaded Chinese air space" and had been briefed to do so.

Actually, Sqdn. Ldr. MacKenzie, flying with the United States Air Force, received no such instructions. He was shot down and landed by parachute in North Korea Dec. 5, 1952. He was released at the Hong Kong border last week.

Speaking slowly and deliberately, he said he even tried to ruin his health so that he could halt "insatiable interrogation by his captors.

Of his solitary confinement, during which there were four months when he was not allowed to walk around his cell or read, he said (in part):

"It is a rather difficult ordeal to be left alone for a year and four months. I felt strong enough to resist but you do get to a stage where you are practically, as they say in Chinese, maho banfa - that means 'there is no way out.' And there is no way out.

"If I hadn't signed the statement, I probably would still be in solitary confinement. . . .

"Their policy excludes physical violence completely. I was never pushed or shoved or anything of that kind. . . .

"I was quite despondent at times. I was under the impression I was going to die and that it was just a matter of time. Every time someone came in, I thought 'this is it.' And that kind of tension on your stomach and brain for a long time is very fatiguing, and it is not a very pleasant feeling. . . .

"I was not allowed to shave myself in solitary. . . .they shaved me with a straight razor. . . .I was in such mental stress that I would have almost stretched my neck for them to cut. I am glad I didn't now. . . .

"You just talk to yourself, stare at the wall and find pictures appearing on the wall and all sorts of amazing things happen to you. . . .

"I used to stop and shake my head a few times - criticize myself and talk to myself and try to keep my courage up and tell myself I could beat these fellows."

Looking straight ahead, MacKenzie added in an even voice:

"I was wrong."

A reporter asked: "Did you feel that by signing the statement you had given in to them?"

"Yes, certainly," replied the destroyer of 8½ enemy planes in the Second World War. . . .

Consider Veterans' Allowances: Ottawa, Dec. 17 (CP) -- Veterans Affairs Minister Lapointe said today that the possibility of increasing war veterans allowances is under study by the Cabinet.

He said in an interview he is hopeful that some formula for increasing the allowances might be worked out and that legislation to give it effect could be presented to the next session of Parliament beginning Jan. 7.

The Canadian Legion has been pressing for allowances increases to \$60 from \$50 a month for single veterans and to \$120 from \$90 a month for married veterans. The Legion also has asked that the ceiling on combined allowances and other income - now \$720 for single veterans and \$1,200 for married veterans - be raised to \$1,200 and \$2,000 respectively.

At present veterans allowances are scaled down proportionately with the amounts they otherwise earn above \$10 a month.

Saskatchewan On Agreed Charge Contracts: Ottawa, Dec. 17 (CP) -- Saskatchewan today proposed that the six-man Board of Transport Commissioners be enlarged to speed board approval of agreed charge contracts between the railways and shippers.

The proposal was made by Dean F. C. Cronkite of the University of Saskatchewan, counsel for the Province, to a Royal Commission investigating the agreed charge method of settling railway freight rates. Agreed charges are special low contract rates granted by the railways in return for a guaranteed percentage of a shipper's business.

Dean Cronkite said Saskatchewan approves of agreed charges but opposes a CPR-CNR formula to give the railways increased freedom to make contracts with shippers.

Alberta Oil Production Surge: Calgary, Dec. 18 (CP) -- Alberta's oilwells almost broke the production record during the past week, as 5,026 wells capable of being produced, turned out an average of 292,387 barrels daily. This rate is only 3,236 barrels per day below the record which was set during the week ending Aug. 23 this year.

The past week's production showed an increase of 67,107 barrels per day over the previous week, 19,747 barrels more daily than the same period a year ago.

Major source of crude oil was at Redwater, where 923 wells capable of production produced at a daily rate of 86,366 barrels.

Nation's Savings Increase: Ottawa, Dec. 19 (CP) -- Savings on deposit in Canada's chartered banks at Oct. 31 last totalled \$5,337,000,000, against \$5,240,000,000 at Sept. 30 and \$4,876,000,000 at Oct. 31, 1953, the chartered bank statement for October showed.

Call and short loans in Canada amounted to \$219,000,000 at Oct. 31, against \$215,000,000 at Sept. 30 and \$208,000,000 at Oct. 31, 1953.

Across Canada: A Canadian art exhibit will be shown in London for the first time in 16 years, Planning Minister Warrender of Ontario announced Friday. The exhibit, sponsored by the Ontario Government, is scheduled for late January and was arranged through Ontario House in London, Canadian Press reported. . . . A suitable site for a 60,000-seat civic stadium is being sought by the Metropolitan Planning Department. The site must be within Metropolitan Toronto boundaries and within easy reach of public and private transportation, according to the Globe & Mail. . . . J. P. Romeo Vachon, whose flying career blazed pioneer trails through Canadian skies, died unexpectedly in hospital Saturday. The 56-year-old ace airman had been a member of the Air Transport Board since its establishment, 10 years ago. . . . Mr. H. S. Hurn, former director of the B.C. Provincial Government's community drama branch, has been honoured with the Canadian Drama Award for 1954.



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Vol. 5, No. 244

Wednesday, December 22, 1954.

Approval Given For Televising Opening Of Parliament: Ottawa, Dec. 21 (CP)

-- The centuries-old tradition of the opening of a new session of Parliament will be seen through the eyes of television cameras Jan. 7 for the first time in history.

Two CBC television cameras will be posted inside the Senate Chamber to record the colourful ceremony in which Governor-General Massey will read the Speech from the Throne outlining the Government's legislative programme to Members of the Senate and House of Commons.

A CBC spokesman said that possibly another three cameras will be placed outside to cover other phases of the opening pageantry.

The announcement that the Senate ceremony will be televised was made today by Senate Speaker Wishart Robertson, who said the decision has the approval of Governor-General Massey.

The decision was made "recognizing that the opening of Parliament is one of the most historic and important events concerning our traditional democratic system."

Senator Robertson said: "With the development of television, it seems to me appropriate that advantage should be taken of this latest medium to carry the significance of the event of the opening of Parliament to the Canadian people as a whole."

Employment Report: Ottawa, Dec. 22 (Dept. of Labour) -- Employment continued to be well sustained during November, as activity in residential construction reached record levels and as hiring in lumbering, logging and mining continued to show increases from the previous year, D.B.S. and the Department of Labour announced on December 22.

Employment in agriculture showed the usual sharp seasonal drop during the month, although it continued well above last year's level. Manufacturing activity continued stable, although production and employment at October 1 were still five and six per cent lower respectively than a year earlier.

Unemployment increased seasonally but somewhat less than last year. According to the D.B.S. Labour Force Survey, the labour force was estimated to be 70,000 larger than last year at November 20.

The survey also shows that the seasonal contraction in the labour force has been significantly smaller this autumn than a year ago, owing principally to the slower seasonal decline in job opportunities this year. Both the number of persons working full time (35 hours or more) and those working less than full time were estimated to be higher this year than a year ago.

Industrial Growth Shows Big Increase: Ottawa, Dec. 21 (CP) -- A federal survey shows the pace of Canada's industrial growth has stepped up sharply in postwar years, with manufacturing and construction industries leading the way to a new national commodity production peak.

(over)

The Bureau of Statistics survey, issued today, shows that in 1952 Canada's total commodity output - including primary and secondary production - rose to an all-time high of \$13,707,000,000, a gain of about \$700,000,000 from 1951.

Primary production - agriculture, forestry, fisheries, trapping, mining and electric power - rose in 1952 to \$4,287,000,000 a gain of about \$1,000,000,000 from the \$3,289,000,000 produced in 1948.

But in that five-year period, secondary production - manufacturing and construction - jumped by more than \$3,000,000,000 to \$9,420,000,000 from \$6,218,000,000.

Manufacturing, which more than doubled farm output in 1948, rose to almost triple farm output in 1952.

Labour Request For Study Of Bilingualism: Montreal, Dec. 21 (CP) -- Prime Minister St. Laurent has rejected a Quebec labour union's request for establishment of a Royal Commission to study the problem of bilingualism in the Civil Service and Armed Forces.

The Federation of Quebec Industrial Unions forwarded the request by letter to the Prime Minister.

A letter from the Prime Minister's office received yesterday and signed by Secretary Pierre Asselin read in part:

"It is the opinion of the Prime Minister it is more than doubtful an inquiry as you suggested would forward the cause of bilingualism and the cause of harmony between English-speaking and French-speaking Canadians."

"Bilingualism has made progress in the country and in the Civil Service during the last few years and we are justified in believing it will continue to progress in coming years."

A spokesman for the Quebec union said the reply "is far from satisfactory" and further action is planned.

Across Canada: Mr. John Edgar March, formerly parliamentary writer for The Canadian Press and the Montreal Star, has been appointed Manager of the Department of Public Relations for the Canadian Pacific Railway, Mr. W. A. Mather, President of the CPR, announced yesterday. . . . Contract negotiations between Chrysler Corp. of Canada and its 7,500 employees heard the end of the third week yesterday. No statement on the talks has been released by either the Company or Local 195, United Automobile Workers Union (CIO-CCL), which represents the workers, C.P. reported from Windsor. . . . A cheque for \$5,000 was presented to the Miramichi Hospital at Newcastle, N.B., yesterday on behalf of Lord Beaverbrook, C.P. reported from Newcastle.



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Thursday, December 23, 1954.

Mr. Pearson On Coexistence: New York, Dec. 22 (CP) -- Mr. Pearson says that if there is to be "coexistence with Communist imperialism," the Western nations should operate from a position of economic and social justice at home and make certain they are united politically and keep their defences strong.

He also suggests the West should use its growing military and political strength for negotiation of the differences which divide the world.

Mr. Pearson's formula for coexistence is contained in a series of statements on the subject from American and world leaders printed in the current issue of Look Magazine.

Mr. Pearson says if the word coexistence is taken literally, it has little or no political meaning because every person must coexist with every other person. It is different, however, if coexistence is taken to mean co-operation and peaceful toleration.

He adds that the success of his formula would, of course, depend primarily on whether the Kremlin would co-operate to that end through action rather than words.

Aviation Rules Tightened: Ottawa, Dec. 22 (CP) -- The Government tonight announced revised air navigation orders increasing distance and visibility requirements for civil planes during visual flying and said they were made necessary by the increasing air traffic and speeds of the jet age.

Under the new orders aircraft under visual control must maintain a horizontal distance of one mile from the nearest cloud formation, instead of 2,000 feet away. This will affect all scheduled flight aircraft under air traffic control.

Visibility requirements in the areas lying generally west of the Coast Range mountains in British Columbia, including Vancouver Island and the Queen Charlotte Islands, is increased to two miles from one mile for flying under usual flight rules.

The Transport Department, which governs civilian flying, said this latter amendment was made because of the terrain and weather conditions prevailing on the Pacific Coast.

New Arctic Equipment: Ottawa, Dec. 22 (CP) -- The Army is testing new light-weight magnesium and fibreglass toboggans for use in Arctic defence. It also has developed an axe handle which is expected to withstand the North's sub-zero temperatures.

The toboggans are lighter than wooden types now used by troops stationed at Northern outposts and easier to haul over all types of snow and ice. The axe handle, also made of fibreglass, will replace wooden handles which dry out and become loose in the axe head under Arctic conditions of humidity and temperature.

An Army spokesman said the newly-designed toboggans, developed for the Army by the physical metallurgy Division of the Mines Department, will help to ease transportation problems in Northern troop operations.

(over)

They will be used by troops on patrol to haul food supplies, ammunition and equipment and for rescue work.

The toboggans are designed to be pulled by men over relatively short distances. Eskimo-type wooden sleds hauled by dogs still will be used for long journeys.

N.Z. To Receive Cobalt Bomb From Canada: Ottawa, Dec. 22 (CP) -- New Zealand will be supplied by Canada with its first cobalt bomb for cancer treatment bringing to five the number of countries which have either received or ordered such units from Atomic Energy of Canada Ltd.

The Crown Corporation announced today New Zealand will get a cobalt-60 teletherapy unit of the Eldorado type for installation in Christ Church.

The unit, costing about \$45,000 and weighing three tons, is being presented to the country by Sir Arthur Sims, New Zealand philanthropist, and likely will be shipped in March.

Four of the Eldorado-type bombs already have been installed in the United States and two in Italy, which is to receive a third one in March. Brazil will get its first next spring.

Gold, U.S. Dollar Reserves At Peak: Ottawa, Dec. 22 (CP) -- Canada's official reserves of gold and United States dollars climbed to a new high of \$1,921,500,000 on Nov. 30, the Bank of Canada reported.

The reserves, used to help stabilize the exchange value of the Canadian dollar, increased by \$20,600,000 during the month and by \$114,800,000 since Nov. 30, 1953.

The official stockpile of gold rose to \$1,065,800,000 on Nov. 30 from \$1,059,300,000 on Oct. 31 and \$976,400,000 on Nov. 30 last year.

Holdings of U.S. dollars increased to \$855,700,000 from \$841,600,000 in October and \$830,300,000 last year.

Across Canada: Stockholders of The Dominion Bank approved amalgamation with The Bank of Toronto at the bank's annual and special general meetings in Toronto, it was announced yesterday. . . . Fuzzy pussy willows appeared this week at Fort Frances, Ont., as Western Canada looked no more prepared for Christmas - weatherwise - than Florida, C.P. reported. . . . A Calgary oil company announced it has obtained promise of oil production at a test well on the eastern outskirts of Virden, Man., giving the town probably the first oil well within a town in Canada, and bringing hopes of early wealth to at least 700 residents, the town itself and the Province of Manitoba, C.P. reports from Virden. . . . Talks between Ford of Canada and members of the United Auto Workers Union (CIO-CCL) may be resumed within a week, a union spokesman said in Oakville, Ont., according to C.P.



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Vol. 5, No. 247

Monday, December 27, 1954.

Mr. Howe Forecasts Continued Economic Upturn: Ottawa, Dec. 26 (CP) --

Mr. Howe predicted today that Canada in 1955 will bounce out of her economic decline, but that there still will be some trouble spots.

"Import competition will continue to pose difficulties for some manufacturing industries," he said in a year-end review that covered economic developments on the home and foreign fronts.

Mr. Howe conceded that Canada was hit by an economic decline in 1954 that increased unemployment. He blamed this on a variety of factors, including decisions by many businessmen to get rid of goods they had stockpiled during the Korea crisis, the drop in exports and the increasing fight for the Canadian market between domestic goods and imports.

But on the whole, he found the year not too depressing. It was not as good as the peak year of 1953, but it was better than any other. Farmers had less money because of a prairie crop failure and lower grain exports.

The number of unemployed averaged 4.3 per cent of the working force, compared with 2.6 per cent in 1953. National savings also were down, mostly because of the drop in prairie income.

But the country's overall income increased slightly, reflecting, in part, higher wages for those with jobs. Taxes generally were lower, increasing the proportion of total income retained by individuals.

"After taking account of population increase, the average income per capita, whether expressed in money or in terms of goods and services, declined but slightly in 1954," Mr. Howe said.

The adjustment in general business conditions had no more effect on average living standards than to level them off, following sharp improvements in the previous two or three years.

As for 1955, "taking into account both external and domestic influences, it would appear that the upturn which has already begun will continue."

"Although there may continue to be some trouble spots, there is good reason to expect a growth in markets at home and abroad commensurate with the rise in the nation's productive capacities."

The United States economy, which declined along with that of Canada's, now appeared to be strengthening, at least temporarily. Overseas countries were more prosperous and this likely would lead to rising demand particularly for Canada's raw materials.

In Canada, investment should continue high, stimulating production and employment. There likely had been some decline in 1954 in the record \$5,800,000,000 capital investment programme forecast by the Trade Department in mid-year. But work not carried out in 1954 because of bad weather likely would be carried into 1955.

Inventory liquidation - businessmen selling off their stocks of goods instead of placing new orders - is not likely, in the year ahead, to constitute as much of a drag on activity in manufacturing industries as during 1954, Mr. Howe added.

(over)

"There seems to be little in sight to interrupt the gradual upward trend of personal income. Even allowing for diminishing replacement demand for some durable items, per capita outlays on consumer goods and services are likely to be maintained."

Competition from imports appeared to be one of the stickiest problems. . . .

\$168,000 Deficit In November: Ottawa, Dec. 23 (CP) -- The Government reduced defense spending in November, but another drop in corporation income tax collections shifted the monthly accounts into the red for a deficit of \$168,000. This compares with a surplus of \$9,000,000 in November, 1953.

The surplus for the first eight months of the 1954-55 fiscal year now is down to \$91,668,000, about one-third the \$275,068,000 surplus for the corresponding period a year ago, Mr. Harris announced today in his Treasury statement.

This year the Government aimed at a nominal \$4,000,000 surplus, but the current spending pattern continues to indicate the Government will end the year next March 31 in the red perhaps by more than \$100,000,000.

November's defence expenditures dropped by almost \$10,000,000 to \$148,902,000 from \$158,541,000 last year. This cut the eight-month outlay to \$972,789,000, down \$96,479,000 from \$1,069,268,000 in the corresponding 1953-54 period.

But over-all spending for the month - defence and non-defence - rose slightly to \$330,215,000 from \$329,458,000, reflecting heavier outlays for family allowances, health programmes, veterans affairs, post office administration and transport.

Total expenditures for the eight months increased to \$2,517,996,000 from \$2,514,455,000 last year.

Treasury revenues continued to decline, mainly because of lower corporation tax collections. . . .

Report CBC International Service To Be Pared: Ottawa, Dec. 23 (CP) -- The Government has decided to cut next year's budget of the CBC International Service by roughly \$500,000, it was learned today.

The reduction of about 20 per cent from \$2,300,000 was taken to be a matter of Government policy to reduce expenditures all around.

It will mean curtailments in broadcasts to Europe and possibly to Latin America and Australasia.

However, it was understood there will be no reduction in broadcasts to Canadian troops in Europe and the Far North where armed services radio stations carry tape transcriptions of CBC programmes. . . .

Across Canada: The Government's 38-cents-a-dozen support programme for eggs, will be continued unchanged in 1955. But Mr. Gardiner, announcing this Thursday indicated that egg handlers who do not co-operate fully with the Agricultural Prices Support Board in disposal of surpluses may become ineligible for federal support, C.P. reported. . . . Four official tours in Canada are being planned for next year by Governor-General Massey. A Government House official said Thursday, that visits to Quebec's Eastern Townships, Regina and Winnipeg, Newfoundland and Northern Ontario are being arranged, C.P. reported from Ottawa. . . . Canadians sold abroad \$7,700,000 more in securities than they bought during October, which saw the highest turnover in three years - \$160 million. The Bureau of Statistics has reported that Canadians sold \$83.9 million worth of securities abroad while buying \$76.3 million. It gave no analysis of reasons for the turnover. . . . Canada's commodity exports reached their highest 1954 level in November, increasing 2.8 per cent to \$368,600,000 from \$355,100,000 a year earlier. Imports were the second highest for any month this year, rising 6.2 per cent to an estimated \$373,200,000 from \$361,400,000 in November, 1953, according to C.P.



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Tuesday, December 28, 1954.

New Escort Squadron For Pacific: Ottawa, Dec. 27 (CP) -- A new escort squadron, second for Canada in little more than a year, will be formed January 1 with six anti-submarine ships of the Pacific command.

Naval Headquarters says the group, to be known as the Second Canadian Escort Squadron, will include destroyer escorts Cayuga, Athabaskan and Crusader, all veterans of Korean service, and modernized frigates Jonquiere, Stettler and New Glasgow.

The squadron will be joined by other anti-submarine vessels as they become available. First will be the frigate Ste. Therese early next year and the destroyer escort Crescent later.

The RCN's first escort squadron was formed in the Atlantic Command in November, 1953.

Montreal Expects Peak Ocean Passenger Season: Montreal, Dec. 28 (Gazette) -- Opening of St. Lawrence River navigation next spring is expected to herald Montreal's greatest ocean passenger season since prewar days.

Shortly after the channel clears of ice, the port will greet the forerunner of her largest contingent of liners in 15 years.

Montreal, served basically by four passenger ships since the end of the Second World War, will have nine large liners making scheduled calls here throughout 1955.

Although two older liners will be withdrawn from service to Montreal in the spring, shipping companies have four new vessels planned to run from here to the continent. These will augment the four present ships and Cunard's new Saxonia, which made her maiden voyage here in September.

The trend toward greater passenger accommodation for overseas travel has not mushroomed overnight, but Canada's rising immigration quotas have given it a big boost, passenger men say.

Canadian College Of Teachers Considered: Toronto, Dec. 27 (CP) -- The President of the Canadian Teachers' Federation says the CTF is considering setting up a Canadian college of teachers for stimulus and recognition of professional competence.

Dr. L. P. Patterson of Montreal told the annual meeting of the Ontario Public School Men Teachers' Federation he couldn't enlarge on the plan because it is still in committee, but it would be roughly comparable to the Royal College of Physicians and Surgeons.

The college, if established, would set examinations and require high-standard qualifications. Fellows would be regarded as top men in the profession.

"We teachers should be better trained." Dr. Patterson said, "I am quite aware that it is not always personally profitable to get training beyond certain accepted standards. . . .but that is no reason for not obtaining more professional competence, both cultural and technical."

Modest Upswing In Textile Industry: Montreal, Dec. 28 (CP) -- A modest upswing in general business conditions of the Canadian primary textile industry is reported by Mr. C. F. Woodward, President of the Primary Textiles Institute.

(over)

Mr. Woodward is Vice-President and General Manager of Grout's Ltd., of St. Catharines, Ont.

Prospects for at least the first part of 1955 are generally regarded as less gloomy than they have been for some time," Mr. Woodward says in the Canadian Textile Journal.

He added: "Optimism over what may well be a temporary upward trend should not however lead those concerned with the long-term prospects of the Canadian industry to forget that for the last three years the general trend has been downward and that in 1954 the industry reached very low levels in employment and production."

RCAF Pilots Honoured At Metz: Ottawa, Dec. 27 (CP) -- Five RCAF pilots, whose aerobatic tricks had Frenchmen craning their necks at the opening of a new French airfield last September, have been given medallions by the Aero Club of Sedan as a mark of gratitude for their performance.

Air Force Headquarters said today the pilots, members of the RCAF's crack Fireball Aerobatic Team, were given the medallions by Mr. Jean Philippe Ronnet, Club President, at a ceremony at the Air Division Headquarters at Metz, France.

Across Canada: The Board of Transport Commissioners has given Trans Canada Pipe Lines Ltd. a four-month extension of the time in which it must show satisfactory arrangements for financing its proposed \$300 million natural gas pipeline from Alberta to eastern Canada, C.P. reported from Ottawa.

. . . . British Columbia's flourishing economy promises to set a record pace for construction in 1955. On the drawing boards for 1955 are a host of projects - schools, power lines and facilities, multi-million-dollar pulp mills, defense projects, Government buildings, hospitals, bridges, banks and office buildings, according to C.P. from Vancouver.

. . . . Quebec Trade and Commerce Minister J. Paul Beaulieu said, in part, in a year-end message: "Quebec's prosperity is no idle myth existing only in the minds of wishful thinkers. "It is a reality and evidence can be found in the millions of dollars that have been invested here during the past year to establish new industries or to expand those in operation."



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Wednesday, December 29, 1954.

Budget Speculation: Ottawa, Dec. 28 (CP) -- The Government's budget spending for 1955-56 likely will continue at the 10-year high of about \$4,500,000,000 - virtually unchanged from the current year. Treasury men are nearly finished compiling the annual book of estimates and it appears likely it will be ready for tabling in Parliament in late January.

Finance Minister Harris, preparing to present his first budget, is reported to be exerting pressure on various Department heads to chop to the bone estimated financial requirements for the next fiscal year.

But so many of the Government's annual expenditures are "frozen" - in the sense they either are written into the law or that the Government is committed to them by policy or long-term agreement - that there actually is not much room in which savings can be made. . . .

Business men have appealed for an early budget to help in their own planning. Mr. Harris is not expected to bring down his budget until the end of the fiscal year, either a week before or a week after March 31. Financial advisers want as much time as possible to gauge economic trends and forecast revenue possibilities in 1955-56. . . .

\$3,000,000 Reported Pledged Toward N.Y., Canada House: New York, Dec. 28

(CP) -- New York's Canada House, an idea launched 14 months ago tonight by Consul-General Ray Lawson, has received pledges totalling \$3,000,000, a Consulate official said today.

The Consul-General first broached the idea of a privately sponsored 18-story building to serve as a New York headquarters for Canadians, in a speech at the 50th Anniversary Dinner of the Canadian Club of New York on October 28, 1953.

The idea was enthusiastically received. The Consulate official said today Mr. Lawson has received pledges of \$100,000 each from 30 individuals and that organization of a corporation to handle the project is under way.

With its financial future assured, the sponsors of Canada House are looking for a suitable downtown site in which scattered Canadian Government offices and branch offices of Canadian businesses could be consolidated.

Mr. Lawson proposed to lease the ground floor to organizations requiring a street level display, such as the Canadian Chamber of Commerce, the Canadian Information Service and Canadian Transportation Companies. He suggested the possibility of a restaurant serving Canadian delicacies. . . .

Production Hits '54 High In October: Ottawa, Dec. 29 (CP) -- Canada's production of industrial goods rose in October to the highest monthly output in a year.

Edging out of the decline that developed in early months, October's industrial production index rose to 256.4 from 254.5 last year, the Dominion Bureau of Statistics reported.

(over)

It was the first time this year that the industrial yardstick, based on 1935-39 output equalling 100, exceeded the corresponding 1953 index. The October index was higher than at any time since September, 1953.

However, production for the first 10 months of 1954 was still down a little more than two per cent from output in the similar 1953 period.

In October, output of manufactured goods was down about four per cent from last year, but mineral production rose by almost 22 per cent.

New Talks May End Ford Strike: Toronto, Dec. 29 (Globe) -- A first delicate step toward possible settlement of the 11-weeks-old Ford strike was taken yesterday when Company and union officials met behind closed doors in Toronto to start their first direct negotiations.

The talks will continue for several days and both parties have agreed to release no progress reports "until a conclusion of some kind has been reached."

But there were several notes of optimism as the negotiators sat down to work out a compromise solution that could return 8,200 strikers to their jobs in Windsor, Oakville and Etobicoke plants early in the New Year.

A joint statement issued shortly after the parties met revealed that Ford of Canada is prepared to negotiate a Provincial agreement - a major stumbling block which wrecked two earlier attempts by third parties to start peace talks.

Seaway And Boundary Markings: Ottawa, Dec. 28 (CP) -- The St. Lawrence Seaway project will eliminate about 50 United States-Canadian boundary markers along a 40-mile stretch of the river but no one in Ottawa is worried.

Mr. J.E.R. Ross, Canadian Commissioner on the International Boundary Commission which looks after such things, said in an interview today, "We're not losing the boundary, just the immediate reference points."

He said it will take perhaps five years for things to get back to normal along the Iroquois-to-Cornwall stretch of river to be flooded. After new high-water levels are established and towns relocated U.S. and Canadian officers of the Commission will move to erect new concrete posts marking the boundary.

Across Canada: Miss Frances Loring, of Toronto, former President of the Sculptors' Society of Canada, has won the federal Government's competition for a design for a memorial to Sir Robert Borden. A Cabinet announcement said her design was the unanimous choice of a Board of selection which examined 33 entries. . . . Work on St. Lawrence Seaway excavation across the river from downtown Montreal has halted for the winter months with the contractors ahead of schedule and preparing for a fast start in the spring, the Gazette reports. . . . Western Canada's summer temperatures of last week have dropped to well below zero, C.P. reported from Edmonton. . . . Production and sales of television sets this year continue to record substantial increases over last year and, at the same time, the industry is making inroads in its inventory. Last month sales, as reported by the Radio Television Manufacturers' Association of Canada, jumped 70 per cent over a year ago to 93,649 from 55,188, with value of these sales increasing to \$32,916,906 from \$22,261,633.



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Vol. 5, No. 250

Thursday, December 30, 1954.

Economic Talks With U.S. In 1955, Mr. Howe Says: Ottawa, Dec. 29 (CP) --

Trade Minister Howe, just returned today from a month-long trip to the United Kingdom and Geneva, now becomes Acting Prime Minister in the absence of Mr. St. Laurent, holidaying at his Quebec home.

Mr. Howe, in a home-coming press conference, made these points for newspaper men:

1. Canada and the United States will hold new economic talks early next year. This will be another meeting of Cabinet Ministers under the Canada-U.S. economic trade committee set up to iron out trade problems between the two countries, Mr. Howe said the meeting may be held in Ottawa.

2. There are no indications Canadian troops will be provided with atomic warhead guided missiles.

3. Canada's mutual aid contributions to her NATO partners next year will be the same or slightly larger than the 1954-55 contribution, estimated at some \$300,000,000.

4. Budget deficits are inflationary but they are not "calamitous." Canada has had a good many surpluses and if the federal budget does show a deficit this year, Mr. Howe had hopes "it won't be big."

5. He reiterated his overseas statement that Canada had started design work on a "flying saucer" type of aircraft, which would have cost \$75,000,000 to develop. But the design work was ditched because it was considered that type of plane would not fit into Canada's requirements. Canada could better use more conventional designs.

Mr. Howe said he found economic conditions overseas encouraging.

Britain was very busy and in good shape. Her exports had increased and she had over-employment. A large measure of her prosperity was from removal of restrictions on imports.

Import curbs were being removed at a pace not fast enough to suit Canada's purposes, "but progress is being made." The prospects of selling wheat to Britain are "very good." Britain's crop was of poor quality and her reserves had been consumed.

Mr. Howe On GATT Discussions: Ottawa, Dec. 29 (CP) -- Mr. Howe said today that Geneva talks aimed at revising and tightening international trade rules under the 37-country General Agreement on Tariffs and Trade are going badly. He told a press conference on return from a month-long overseas trip that he can not rule out the possibility that the tariff pact may collapse. . . .

Canada is one of the countries supporting a tightening of the GATT and Mr. Howe said "we'll fight on this as long as the discussions last." Delegates have been meeting for about a month and expect to complete discussions by February 1.

"The talks are not jelling," he added. "Everyone wants more trade freedom for himself and more restrictions for everyone else. . . .I wouldn't rule out that the whole GATT may collapse. . . . that would be the worst possible thing that could happen."

(over)

At another point, Mr. Howe cautioned reporters:

"Don't paint too black a picture. The talks are not finished yet. I think there will still be a GATT."

Mr. Howe said if the GATT collapses, Canada still will go on doing international trade. But she and all other member countries would be free to change their tariffs as they pleased.

Test RCAF Automatic Navigator: Ottawa, Dec. 29 (CP) -- A new Canadian-developed automatic navigator which provides flying directions practically at the push of a button has been given to the United States and the United Kingdom for testing by their air forces.

It also has caught the eye of the Canadian Army which sees in it possibilities for use in such vehicles as tanks, snow tractors used in the north and for trucks. The instrument, first disclosed by the Air Force last week, is the brainchild of Wing Commander Jerauld G. Wright, DFC, native of Liverpool, N.S., and head of the RCAF's air-instrument development division. It automatically provides a pilot with directional information for reaching any position he feeds into it, including homing to his base.

Its best quality, defence authorities say, is that it works independent of radio on which some other computers depend. Therefore it could not be jammed by an enemy during wartime.

The automatic navigator has been adopted for use by the RCAF after 200 hours of flying tests in various types of jet aircraft. Technical data and working models have been supplied to the United States Air Force and the RAF. The USAF already is testing it.

Ontario Society Of Arts 83rd Exhibition: Toronto, Dec. 29 (CP) -- The Ontario Society of Artists opens its 83rd annual exhibition of members' and non-members' works at the art gallery here January 7. Mayor Charlotte Whitton of Ottawa will preside.

The showing will include 100 works by Ontario, Quebec, New Brunswick, Saskatchewan and British Columbia artists.

Across Canada: Ottawa's population for 1954 is shown at 211,419 according to figures released by the city assessment department. The increase over last year is 5,851. . . . Despite a slowdown in financing arrangements for a 2,200-mile natural gas pipeline from Alberta to the east, Mr. Howe said yesterday he hopes the first leg to Winnipeg will be completed in 1955. . . . Mr. Raymond Brunet, President of the Canadian Construction Association, estimated yesterday Canada's builders turned out a record \$4,750,000,000 worth of new construction in 1954 and said the record may be broken in 1955. . . .

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INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
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Vol. 6, No. 1.

Monday, January 3, 1955.

Statement On France's Decision: Ottawa, Dec. 30 (Press Release No. 90) --

Following is the Text of the Statement by the Secretary of State for External Affairs, Mr. Pearson, concerning the action taken by the French National Assembly in Paris on the London and Paris Agreements:

"The approval by the French National Assembly of the agreements worked out in a spirit of co-operation and comprehension last autumn at London and Paris is a cause for deep satisfaction.

"I realize that there were doubts and hesitations and much soul-searching in Paris before the necessary decisions were taken. The Assembly, however, with what I believe to be a wise and realistic understanding of the situation, have chosen to follow the course which is not only best in the interests of France, but which was also required if the Atlantic coalition, whose strength and unity is essential for peace, was to be maintained.

"It would indeed have been a sad day if some other course had been followed, through fear of the consequences of a restoration of German sovereignty, which included the right - and the obligation - of Germany to share in her own defence.

"We must now prove that the rearmament of Germany, not unlimited nor uncontrolled, but within the context of NATO and Western European Union, is not only no menace to France, or to any other country, but, on the contrary will help to associate Germany with the free Western world in such a way that peace and security will be strengthened.

"Without the close and friendly co-operation and understanding between France and Germany, such a strengthening of peace would be difficult, if not impossible. That is another reason why the decisions taken in Paris will be welcomed by the majority of the Canadian people."

Mr. St. Laurent's New Year's Message: Ottawa, Dec. 30 (CP) -- Mr. St.

Laurent said in a New Year's message today that Canada is blessed with almost unparalleled material well-being which "justifies our optimism about the future."

Mr. St. Laurent said the new year will bring blessings and problems which again will challenge Canada's material and spiritual resources.

"But with God's help and with the goodwill and a desire to live in harmony as one family, I am confident that we shall meet the problems that it brings."

With Parliament reassembling January 7, he appealed to Canadians to pray for divine guidance for those entrusted with the country's business so that they may act with "humility and wisdom."

Report Mr. Sharp Selected For GATT Talks: Ottawa, Dec. 31 (CP) -- The second phase of the big international fight to tighten the general agreement on tariffs and trade opens in Geneva Monday. Canadian officials are hoping desperately that negotiations to reduce import curbs will succeed.

(over)

Mr. Mitchell W. Sharp, Associate Deputy Trade Minister, has been selected as Canada's head spokesman, it was learned today.

Speed Up Trans-Canada Highway: Ottawa, Dec. 31 (CP) -- After four years of effort, the Provinces have completed only about one-fifth of the planned 5,000-mile, \$300,000,000 Trans-Canada Highway, Works Minister Winters reported today. He appealed for a work speedup.

In a year-end progress report, he said bad weather caused some serious construction delays in 1954 and work progress was good in spite of these obstacles, but the motoring public wants to see as many more miles of the highway in being as soon as possible.

"We in the federal Government are anxious to have its pace accelerated," he said.

Mr. Gregg On Labour Outlook: Ottawa, Dec. 30 (CP) -- Canadian job opportunities should be better this winter than a year ago, Labour Minister Gregg said today.

In his year-end review of labour conditions, he added there appears no reason for being gloomy about Canada's long-range prospects.

Discussing unemployment, Mr. Gregg laid it to a period of adjustment in the Canadian economy, but he said that since last summer indications have pointed to stability and to some improvement in the level of economic activity.

Across Canada: Governor-General Vincent Massey shook hands with almost 1,000 callers at his traditional New Year's Day levee. He had a smile and a cheery greeting for each. . . . "Neighbours," a 10-minute experimental film in colour produced by Norman McLaren of the National Film Board, has won the top prize at the Salerno Film Festival in Italy, the Board reported. The film, produced two years ago, has won a number of awards including a Hollywood Oscar for the best documentary short film. . . . Canada will get a \$12,000,000 payment at the year's end on the \$250,000,000 loaned France after the Second World War. A Finance Department spokesman, commenting on a Paris dispatch announcing that the payment will be made, said it would reduce France's postwar indebtedness to Canada about \$190,000,000, according to C.P. . . . Norway and Turkey will get military supplies from Canada next month under Canada's mutual aid programme for North Atlantic partners. The Army has announced that Turkey will get ammunition and Norway radar equipment. . . . Nearly 2,000 Londoners celebrated the Ontario city's 100th birthday at a civic reception New Year's Day.



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Vol. 6, No. 2

Tuesday, January 4, 1955.

Full Cabinet Meeting On Eve Of Session: Ottawa, Jan. 3 (CP) -- Mr. St. Laurent, back from a 10-day holiday, has scheduled a meeting of the full Cabinet for 10:30 a.m. tomorrow.

A variety of items it is understood, will include federal appointments, renewal of aid to Canada's gold mines and last-minute touches to the Government's legislative programme.

It likely will be the last major meeting of the Cabinet before Parliament reopens Friday. Because the reopening is just a few days away, it appears possible that Mr. St. Laurent may hold back any major Cabinet decisions until Parliament resumes deliberations. . . .

Defence Expenditures: Ottawa, Jan. 3 (CP) -- Defence spending in the current fiscal year is expected to fall about \$160,000,000 short of the \$1,908,000,000 appropriated by Parliament at its last session for defence.

Between April 1 and November 30 last year the Defence Department spent \$959,787,000, with four months still to go until the end of the fiscal year March 31, 1955. By that time, spending is expected to amount to some \$1,748,000,000.

Informants said today there are two chief reasons for the gap between expenditures and estimates:

1. Equipment was coming off production lines more slowly than anticipated at the start of the year. This equipment included planes, ships, ammunition and electronic gear.

2. Construction was bogged down by poor weather last summer. For instance, work was behind schedule at Camp Gagetown, N.B., the Army's big new training area.

Defence spending in all probability will be lower in this fiscal year than in 1952-53, when the outlay was \$1,882,000,000, or in 1953-54, when expenditures were \$1,805,000,000. The estimate for 1954-55 was about \$100,000,000 lower than in the previous two years. . . .

Regional Drama Festivals: Ottawa, Jan. 3 (CP) -- Canada's annual series of regional drama festivals, leading to the finals in May, begin next week in Newfoundland under the eye of an accomplished British actor-director.

For Mr. Andre Van Gysegham, 48, founder of the Nottingham Playhouse who was chosen to adjudicate the 1955 regionals, it will be the start of a cross-Canada trip. Son of a Belgian actor, he produced plays in London and a film for British television.

He will judge regional festivals in every Province and recommend eight plays to go on to the Dominion Drama Festival week-long final scheduled this year in Regina, May 9-14.

The final will be judged by a second adjudicator yet to be chosen but who is usually a well-known figure of the London stage. Last year it was Mr. Hugh Hunt, actor-producer known for his work at London's Old Vic. Graham Suter, another London actor, adjudicated last year's regional festivals.

(over)

Dominion Drama Festival officials said about five theatrical figures now are under consideration as possible choices to adjudicate this year's finals at Regina.

Ambassador Of Haiti: Ottawa, Jan. 3 (Press Release No. 1, Jan. 3) -- The Department of External Affairs announced today that His Excellency Jacques Léger presented this afternoon to His Excellency the Governor General his letter of credence as Ambassador Extraordinary and Plenipotentiary of the Republic of Haiti to Canada. The ceremony took place at Government House.

Globe And Mail Up For Sale: Toronto, Jan. 4 (Globe & Mail) -- The Globe and Mail this morning ran on an inside page the following announcement of the impending sale of the newspaper:

"Chartered Trust Co., of Toronto, co-executor of the estates of the late George McCullagh and William H. Wright, announced Monday the intention of the executors of these estates to offer The Globe and Mail for sale.

Mr. H. E. Langford, General Manager of the Trust Company, explained that the two estates hold all of the stock of the Globe Printing Company, which Company published the newspaper. He stated that advertisements in connection with the proposed offer would appear in various newspapers in Canada, Britain and the United States next Monday."

Across Canada: Mr. W. Earl Rowe, a former member of the late Prime Minister Bennett's 1930-35 Cabinet, will be acting leader of the Opposition during the first two or three weeks of the new session of Parliament opening January 7. A statement issued by Progressive Conservative Party headquarters today said Mr. Rowe will be acting leader until Hon. George Drew is well enough to return to his parliamentary duties. Mr. Rowe is Deputy Opposition Leader. . . . Talks aimed at settlement of the Ford strike were resumed Monday after a holiday weekend recess, C.P. reported from Toronto. . . . Mr. A. Y. Jackson, the painter who is like a living landmark of art in Toronto, is leaving Toronto and building a studio in Manotick on the Gatineau about 15 miles out of Ottawa, the Globe and Mail reported. . . . Five cameras will be used to televise the opening of Parliament Friday, C.P. reported in Ottawa.

*Minister*

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Vol. 6, No. 4

Thursday, January 6, 1955.

## Heavy Legislative Programme Forecast For Parliament: Ottawa, Jan. 5 (CP) --

Parliament opening Friday is faced with enough work to keep it going into midsummer.

A heavy legislative programme is expected to include about 50 Government measures, besides the annual flow of scores of private members' bills. Debates on various other issues will round out a session that promises to be a busy one.

Emergency-type legislation on winter unemployment is expected to be the first major Government bill. Another important bill will broaden the base of federal grants to municipalities in lieu of taxes. . . .

For the first time since he became Progressive Conservative leader in 1948, Mr. Drew won't lead off the debate. In his absence Mr. W. Earl Rowe, acting leader, will open the debate.

Mr. St. Laurent will be on hand for the opening but is expected to leave before the end of January to attend the Commonwealth Prime Ministers' Conference in London.

A novelty at the opening this year will be televising of the Senate chamber ceremonies. Two TV cameras will record the function for the first time.

On the legislative side, priority will be given to a bill by Labour Minister Gregg to increase supplementary unemployment insurance payments during the winter for persons whose normal insurance benefits have run out.

Legislation on municipal grants is expected to make these equal to full municipal taxes on federal property where it exceeds two per cent of total municipal assessment.

Other probable Government measures:

1. More generous war veterans' allowances to needy veterans of combat duty.

2. A 25-per-cent pay increase for federally-appointed judges.

3. An increase to \$5,000,000 from \$1,000,000 in the federal Government's annual contribution towards safety measures for railway grade crossings.

4. Renewal for 1955 - perhaps on a changed formula - of Government subsidies to marginal gold mines, which expired December 31.

5. Extension of the life of the Defence Production Department for another five years.

6. Provision of Government-backed loans to fishermen for improving their equipment.

7. Amendments to the Electricity and Fluids Exportation Act to give the federal Government tighter control of the use of waters with hydro potential flowing into the United States. . . .

8. Possible amendments to the Railway Act, should the Turgeon Commission on agreed charges recommend changes in this type of freight rates.

9. Possible changes in the Election Act arising from a study of the 1953 general election to be made by a Commons Committee.

Rail Workers On Right To Strike: Montreal, Jan. 6 (Gazette) -- Union representatives of 180,000 railway workers in Canada gathered here yesterday to try to find a formula that will prevent federal Government intervention in future labour contract disputes.

(over)

A select Committee of 14 members working on details of the project will report back to the full Committee at 4 p.m. today.

The select Committee met after 110 delegates from 18 unions representing non-operating and running trades workers heard angry protests because their right to strike had vanished.

They were told that the strike weapon was now lost to them and that there could be no repetition of the general rail strike that paralyzed the country's transportation system in the summer of 1950.

Chairman Frank H. Hall quoted the federal Government to the effect it will "not permit any more strikes on these railways". . . .

Sqdn. Ldr. MacKenzie To Visit U.S.: Montreal, Jan. 6 (Gazette) -- Sqdn. Ldr. Andy MacKenzie released by Red China recently after two years in a prison camp plans to leave for the United States, January 14 to visit the families of four U.S. airmen still held by the Communists.

The RCAF jet ace said yesterday he hopes an RCAF aircraft will carry him on the trip to Philadelphia, Omaha and Lincoln, Neb., and Sioux City, Iowa. His wife, Joyce, will accompany him.

Mr. MacKenzie, shot down over North Korea, spent six months in the same prison as three of the American flyers and corresponded with a fourth who was in hospital.

Mr. MacKenzie rested at his home in nearby Strathmore yesterday, after a session with RCAF intelligence men in Ottawa, Tuesday. He returns to the Capital today for interrogation by U.S. air force officers on his experiences in Red China.

Supersonic Missile Tests: Winnipeg, Jan. 5 (CP) -- The army has begun winter tests of a supersonic guided missile on Hudson Bay near Fort Churchill.

First indication that the tests of Nike, the U.S. Army's anti-aircraft projectile, have started came with the appearance of a defence Department advertisement in Winnipeg newspapers, warning that firing will be carried out at the Fort Churchill range.

Minister Of Czechoslovakia: (Press Release No. 2, Jan. 5) -- The Department of External Affairs announced on January 5 that His Excellency Bedrich Hruska had presented to His Excellency the Governor General his letter of credence as Envoy Extraordinary and Minister Plenipotentiary of Czechoslovakia to Canada.

Across Canada: Tax reduction as an aid to employment and lower prices was advocated yesterday in a submission sent by the Canadian Manufacturers' Association to Finance Minister Harris. . . . Selling waves pounded the stock market down yesterday for its greatest losses in years. In Montreal of the 275 issues traded, 46 were up, 141 down and 88 unchanged with 13 new highs and four new lows established for the year, C.P. reported. . . . The RCAF soon will start ferrying new Orenda Sabre Jet fighters to its air division in Europe. The new planes are the Mark VI Sabres now being turned out in Montreal. The operation will start almost before the air division's conversion to the comparatively new Mark V Sabres is complete, C.P. reported from Ottawa. . . . A toll expressway to the scenic Laurentians was proposed yesterday by Mr. Ernest Gohier, Chief Engineer of the Quebec Roads Department. He estimated the 25-mile expressway would cost \$35,000,000.



Miss Hamilton

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Vol. 6, No. 5

Friday, January 7, 1955.

Pre-Session Caucuses On Parliament Hill: Ottawa, Jan. 6 (Gazette) -- Parliament Hill bustled with renewed life today in anticipation of the opening tomorrow of the new parliamentary session. Members of the Progressive Conservative and CCF Parties held private meetings to discuss strategy for a busy session expected to last into mid-summer.

Five of the 51 Progressive Conservative members were absent including Mr. Drew. He will miss the opening ceremony for the first time since he became party leader in 1948.

It was the second caucus in two days for the 24-member CCF group. Social Credit members, with 14 of the Commons' 265 seats, will meet a few hours before tomorrow's opening. The 172-member Liberal caucus is not expected to meet until next week.

The only Commons vacancy was caused by the death November 11 of Robert Fair, Social Credit member for Battle River-Camrose. . . .

Arctic Defense Findings: Ottawa, Jan. 5 (CP) -- Secrets dragged by Canadian oceanographers from the Arctic seas were disclosed today at a closed meeting of the Fisheries Research Board. But they remain secrets.

Oceanographic surveys were made for the first time last year in the lonely ice-strewn waters around the northern shores of islands comprising the District of Franklin. At one point the soundings were taken just 800 miles from the North Pole.

The findings were contained in the annual report of the Canadian Joint Committee on Oceanography presented to the board's annual meeting. But because of their significance for defence as well as for fisheries and other purposes, no details were made public.

Spokesmen said, however, that the new information on water temperatures, salinities, currents and other physical features will be an important contribution to the growing fund of knowledge about Canada's North.

The oceanographic surveys were carried out by the Royal Canadian Navy's new northern research ship Labrador and by the U.S. Coast Guard vessels Burton Island and Northwind.

Ontario Chamber of Commerce Submissions: Ottawa, Jan. 6 (CP) -- The Ontario Chamber of Commerce today called for tight Government controls over labour strikes and law enforcement against sympathy walkouts, mass picketing and intimidation of workers in labour disputes.

In a policy statement at its annual session, the Chamber proposed that all strikes be prohibited until they have been authorized by a majority of employees in a secret, Government-supervised ballot held after a "cooling off" period.

It urged also that when a strike is called, the Labour Minister be empowered to poll employees secretly to find out whether they wish to return to work.

The Chamber took its stand against labour walkouts after President Ivor Wagner charged that big business unionism, operated mainly for the benefit of "United States union bosses," is rapidly eliminating the rights of individual workers.

More and more Canadian firms, he said, are losing out in competition against foreign firms because of high Canadian production costs.

Seaway Benefit To Western Canada: Saskatoon, Jan. 6 (CP) -- A director of the Saskatchewan Wheat Pool today asked western producers and consumers to pay more attention to the St. Lawrence Seaway.

Mr. William F. McLeod told the annual meeting of the Saskatchewan Federated Co-Operatives Ltd., that the seaway could be of great material benefit to western Canada.

But he charged the Lake Shippers' Association with trying to restrict passage of the seaway to Canadian shipping and to bar British and foreign shipping from Great Lakes.

"If the association was successful, the people of the west would continue to pay the high freight rates they always did," Mr. McLeod said.

Sqdn. Ldr. MacKenzie Interviewed By U.S. Officials: Ottawa, Jan. 6 (CP) --

U.S. officials tomorrow will complete their interview with Sqdn. Ldr. Andy MacKenzie of Montreal, freed December 5 by the Chinese Communists after two years' imprisonment.

Three intelligence officers of the U.S. Air Force and a State Department official from Washington spent most of today talking to the RCAF fighter ace. Three U.S. fliers imprisoned with MacKenzie are still held by the Reds.

The interview consisted chiefly of a "debriefing," an air force term for a pilot's report to intelligence officers when he has returned from an operation.

MacKenzie was serving as an exchange officer with the U.S. Air Force when he was shot down over North Korea December 5, 1952. This was his first chance to make a report to U.S. Air Force intelligence officers on his last operation in Korea.

He has faced questioners four times since his return to Canada last month.

Rail Union Chiefs End 3-Day Talks: Montreal, Jan. 5 (CP) -- Union chiefs of 180,000 railwaymen today ended three-day talks in which plans were laid and proposals drafted for a new deal in contract negotiations.

The 110 delegates were close-lipped following the meeting but it was learned they had considered an approach to the railway companies regarding the bargaining rights of the workers.

Mr. Frank H. Hall, Chairman of the Conference, said earlier an approach was planned to the federal Government regarding possible amendments to the Industrials Disputes Act.

Across Canada: Peter C. Fair of Kingston, Ont., and Montreal will pilot Princess Margaret to Trinidad January 31 on the first leg of her Caribbean tour, C.P. reported from London. Mr. Fair, 48, is a veteran British Overseas Airways Corporation pilot who has flown more than 2,500,000 miles and who has crossed the Atlantic more than 400 times. . . . Remembrance Day should be observed in school and not at home, the Ontario Chamber of Commerce said yesterday. It called for elimination of November 11 as a compulsory school holiday. . . . The Ontario Hurricane Relief Fund, launched under the chairmanship of Col. Eric Phillips within 48 hours of the gale and floods that swept Central Ontario three months ago, yesterday passed the \$5,000,000 mark, and will seek no further contributions, the Globe and Mail reported.



*Miss Hamilton*

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Vol. 6, No. 6

Monday, January 10, 1955.

## Work Projects Forecast In Speech From The Throne: Ottawa, Jan. 7 (CP) --

Measures against unemployment - one of them calling for fast action by Parliament to protect winter jobless - were forecast today in the Speech from the Throne opening the 1955 session.

The traditional Speech, read by Governor-General Massey before a Senate-Commons assembly and the first television audience in Parliament's history, announced legislation will be introduced immediately to increase the amounts and the duration of supplementary unemployment insurance benefits for this winter.

It said, too, that already-approved public works are being speeded and Parliament will be asked to approve a "substantial increase" in additional spending on works with a view to providing jobs.

Mr. Gregg, it was learned later, promptly placed on the Commons order paper notice of the high-priority amendment to the Unemployment Insurance Act. . . .

Apart from the unemployment measure, the Throne Speech announced Government plans that included provisions for home improvement loans; Government-backed loans to fishermen for improving their gear; improved pensions to the blind and allowances to burned-out war veterans; changes in federal grants to some municipalities; aid to marginal gold mines; and tighter control of the power potential of rivers flowing across the Canada-United States boundary.

There also will be legislation to increase the amount spent by the federal Government annually in reducing railway grade crossing hazards, consolidating legislation dealing with the publicly-owned Canadian National Railways and changing legislation dealing with the inspection of farm products.

It was indicated that defence spending will remain high. There was no clue to 1955 tax changes.

After the Governor-General read the Throne Speech in English and then in French to a joint assembly of the two Houses in the Senate Chamber, the Commons buckled down to save a day by hearing the moving and seconding speeches on the formal address in reply to the Speech from the Throne. For some years past, these have been put over a day.

## Heavy Programme Of Legislation: Ottawa, Jan. 9 (CP) -- Proposed legislation to tighten the federal Government's authority over the use of river waters flowing across the United States boundary is expected to be disclosed tomorrow.

Measures to extend this authority will be included in two bills expected to be introduced in the Commons by Mr. Howe. The Speech from the Throne, read at the opening of Parliament by Governor-General Massey, said the legislation will ensure that natural resources are developed in the best interests of the Canadian public.

The bills were among 19 placed on the Commons order paper by nine Cabinet members. The legislation constitutes the heaviest initial legislative programme laid before a new session of Parliament in years.

A Government spokesman said the bills on natural resources are being introduced early in view of a pending transaction between the British Columbia Government and the Kaiser aluminum interests of the U.S., for development of power on the Canadian side of the Columbia River.

(over)

One of the bills would give the Government authority to control works affecting the normal flow of border-crossing rivers. It is an "act respecting the construction, operation and maintenance of international river improvements."

The other would amend the Electricity and Fluid Exportation Act of 1907, under which the Government has some control over river waters of an international nature. It also will give the federal Government authority over the importation of gas.

Among the first items of parliamentary business will be ratification of the London and Paris agreements providing for the entry of a rearmed West Germany into the North Atlantic Treaty Organization. External Affairs Minister Pearson will ask formal approval of the agreements signed by Canada at Paris last October 23.

Quebec To Introduce New Stock Controls: Quebec, Jan. 7 (CP) -- Premier Duplessis announced today the Quebec Government plans to introduce a bill soon after resumption of legislative sitting Tuesday to place control of stock-market activities in the hands of a Government securities commission.

Mr. Duplessis said members of the commission will be appointed for life and will be well-paid. Their job would be to crack down on racketeering stock salesmen.

At his Friday press conference he announced that final touches now are being put to legislation revising the Quebec Securities Act.

At one point the Premier took an apparent swipe at New York State Attorney-General's Department officials who have claimed Quebec is not co-operating in getting rid of racketeers and high-pressure salesmen in the Montreal securities market.

"This legislation is not going to be political like some of the statements from the United States which sought to have us do work they would not even do themselves," Mr. Duplessis said. He did not elaborate.

Across Canada: In the Commons, Mr. St. Laurent on January 7 paid tribute to absent Mr. George Drew and said he hopes the Opposition Leader will be back in the House of Commons soon. . . . Chrysler Corporation of Canada workers Sunday voted overwhelmingly in favour of postponing indefinitely a scheduled strike vote, because of the serious situation in the Ford of Canada strikes. . . . Trans Canada Airlines last night claimed a new, unofficial west-bound trans-Atlantic speed record for a commercial airliner of 11 hours and 27 minutes. . . . The Quebec Government has decided to build three 1,500-bed mental hospitals at a cost of \$55,000,000 on the recommendation of a committee of experts. The buildings will be erected in Trois-Rivieres, Sherbrooke and Joliette. . . . Forty-three first-year engineering students at University of Toronto who averaged 34 per cent or less in mid-year tests have been ordered to quit their courses, the Globe and Mail reported.



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Vol. 6, No: 7

Tuesday, January 11, 1955.

Motions Of Non-Confidence In Commons: Ottawa, Jan. 10 (CP) -- The Progressive Conservatives and CCF today moved motions of non-confidence in the Government. The motions came during the Commons first day of debate on the Address in reply to the Speech from the Throne.

The debate mainly comprised an attack on Government unemployment and trade policies by Mr. Rowe, acting Opposition leader, Mr. Coldwell and a defence of the policies by Mr. St. Laurent.

The Conservatives based their non-confidence motion on six measures on which they said the Government has "failed" to act: retention and expansion of Canadian markets abroad; unemployment; taxation relief; elimination of waste and extravagance in Government; encouragement of the processing of Canadian natural resources in Canada; and a contributory health plan.

The CCF accepted these and added a seventh; that the Government has "deliberately returned to the policy of uncontrolled and unplanned private enterprise which resulted in the depression and unemployment of the prewar years" and "failed to undertake the economic planning necessary to cope with the serious problems now facing the Canadian people."

Mr. Rowe, replacing Mr. Drew who is still recuperating from a meningitis attack said that if last year's unemployment trend continues, there will be 600,000 jobless in Canada within two months. . . .

Mr. Coldwell said higher unemployment insurance doesn't get to the root of the problem though it does mitigate the suffering. The Government was locking the stable after the horse had gone. . . .

Mr. St. Laurent On Trade Policy: Ottawa, Jan. 10 (CP) -- Expanding trade is desirable and necessary to Canada's prosperity, but it should not be gained by high tariffs, Mr. St. Laurent said today. Speaking in the Throne Speech debate, Mr. St. Laurent said the Government feels it would not be sound to use high tariffs to expand trade.

It is perhaps unfortunate, he said, that the production costs of some Canadian goods are greater than the selling price of goods offered by foreign countries. But foreign trade must flow both ways, he said, indicating that it would be unwise to place high tariffs on those goods in order to protect Canadian industries.

To obtain high exports, Canada also must import a lot or else the Government will have to extend credit to Canadian exporters, he said. He replied to a series of criticisms of the Government's trade policies by Mr. Rowe.

He said Mr. Rowe said Canada has lost its markets in the United Kingdom for the second time within Mr. Rowe's political career. Mr. St. Laurent said there has been no loss of U.K. markets. There was no loss of desire in the U.K. to take Canadian goods.

But there was still a shortage of dollars - though the situation was improving steadily - which limited the quantities of Canadian goods which Britain could buy.

He said the Government tries to ease the flow of external trade, but it does not try to handle trade or tell Canadians where and what they can buy and sell. . . .

(over)

Aid For India: (Press Release No. 3, Jan. 11) -- The Department of External Affairs announced on January 11 that representatives of the Governments of India and Canada had completed an exchange of notes in New Delhi providing for the allocation of \$3.3 million of Canadian Colombo Plan aid to a proposed hydro-electric scheme on the Umtru River in Assam.

The project is designed to hasten economic progress in the Indian State of Assam. The new power to be generated will in part be used for irrigation and drainage thus allowing new land to be brought under cultivation. Some of the new power will also be used in existing small industries, while it is hoped that the growth of new industries, which will supplement the low income of the local people, will be stimulated.

. . . .

Atomic Power Plants: Ottawa, Jan. 10 (CP) -- Canadian power companies have been invited to submit proposals on the construction of experimental atomic power plants, Mr. Howe announced today.

He said in the Commons that development of atomic power plants in Canada will be similar to the plan announced in Washington yesterday by the United States Atomic Energy Commission. The Commission said it will help private industry develop and operate experimental atomic power plants and called for proposals on constructing reactors for industrial purposes. . . .

International Rivers Water Control: Ottawa, Jan. 10 (CP) -- The federal Government today proposed to tighten its grip on the use of water in international rivers and to loosen its control over the export of gas and oil.

Two measures introduced in the Commons by Mr. Howe would:

1. Require anyone - including a Provincial Government - to get a federal license for any works affecting the flow on the Canadian side of a river running into the United States.
2. Remove the federal Government's power to impose export duties on gas, oil and other fluids, while retaining this authority for electricity exports.
3. Cut down the Government's unrestricted authority to cancel licenses for these exports.
4. Make a federal license necessary for the import of gas.

Across Canada: Mr. Solon Low, Social Credit party leader, said last night Canada's proposed increase of \$1,000,000 in annual Colombo Plan contributions is niggardly. . . . Owners of single houses will be able to borrow a maximum of \$2,500 and apartment owners \$6,250 under the new home improvement loan regulations to come into effect February 1. Banks will extend loans on promissory notes, C.P. reports. . . . The Government no longer will hold New Zealand to a verbal arrangement to keep its cheese off the Canadian market. Mr. Howe made the statement in the Commons yesterday, according to C.P.



## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

*Miss Hamilton*

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Vol. 6, No. 8

Wednesday, January 12, 1955.

All Parties Back Jobless Aid Bill: Ottawa, Jan. 11 (CP) -- All parties in the Commons today commended a Government-proposed boost in supplementary winter unemployment insurance, but opposition speakers said the Government has not gone far enough or fast enough in fighting unemployment.

But the insurance bill - to provide an estimated \$10,000,000 a year more in benefits for winter jobless - appeared assured of fast passage.

By unanimous agreement, the House interrupted formalities of the Throne Speech for its introduction. The Government is hopeful of adoption late this week. In that case, its provisions would become effective from the start of the week.

These provisions are:

1. Increasing the supplementary benefit payments to equality with regular benefits.
2. A minimum 60 days of supplementary benefits a year. Minimums in different categories now vary from 18 days upwards.

In presenting the bill, Mr. Gregg said that on the basis of last winter's unemployment supplementary insurance would cost \$22,000,000 annually compared with \$12,000,000 a year ago. The money will come from the insurance fund with no increase in employer-employee contributions.

Immigration Drop In November: Ottawa, Jan. 11 (CP) -- Immigration dropped 38 per cent in November, the sixth consecutive monthly decline, the Government reported today.

The number of new immigrants arriving in Canada dropped to 8,664 in November, down 5,252 from the 13,916 in the similar period last year, the Immigration Department said today.

This reduced the total for the first 11 months of 1954 to 146,773, down 10,865 from 157,638 in the previous year.

The flow of arrivals showed declines from virtually all areas in November, the numbers arriving from the United Kingdom decreased by 25 per cent to 3,199 from 4,261.

Those from Northern Europe declined in the month by 50 per cent to 2,114 from 4,262. The flow from the United States showed a three-per-cent increase to 859 from 832 but the total from all other areas was reduced by 45 per cent to 2,492 from 4,561.

Canada Leader Among Grain Exporters: Winnipeg, Jan. 11 (CP) -- Despite rising competition and falling markets, Canada remained king of the world's grain-exporting countries in 1953-54.

A booklet, "Canadian Grain Exports-Crop Year 1953-54," just published by the Board of Grain Commissioners, shows that Canada's wheat, wheat flour and rye exports represented approximately 30 per cent of the world trade in bread grains. Canadian coarse-grain clearances were more than 27 per cent of the world exports of oats, barley and corn.

In the crop year August 1, 1953, to July 31, 1954, Canada's grain exports totalled 437,900,000 bushels, well above the 30-year average of 314,000,000 but well under the record 582,800,000 of the previous crop year.

(over)

Mr. E. E. Baxter, chief statistician for the Board, said in an interview today the decrease could be attributed to several factors:

1. Lessening demand in the importing countries.
2. Argentina, after suffering two poor crop years and a third year of political upheaval over grain policies, returned to the competitive market in 1953-54.

3. United States wheat proved a stronger competitor.

4. A belief, yet to be proven, that importing countries tended to build up stocks during the Korean war, and since Far Eastern tensions have subsided somewhat they now are using those stocks.

However, the biggest factor in the sharp decline from 1952-53 was the severe drop in the United Kingdom purchases. The U.K., biggest importer under the International Wheat Agreement from 1949 to 1953, dropped her membership last year and her wheat imports plunged to 65,-800,000 from 102,000,000.

Germany was the heaviest buyer of Canadian wheat under the IWA, with registered purchases of 17,000,000 bushels.

Quebec Aid To Universities: Montreal, Jan. 12 (Gazette) -- Montreal's three universities saw towering financial problems overcome last night with the news that the Quebec Government grants distributed for the last two years will be repeated in the same amounts for the current academic year.

The grants, listed in the budgetary estimates tabled by Finance Minister Gagnon in the Legislature yesterday, are: McGill, \$750,000; University of Montreal, \$600,000; Sir George Williams College, \$72,000; Laval University, Quebec, \$525,000; and Bishop's University, Lennoxville, Quebec, \$25,000.

"Sunshine Town" Acclaimed: Toronto, Jan. 11 (CP) -- "Sunshine Town," a gay and thoroughly Canadian musical lampoonery against small-town politics Monday night delighted a first-night audience that welcomed its arrival in Toronto.

Mayor Moore's comedy based on Stephen Leacock's "Sunshine Sketches" opened a two-week run at the Royal Alexandra theatre after trial performances in London, Ont. Later it will move to Montreal and Ottawa.

Book, lyrics and music all were by Mr. Moore, who drew freely on Leacock's whimsy about Mariposa, imaginary town in imaginary Missinaba county, beset by electoral, temperance and financial problems, and a suspicion of arson at the local Anglican Church.

The play's sallies at hitherto sacred cows occasionally seemed to leave its audience gasping, with laughter and applause trailing far behind, but there was no doubt of the accumulated reaction after the final curtain.

Three curtain calls and five minutes of sustained applause obliged two repeats of a final chorus by the ensemble, and stage appearances by Mr. Moore and choreographers Alan and Blanche Lund. . . .

Across Canada: A Commons Committee to consider ways of speeding up the business of the House will be re-established. Mr. St. Laurent yesterday gave notice of his intention to move for appointment of the Committee. . . . Agricultural price support from 1946, when support prices were instituted, to March 31 last cost the Canadian taxpayer \$80,163,658. The figure is given in the 1953-54 report of the Price Support Board, C.P. reported. . . . Record expenditures of \$331,201,660 for the fiscal year 1955-56 were forecast in the budgetary estimates tabled in the Quebec Legislative Assembly.



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Vol. 6, No. 9

Thursday, January 13, 1955.

In Parliament Yesterday: Ottawa, Jan. 12 (CP) -- Mr. Erhart Regier, a British Columbia CCF Member of Parliament, said today Quebec is the sore spot of national unity and may turn to Communism.

"I contend that there is no part of Canada that is as ripe for advances by the Communist Party as the Province of Quebec," he said in the Commons during the Throne Speech debate.

Mr. Regier, who represents Burnaby-Coquitlam, said that Quebecers, faced with double taxation, are going to wake up.

"There are enough of them to turn the tide. My forecast is that when that tide turns in the Province of Quebec it is going to turn mighty fast.

"My greatest concern is that it may turn to the Communist Party."

Mr. Regier also criticized Prime Minister St. Laurent for meeting Premier Duplessis of Quebec in a Montreal hotel room in an effort to settle a federal-provincial tax dispute. . . .

Mr. Regier's concern about Quebecers turning to Communism met with jeers from a number of French-language Liberals in the House. . . .

Rehabilitation of Canada's shrunken merchant navy was demanded today by Mr. Howard Green, transport specialist for the Progressive Conservatives.

The Vancouver-Quadra Commons member said federal policy on merchant shipping has been "one of the most dismal failures of the Canadian Government."

But he added he believes a bold policy now "could yet save the situation." . . .

Senator Hodges On Work For Aged: Ottawa, Jan. 12 (CP) -- A prominent woman member of the Senate said today the time has come for a revision in the thinking that people are too old to work at 65 and the Government should take the lead.

Senator Nancy Hodges (L-British Columbia), herself 66, moving the Address in the Senate, said that while science predicts longer life spans, the feeling in Canada seems to be: "Too old at 45 and get out at 65." People seeking jobs at 40 were told they were too old. People were automatically pensioned at 65, some of them left in tragic circumstances.

Many of these older people, she said, are creating unemployment problems on the west coast, to which they are attracted by the climate.

Air Agreement With Japan: (Press Release No. 4, Jan. 12) -- The Department of External Affairs announced on January 12 that an Air Transport Services Agreement between Canada and Japan had been formally signed that day in Ottawa. His Excellency, Dr. Koto Matsudaira, the Ambassador of Japan, signed the Agreement on behalf of his Government, while Mr. L. B. Pearson, the Secretary of State for External Affairs, and Mr. George C. Marler, the Minister of Transport, signed on behalf of Canada. The Agreement, which was negotiated in Tokyo and initialled there on November 24, 1954, will come into force when it has been approved by both Canada and Japan in accordance with their respective constitutional procedures.

The Agreement will enable a Canadian airline to operate an international air service between Vancouver, Tokyo, and Hong Kong via the great northern Pacific Route. A Japanese airline will in return be allowed to

operate an international air service on a similar route between Tokyo and Vancouver and other points to the south. Full traffic rights at Tokyo and Vancouver will be exchanged reciprocally under the Agreement.

Mutual Relations Conference In Washington: Montreal, Jan. 12 (CP) -- The Canadian Chamber of Commerce announced today that a conference on mutual relations between Canada and the United States will be held in Washington, February 7-8.

The conference was arranged by the Canada-U.S. Committee of the Canadian and U.S. Chambers and the Canada-U.S. Committee on education. The second group is sponsored by the Canadian Education Association, the Canadian Teachers' Federation, the National Conference of Canadian Universities and the American Council on Education.

The conference will seek means to further understanding between the two countries through the activities of a wide range of organizations. Delegates from trade professional associations, chambers of commerce, educational and labour organizations, service clubs and church groups in the United States and Canada will attend.

Mr. Dunton On Canadian TV: Toronto Jan. 12 (CP) -- CBC Chairman Dunton said today Canadians laugh at United States television comedy shows but can't see the fun in Canadian-produced programmes which are just as good.

In an address to the Osgoode Hall Literary Society, he blamed a traditional belief that "Canadians aren't very funny" for the situation.

"I am amazed at how fast Canadians are to jump on faults in Canadian TV productions and how lax they are at noticing faults in productions from the U.S."

Across Canada: A plan to insure that a home owner would save his down payment in the event that his house was seized through a mortgage foreclosure was urged yesterday in the Commons by Mr. David A. Croll (L, Toronto-Spadina). . . . The Globe and Mail reported that private interests in the United States have offered to construct a toll highway in Ontario from Windsor to the Niagara area and turn it back to the Province in 20 years. It said the Company's proposal is now being studied by treasury officials at Queen's Park and that it was generally considered the Government will turn down the offer. . . . The last of 94 United States aircraft were expected to roar out of Edmonton Airport late Thursday as the giant transportation operation of 3,000 U.S. paratroopers to Alaska comes to a close. The airborne soldiers are heading for Exercise "Snowbird" battle manoeuvres in weather predicted by weather officials to be as cold as 50 below zero, C.P. reports from Edmonton.



Miss Hamilton

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Vol. 6, No. 10

Friday, January 14, 1955.

Unemployment Insurance Bill Passed: Ottawa, Jan. 13 (CP) -- Parliament today gave speedy approval to the Government's bill to extend winter unemployment insurance benefits, handling it as an emergency.

The measure - increasing and extending the duration of supplementary insurance payments - goes into effect immediately. Those qualifying for the new scales will start collecting as from last Monday.

By unanimous agreement, the Commons and Senate suspended their normal procedures to give the bill precedence. The Commons broke into its Throne Speech debate to give it second and third readings. The Senate promptly whipped it through three readings; usually, separate days are required for each stage.

In the Commons, the Progressive Conservatives - with the support of other opposition groups - tried unsuccessfully to extend the overall time for payment of supplementary benefits.

Debate On The Address: Ottawa, Jan. 13 (CP) -- The Government was accused today of conducting a "conspiracy of silence" on all important issues.

The charge was made in the Commons by Mr. Donald Fleming (PC - Toronto Eglinton) at resumption of the Throne debate, now in its fourth day.

Mr. Fleming criticized Prime Minister St. Laurent and the Government for not inviting parliamentary suggestion as to what topics Canada should place on the agenda of the forthcoming Commonwealth Prime Ministers' Conference in London.

"A fine demonstration of contempt for the Parliament of Canada," Mr. Fleming said in a scathing speech which also touched on Canada's dwindling foreign trade.

He said he had asked Mr. St. Laurent to say what topics Canada will bring forward at London, but was told only that such things could not be discussed. . . .

Quebec Tax Formula Speculation: Ottawa, Jan. 13 (CP) -- A modified tax formula - under which Quebec could get its planned revenue and many, possibly all, of its taxpayers could be relieved of double taxation - may be offered to Premier Duplessis as a basis of settling the federal-provincial tax dispute.

The modification, it was learned, was considered by Cabinet today along with Mr. Duplessis' original proposals as the Ministers met to decide on the draft of a letter Prime Minister St. Laurent plans to send the Quebec Premier.

Under the modification, the central administration would offer to increase the deductibility allowance on Provincial income taxes to about 10 per cent of the federal levy from the current five per cent. Provincial tax exemptions would be cut to the federal level.

The Cabinet met in the morning, but Mr. St. Laurent told reporters he could give them no information.

(over)

Combines Investigation: Ottawa, Jan. 13 (CP) -- Parliament's anti-combines body is studying charges that Canadian Breweries Ltd. is attempting to set up a monopoly trust to take over Canada's beer industry, it was learned today.

The three-man restrictive trade practices commission may bring down a report on the Toronto Company in a month or so. It is not known whether the Commission will reject the charges or concur in them.

In their annual report, Mr. Taylor, Chairman of the Board, and President G. M. Black, Jr., disclosed their Company was under combines investigation, but denied allegations as unfounded.

First CAC Award To Governor General: Montreal, Jan. 14 (Gazette) -- First annual award of the Canadian Arts Council for distinguished service to the arts in Canada will go to Governor-General Massey.

The award will be presented to Mr. Massey at Government House, Ottawa, next Saturday at 5 p.m. by CAC representatives including President Roland H. Charlebois, Director of Montreal Beaux Arts, Mr. J. C. Parkin, Toronto architect, and Sir Ernest MacMillan noted Canadian conductor.

NATO Consultative Assembly Proposed: Ottawa, Jan. 13 (CP) -- A North Atlantic consultative assembly to discuss and further aims of the NATO defensive alliance was formally proposed today by a group of Canadian parliamentarians.

The proposal was endorsed at the annual meeting of the Canadian NATO Parliamentary Association, a group of 48 members of the Senate and the Commons formed last May. Its aim is to advance NATO as an instrument to bring greatest possible freedom, economic betterment and political stability to peoples in the alliance.

The resolution proposed a meeting of representative legislators from all NATO countries at NATO Headquarters in Paris, July 18.

Across Canada: The Progressive Conservative leader in the Senate, Senator Haig, hit out yesterday at Commons criticism of Senate handling of divorce cases and said if the Commoners don't like it they should take over the work themselves. . . . Works Minister Winters said that removal of Ripple Rock, a navigational hazard in Seymour Narrows 100 miles north of Vancouver, will cost an estimated \$2,500,000. . . . The CCL-CIO Quebec Federation of Industrial Unions got a sharp lecture about union policy yesterday from Premier Duplessis, who bluntly told a delegation they haven't a hope of getting a Federation representative named to the Quebec Labour Relations Board as long as they stand against certain laws passed by his Government, the Globe and Mail reported from Quebec City.



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Vol. 6, No. 11

Monday, January 17, 1955.

Parliamentary Committee Work To Be Extended: Ottawa, Jan. 16 (CP) -- Committee work by Members of Parliament outside the Commons Chamber is expected to be the heaviest in recent years at the present session.

Two special committees already have been established and the Government has proposed a third. A number of others likely will be set up in addition to the 10 standing committees usually established shortly after completion of the Throne Speech debate.

The Opposition and other groups in the House have frequently requested that more of the detailed work of Parliament be handled by committees.

The Commons last Friday set up committees to study ways of speeding Commons work and to recommend possible amendments to the Criminal Code with respect to capital and corporal punishment and lotteries. The latter will be a joint Parliamentary Committee of the Commons and Senate.

Ontario Hydro Chairman Dies After Plane Crash: London, Ont., Jan. 16 (CP) --

Robert H. Saunders, Chief of Ontario's Hydro System, died early today, 30 hours after his Company plane cracked up in a snowstorm.

Four other men were hurt in the wreck of the amphibious aircraft. Two were reported in only fair condition by hospital authorities. The other injured were released after treatment.

Mr. Saunders, 51-year-old Chairman of the Ontario Hydro-Electric Power Commission and former Mayor of Toronto, died in an oxygen tent at Victoria Hospital from multiple injuries, including fractures of the skull, pelvis and ankle.

Mr. Saunders had been in critical condition from the time the two-engine Grumman Mallard heavy with ice and losing altitude quickly, fell into a field near London's Crumlin Airport.

The plane, used by Mr. Saunders many times for his trips throughout the Province since he was appointed Hydro Chairman in 1948, was crusted with ice and ploughed its way through sheets of freezing rain in an attempt to make an emergency landing at the airport, about five miles east of here.

It was en route to Toronto from Windsor, where Mr. Saunders was picked up after a speech at Harrow, Ont., where he said the St. Lawrence River Seaway power development will mean a saving of more than \$26,000,000 a year to Ontario consumers.

Mr. Martin On Disarmament: Ottawa, Jan. 14 (CP) -- The Minister of National Health and Welfare, Mr. Martin, said tonight the degree of agreement reached so far with Russia on disarmament and the peaceful use of atomic energy is encouraging. But he warned there are great difficulties yet to be overcome.

The Minister said there still remains "a wide gap between the free democracies and the authoritarian Communist regimes."

"Nor is there any real evidence that the masters of the Kremlin have abandoned their dreams of extending the dark empire of Communism."

He made the statements on the broadcast, the Nation's Business, over a CBC trans-Canada network.

(over)

Quebec Taxation Discussions: Quebec, Jan. 16 (Gazette) -- Premier Duplessis called a special meeting of Cabinet Ministers here today to study the letter he received from Mr. St. Laurent on the income tax dispute.

Premier Duplessis told The Gazette he had received a reply from the federal Government leader in answer to the proposals Québec made more than two months ago for a settlement of the long-standing dispute.

Mr. Duplessis said the correspondence on the subject between himself and Mr. St. Laurent would be tabled in the House of Commons tomorrow afternoon and in the Quebec Legislature on Tuesday afternoon.

Mr. Duplessis declined to give any hint as to the contents of the letter he received from Mr. St. Laurent or of the proposals he has submitted to Ottawa. . . .

Across Canada: Lower taxes and expanded research were proposed in the Commons Friday night as employment stimulants. Mr. George Hees (PC - Toronto Broadview) said the two moves would bring greater production and sale of Canadian goods and hence more jobs, C.P. reported. . . . Mr. Martin says he doubts Montreal will scrap its civil defence organization. He was commenting on a report that the city's policy-making executive committee voted to withdraw financial support from the organization as an economy measure. Committee Chairman Pierre DesMarais said his colleagues want to see the organization abolished by May 1, the Montreal Gazette reported. . . . Dr. Eugene Forsey, Research Director of the Canadian Congress of Labour, said in a radio broadcast according to C.P., "creeping republicanism" is evident in Government attempts to remove the words "Dominion" and "Royal" from Canadian statutes and other constitutional papers. . . . The Canadian Press reported from Paris that, thanks in great part to Government fellowships, the number of Canadian painters now studying and working in Paris is probably unprecedented. And the results are quickly becoming apparent in French galleries and museums.



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OTTAWA - CANADA

Miss Fenwick

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Vol. 6, No. 12

Tuesday, January 18, 1955.

Quebec Taxation Plan: Ottawa, Jan. 17 (Montreal Gazette) -- Quebec taxpayers will receive a 10 per cent cut in federal income tax backdated to cover the 1954 tax year. An announcement to this effect was made in the House of Commons early this afternoon. The special concession to Quebec taxpayers, however, is not embodied in any agreement.

Mr. St. Laurent made it clear that the federal Government was taking the action unilaterally. It is not conditional upon action to be taken by the Quebec Government and the Quebec Legislature. Nor is it open to acceptance or rejection by Quebec authorities.

This is how the new arrangement will work:

During the 1955 and 1956 tax years, Quebec taxpayers will pay 10 per cent less in federal income tax than will taxpayers in provinces which have signed a tax rental agreement. And the deductibility concession (5 per cent) will not be effective.

With respect to the 1954 tax year only, deductibility will be retained, but it will be increased to 10 per cent. This enlarged deduction will be allowed to all taxpayers in the province who, said Mr. St. Laurent, "have actually paid a provincial income tax on their 1954 income."

Mr. St. Laurent announced that he had already despatched letters to Premiers of the other nine provinces offering to release them from their tax rental agreement if they "prefer the new arrangement."

He also disclosed that in the light of the new development, the federal Government favoured the holding "at an earlier date" of the next full-dress Dominion-Provincial Conference on fiscal relations - normally due at the end of this year to discuss tax pacts to follow the expiration of the rental agreements on March 31, 1957. He would, he said, begin his efforts for an early reconvening of such a conference as soon as he arrived back from the London Conference of Commonwealth Prime Ministers - probably at the end of February.

But the big surprise was Ottawa's decision to abandon the deductibility principle in favour of an outright tax cut, for taxpayers of provinces which remain outside the tax rental agreement circle.

The Prime Minister's own explanation of this decision was: "At the present time a taxpayer having to pay a provincial income tax may claim a deduction up to five per cent of his federal tax. There are administrative difficulties and complications for taxpayers in deducting a portion of one tax from another, but what is more serious, this method makes the real incidence of the provincial tax depend on the terms of the federal tax law and makes the whole amount deducted from the federal tax depend on the terms of the provincial law. We feel that it would be more satisfactory to reduce the federal income tax law by a fixed percentage in any province which imposes and collects a provincial income tax and thereby let both federal and provincial taxes stand on their own feet without either Government having to provide for a deduction of one tax from the other."

The new arrangement is not a so-called permanent one. Mr. St. Laurent himself described it as a "stop-gap arrangement pending the conclusion of any long-term arrangements for the period following the expiry of the present tax rental agreements." . . . .

(over)

Passamaquoddy Power Survey: Ottawa, Jan. 17 (CP) -- Mr. Pearson indicated today the Government would be prepared to join the United States in an economic survey of the feasibility of the Passamaquoddy power project in New Brunswick.

In the 1930's, a start was made on the project to harness the Bay of Fundy tides in Passamaquoddy Bay on the New Brunswick-Maine border but it was abandoned.

Mr. A. J. Brooks (PC - Royal) asked in the Commons whether Canada would join in an economic survey if one were undertaken. He referred to Washington reports that President Eisenhower has asked Congress for \$1,000,000 for a survey.

Mr. Pearson said a survey is not a new proposal. A resolution requesting the International Joint Commission to make a survey was passed in the U.S. Senate last year but did not receive final approval.

Commonwealth Conference Queries: Ottawa, Jan. 17 (CP) -- The Opposition today fired a barrage of questions at Mr. St. Laurent concerning the Commonwealth Prime Ministers' Conference opening in London, January 31. Mr. St. Laurent declined to disclose any details of the agenda for the Conference or what matters he intends to broach.

He said the Conference is held in private and he cannot reveal the subjects for discussion without agreement of the other Commonwealth Prime Ministers.

Mr. John Diefenbaker asked if a day could be set aside for debate on subjects to come before the Conference.

The Prime Minister said the Conference has been called to discuss political and economic problems. He would be glad to hear views expressed in the House and suggested this might be done Thursday when the Commons is to discuss ratification of the Paris protocol for entry of a rearmed West Germany into the North Atlantic Treaty Organization.

Radio Moscow In Canadian North: Ottawa, Jan. 17 (CP) -- A newly-elected member of the Northwest Territories Council said today the propaganda of Radio Moscow is heard better in the Canadian north than programmes of the CBC and appealed for federal action.

Mr. John Parker, Yellowknife lawyer and one of four Council members elected last September, told the eighth session of the Council that the CBC's trans-Canada network station CBX, with studios in Edmonton, serves most of the N.W.T.

But in the northern part of the Territories, he said, the music, slanted world news and propaganda shortwave broadcasts of Radio Moscow are heard much more clearly.

He suggested this was a dangerous situation because most listeners in the far north are Eskimos and Indians who still are uneducated and only now are coming to know of Canada as a nation.

Across Canada: Approximately 1,000 members of 60 Canadian and United States snow shoe clubs are expected to attend the National Snowshoers Convention February 26-27 in Levis, Que., C.P. reports. . . . The Retail Merchants' Association of Canada and the Automotive Retailers' Association, along with 32 greater Vancouver gasoline dealers, were charged yesterday with operating a gasoline price-fixing combine in greater Vancouver, C.P. reported from Vancouver. . . . Canada will be kept informed on the arms-pool conference of member nations of the Western European Union, Mr. Pearson said Monday. The conference is meeting in Paris. He informed Mr. Diefenbaker that Canada is not a member of the Western European Union and is therefore not represented at the meeting.



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Vol. 6, No. 13

Wednesday, January 19, 1955.

In The House Of Commons: Ottawa, Jan. 18 (CP) -- The federal Government should assume responsibility for taking care of unemployed who are able to work, a CCF member said in the Commons today.

Mr. Joseph Noseworthy, York South, said growing unemployment has brought on the time for the Government to implement a policy of assuming such a responsibility, which it had proposed at the 1945 federal-provincial conference.

Along with providing for those out of work, he said, the Government should take steps to create jobs by increasing social welfare spending and stepping up its public works programme.

Mr. Noseworthy spoke on the sixth debating day of the Throne Speech debate. He was the 33rd member to talk.

From two Maritimers in opposite political camps the House heard urgings for the promotion of industrial development in their area to protect Canadian production in the event of war.

Decentralization of industry is in the national interest, said Mr. A. R. Lusby (L-Cumberland) and Mr. Thomas M. Bell (PC-St. John-Albert). Mr. Lusby wanted a federal organization to stimulate Maritimes economic development. Mr. Bell requested aid to New Brunswick in producing hydro-electric power.

Import of New Zealand cheese into this country has placed Canadian cheese producers in a precarious position, the House was told.

Dr. William Blair (PC, Lanark) criticized the Government for permitting the importation of 2,250,000 pounds of New Zealand cheese when Canadian cheese producers have 10,000,000 more pounds in storage than last year. . . .

Advises Canadians To Stop "Sounding Off" On U.S. Affairs: Toronto, Jan. 18 (CP) -- Mr. B. T. Richardson, editor of The Toronto Telegram, said today Canadians are back-seat drivers when it comes to United States politics and society.

In a luncheon address to the Ontario Association of Hotel and Resort Owners, he criticized Canadians, who "rarely hesitate to express views about almost every aspect of American society and politics."

Mr. Richardson said the time will come when Canadians will have to "put up or shut up." He suggested that the United States citizen, as well as being the tourist who spends his money here, is also "the fellow who buys most of our export goods, sells us most of the things that Canada has to buy and, next to Canadians themselves, is the man most likely to be found gambling in Canadian uranium or oil stocks."

He advised Canadians to stop "sounding off" on U.S. affairs. Canada is no longer small, insignificant and weak and the U.S. pays a good deal more attention to Canada than it used to, he added.

Sir Ernest MacMillan To Retire In 1956: Toronto, Jan. 17 (CP) -- Sir Ernest MacMillan, conductor of the Toronto Symphony Orchestra since 1931, will resign at the end of next season - in April, 1956, he announced today.

"Much as I enjoy the work, I feel in it an increasing sense of strain, especially when combined with the many other activities in which I am involved", Sir Ernest said.

(over)

He announced his retirement in a letter to Mr. Trevor Moore, President of the Toronto Symphony Orchestra Association, and later confirmed it at a press conference.

"Next season, 1955-56, will be my 25th as conductor of the orchestra. I should like to round out this period by remaining in office until next season is completed and then, provided you have found a satisfactory successor, to retire", Sir Ernest said in the letter.

Mr. Duplessis Silent On Tax Plan: Quebec, Jan. 18 (Montreal Gazette) -- Today in the Legislative Assembly Premier Duplessis quietly tabled the letters exchanged between himself and Mr. St. Laurent in connection with the Ottawa-Quebec tax dispute but did not offer any comment or give any indication as to when he would comment.

Earlier the Premier told the writer he wouldn't have anything to say for a few days.

The galleries in the Assembly were packed for the first time this session when the Premier rose in the House. . . .

Across Canada: Mr. Joseph Noseworthy (CCF, York South) said the Liberals have been "missing a grand opportunity" by not making a Cabinet Minister of Mr. David Croll, veteran member for Toronto-Spadina and former Ontario Welfare Minister. . . . Two persons yesterday were arraigned in connection with an alleged international conspiracy to smuggle Italian immigrants into Canada. Warrants were issued for the arrest of two others - Francesco Salvo of Naples and Anthony J. Pettroni of New York City - in the alleged racket. Seven persons in all have been named. Pleading not guilty yesterday were Gustavo D'Errico, 50, operator of a travel agency, and Bernard Corbo, 36, Mayor of suburban St. Eustache for five years, C.P. reported from Montreal. . . . The Quebec City Chamber of Commerce yesterday reiterated a request that Quebec's Ancienne Lorette airport be made an international air terminal and that TCA fly into the Maritimes by way of the field. . . . Negotiations between Ford of Canada and representatives of its 1,200 unionized Windsor office workers were unexpectedly called off yesterday. Top negotiators for Ford and the CIO United Auto Workers continued into their fourth week of bargaining, however, and further meetings were planned.

*Miss Hamilton*

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OTTAWA - CANADA

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Vol. 6, No. 14

Thursday, January 20, 1955.

**Visit Of Prime Minister Of Pakistan:** (Press Release No. 5) -- The Department of External Affairs announced on January 19 that Prime Minister Mohammed Ali of Pakistan will arrive in Ottawa on Monday morning January 24 for a visit as a guest of the Canadian Government. The Prime Minister of Pakistan will be the guest of His Excellency, the Governor General at Government House until January 26, when he will move to the residence of the High Commissioner of Pakistan and Mrs. M.O.A. Baig. He will leave January 27, for New York.

The Prime Minister of Pakistan will arrive from New York by train. He will be welcomed at the Union Station by Mr. St. Laurent, Mr. Lionel Massey, representing the Governor General, His Excellency Mr. Baig, members of the Canadian Government, diplomats and other dignitaries. Prior to departure from the station for Government House, he will review an RCAF guard of honour under F/L W. J. Buchan, D.F.C., C.D. The Central Band of the RCAF will attend.

That afternoon the Prime Minister of Pakistan will hold a press conference in the main Conference Room of the East Block.

Prime Minister Mohammed Ali will call on Mr. St. Laurent and will be the guest of honour at a luncheon at the Prime Minister's residence. That evening His Excellency the Governor General will entertain at dinner at Government House in his honour.

The High Commissioner of Pakistan will accompany Prime Minister Mohammed Ali on January 26, for a call on the Secretary of State for External Affairs. That evening the Prime Minister of Pakistan will entertain His Excellency the Governor General at the residence of the High Commissioner. Later a reception will be held by the Prime Minister of Pakistan at the Rideau Club.

Prime Minister Mohammed Ali will leave January 27, for New York enroute to London where he will attend the Commonwealth Prime Ministers' Conference.

**Says Western Farmers Consider March On Ottawa:** Ottawa, Jan. 19 (CP) -- Western farmers are considering "a mass move" on the "anti-farm" Government in Ottawa, the CCF's chief agriculture critic said today in the Commons.

Mr. Hazen Argue, member for Assiniboia and a farmer himself, said the farmers are thinking of a march on Ottawa to impress on the Government the need for an improvement in the guaranteed wheat price.

The federal Government's proposed solution to the Ottawa-Quebec tax dispute is a "complete surrender" to Premier Duplessis of Quebec, Mr. Argue said.

Mr. Argue, CCF member for the Saskatchewan constituency of Assiniboia, was the first to comment in the Commons on the formula announced Monday by Prime Minister St. Laurent.

"It was a disservice to Canada," he said.

Mr. John Hamilton, (PC, York West), suggested in his maiden speech to the Commons that the Government allow a 20 per cent tax credit on annual payments of principal on house purchases, and the same on real estate taxes as a tax relief for home owners.

If this were not acceptable, said Mr. Hamilton, elected to succeed Mr. Rodney Adamson, the least the Government could do would be allow real property taxes on homes as a deduction from total income for income tax calculation.

He said it was difficult to understand why real estate should be carrying almost the complete load for education, police protection and other responsibilities.

Canadian Paintings Exhibition In London: London, Jan. 19 (CP) -- One of the biggest exhibitions of Canadian paintings ever seen in Britain and including canvases owned by the Queen and Prime Minister Churchill was launched today with a private viewing.

The display, sponsored by the Ontario Government and comprising 142 paintings, will be officially opened Friday by Field Marshal Earl Alexander. It is being shown until February 4.

Most of the paintings are drawn from British collections but 45 were selected and shipped to Britain by the Laing Galleries of Toronto.

The Queen has lent a canvas by Montreal Artist William Goodridge Roberts, "Port-au-Persil". The painting was presented to her by the Royal Canadian Air Force Association and usually hangs in a dining room at Buckingham Palace.

On loan from Prime Minister Churchill is Robert Pilot's "Twilight - Dufferin Terrace, Quebec" presented to the Prime Minister on his 80th birthday by the Canadian Clubs of Canada.

Quebec Taxation Discussions: Quebec, Jan. 19 (Montreal Gazette) -- Premier Maurice Duplessis has written a letter to Mr. St. Laurent in reply to the proposals made by the Ottawa Government to increase to 10 per cent the amount Quebecers may deduct from their federal income tax levy, it was learned from authoritative sources here tonight.

Premier Duplessis today met with members of his Cabinet and outlined to them the contents of the letter he proposed sending Mr. St. Laurent, it is understood. . . .

Across Canada: A lumber industry spokesman said yesterday that Hurricane Edna blew down almost as many trees as Nova Scotia and New Brunswick together harvest each year for lumber. The September storm flattened about 500,000,000 board feet of lumber, he said, according to C.P. from Halifax. . . . The population of Metropolitan Toronto is now 1,254,001, an increase of 81,456 over last year's figures assessment department statistics show. . . . The usual decrease in employment took place during December, but at a much slower rate than a year earlier. In the week ending December 11, 1954, a total of 5,167,000 people held jobs, 36,000 fewer than in November, but 51,000 more than a year earlier. The civilian labour force also showed an increase of 107,000 during the year so that unemployment continued above the comparable 1953 levels, according to a joint release by the Department of Labour and DBS on January 19.



*Mrs. Hamilton*

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Vol. 6, No. 15

Friday, January 21, 1955.

**All Parties Support Paris Agreement:** Ottawa, Jan. 20 (CP) -- Russia is seeking to prevent entry of a rearmed West Germany into the North Atlantic alliance by a campaign of intimidation, cajolery and distortion, Mr. Pearson said today. Canada would be unwise and shortsighted to yield to Soviet threats of punishment if the Paris agreement for German membership in NATO is ratified.

"Nor in my view will that ratification provoke warlike retaliation, unless the Soviet Government, for other reasons, desires to pursue such a belligerent policy.

"I think myself the chances that such retaliation will happen and war might follow are less now than they were last summer after the European Defence Community was rejected."

Mr. Pearson opened the Commons debate on ratification of the Paris agreements.

Mr. Pearson won support from Mr. John Diefenbaker, foreign affairs spokesman for the Progressive Conservatives, CCF Leader Coldwell and Mr. Solon Low, Social Credit Leader. Mr. Coldwell indicated that some members of his party will oppose ratification when the vote is taken, probably tomorrow.

Most of the debate concerned the risk of rearming a nation which had launched two world wars since 1914.

Mr. Pearson said he can sympathize with loyal Canadians who are opposed to German rearmament. But it was the only proper course, not only from the viewpoint of defence against the Soviet threat but also as a means to foster democracy in Germany and knit the Atlantic community closer together.

These are some of the salient points in Mr. Pearson's speech:

"Honourable members would delude themselves if they conceived of the people of the German Federal Republic today as a nation of militarists straining at the leash for freedom to rearm, to tax themselves for weapons and to conscript themselves for military service.

"The fact is that to the best of my knowledge, in Germany as elsewhere, there is revulsion against war and militarism from which Germans as well as the rest of us have suffered so much and so recently. In the Federal Republic of Germany today, as elsewhere in free countries, rearmament. . . is generally regarded at best. . . as a tragic necessity.

"We are being urged in some quarters to scrap our present policy and to agree to another conference with the Russians immediately, a conference designed by Moscow not, I suggest, so much to achieve constructive results as to delay and prevent the ratification of these agreements and to divide and disunite the West.

"Once that (German entry into NATO) has been done then conferences or diplomatic discussions with Russia on Germany, Austria or on any other subject can be resumed. The West can then talk from strength and unity. . . .

"During the months which saw the end of the European Defence Community and, indeed, in recent weeks, there has been talk of a European and Atlantic security system functioning without France. In my view this is careless talk, or worse, as it ignores the great importance of France politically, strategically and industrially.

(over)

"Quite apart from the pressing fact of the Soviet threat against Western Europe, it would, I submit, be wrong and foolish to deal with Germany now as a rejected and unequal people in international society.

.....  
"The Canadian Government took no new commitments in London or in Paris to keep Canadian forces in Europe at any given level or for any given period. What was emphasized at the conferences was our determination to continue to play our full part in the North Atlantic Organization. ....

There is certainly no reality behind the threat of an Eastern NATO, because they have now a military alliance system which is already more heavily armed than NATO, and under complete Soviet control.

"We are on the right path, and the agreements. . . . will make an important contribution to security and peace."

Maj.-Gen. G. R. Pearkes, VC, (PC-Esquimalt-Saanich), supporting the agreements, said the choice lies between linking West Germany strongly with the West or letting her drift "eventually and inevitably to be sucked into the Soviet system."

Mr. Stanley Knowles (CCF-Winnipeg North Centre) said he opposes rearming West Germany because it is "a calculated risk fraught with very real danger."

Red Army Strength: Ottawa, Jan. 20 (CP) -- Russia and its European satellites have a total military force of at least 250 army divisions backed by armor and supported by thousands of planes, Mr. Pearson said today.

Spearhead of the force is some 400,000 Soviet troops stationed in East Germany, he added as he sought Commons ratification of Paris agreements.

Referring to Soviet threats to retaliate by forming a heavily-armed Eastern alliance if West Germany is admitted to NATO, he said:

"There is certainly no reality behind the threat of an 'Eastern NATO' because they now have a military alliance system which is already more heavily armed than NATO, and under Soviet control."

Besides the Soviet's 175 divisions, the Communist forces have 75 satellite divisions, some armored and supported by 2,500 planes.

Russia began rearming East Germany as long ago as 1948 when there wasn't a soldier in the Federal German Republic.

"The Communists have made a transparent effort to disguise this by calling the armed forces in East Germany, which they have organized, barrack police.

"Quite apart from some 80,000 frontier and civil police, there are almost 100,000 more of these barrack policemen organized into army corps and divisions and into air force and naval formations on Soviet lines.

"East German army units have some 600 tanks, 250 self-propelled guns and 1,700 other pieces of artillery. ....

Across Canada: Mr. St. Laurent yesterday received a letter from Premier Duplessis commenting on the Prime Minister's decision to cut federal income taxes in Quebec. Contents of the letter may be made public simultaneously in Ottawa and Quebec next week, possibly Tuesday, C.P. reports. .... Canada and the United States to guarantee an effective continental defence, must sign a proposed treaty which would restrict trade between the two countries along the St. Lawrence River and the Great Lakes to vessels of these two countries, Richard Lowery, Vice-President of Canada Steamship Lines Ltd., said in Montreal, according to the Gazette. . . Mr. William M. Nickle (PC, Kingston) was sworn in as Provincial secretary and Mr. William H. Collings (PC, Toronto-Beaches) was appointed LCBO Chairman in Toronto yesterday.



*Miss Marler*

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Vol. 6, No. 16

Monday, January 24, 1955.

CPA Arctic Route Approved: Ottawa, Jan. 21 (CP) -- The federal Government has approved an application of Canadian Pacific Airlines to operate a trans-Arctic service between Vancouver and Amsterdam, Transport Minister Marler announced today.

The Minister said the formalities preceding start of the service should be cleared away in time to let CPA start operating by spring.

The proposed route, cutting into territory above the Arctic Circle, would reduce by about 1,000 miles the regular flying distance between Vancouver and the European continent.

Granting of the application will make CPA the first Canadian operator over the Great Circle route across the top of the Globe.

The Scandinavian Airline recently started one between Los Angeles and Oslo via Winnipeg. Mr. Marler flew on the inaugural Europe-bound flight in November.

His announcement on Government approval of the CPA application said it still has to go to the Air Transport Board for the issue of a license and the Canadian Government would have to notify The Netherlands Government.

"It is expected," his announcement added, "that both these steps will be taken in the immediate future and that the necessary documents should be issued to the airline in time to allow it to commence service by the spring of the present year if it so desires."

Mr. Marler also said the license to CPA will limit the Canadian end of its service to Vancouver, since this was the only point mentioned in CPA's application.

The 4,825-mile polar route from Vancouver to The Netherlands is expected to be flown in two stages with a refuelling stop likely at a Greenland air base. CPA has stated that at no time during the 17 flying hours would an airliner be more than 90 minutes from one or another in the chain of northern airports.

The Company also said that each of the two non-stop flights would be shorter than the 3,180-mile span between Honolulu and Fiji, which CPA regularly flies on its trans-Pacific run.

Amsterdam was chosen as the European terminus for the service because of its equidistant location between most of the principal cities of Europe and because it is a free port where passengers in transit do not require Customs or Immigration clearance.

Alleges Communist Party Directive Against Ratification: Ottawa, Jan. 21 (Globe & Mail) -- Health Minister Martin charged in the House of Commons today that the leaders of the Canadian Communist Party had sent a directive to its members instructing them in detail how to organize a campaign against ratification of the agreement admitting West Germany into NATO.

Entering the ratification debate, Mr. Martin stated that Communist leader Tim Buck in December had issued a call to all Communists for country-wide action against parliamentary approval of the agreement. From "a responsible source," he said, he had received a copy of a directive which was subsequently sent to all party members. . . .

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Ratification Debate In Commons: Ottawa, Jan. 21 (Globe & Mail) -- The 24-member CCF group in the Commons appeared today to be divided three ways on the resolution asking approval of the admission of a rearmed Germany to NATO.

Mr. Coldwell, who spoke first for his party when the debate opened on Thursday, supported the resolution. He was followed by the whip, Mr. Stanley Knowles, who opposed it. Today Mr. Alistair Stewart stated that he purposely would refrain from voting. . . .

Sending Six To Geneva Conference: Ottawa, Jan. 21 (CP) -- Six delegates will represent Canada at a meeting of the International Labour Organization's Chemical Industries Committee at Geneva next month.

Federal Government delegates will be Mr. John Mainwaring, Chief of the Labour Department's Labour-Management Research Division, and Dr. Kingsley Kay of the Health Department's Occupational Health Division.

Employer representatives will be Mr. William Kirk of Sarnia, Director of Industrial Relations for Dow Chemical Co. of Canada, and Mr. S. C. Jones of Montreal, Employee Relations Manager for Canadian Industries Ltd.

Two union delegates have not yet been chosen.

To Open International Trade Fair: Professor Dr. Ludwig Erhard, Minister of Economic Affairs for the Federal Republic of Germany, has accepted an invitation to open the Eighth Canadian International Trade Fair, in Toronto, on May 30, it was announced Friday by the Minister of Trade and Commerce.

Across Canada: President Sidney Smith, of the University of Toronto, suggested in his annual report that Canadian universities may have to take steps to limit enrolment to meet the impending crisis of numbers, the Globe and Mail reported. . . . The federal Government is giving serious study to establishment of a Commons Committee to deal with problems of redistribution of constituencies, State Secretary Pinard said Friday. . . . An Eskimo in a kayak will be depicted in a new 10-cent stamp to go on sale February 21, the Post Office Department announced. The stamp is being issued, the Department said, "as a tribute to the remarkable people of our last frontier." . . . More than 200,000 members of the federal Civil Service and the armed forces have elected to come under the Government's death benefits plan, effective January 1 last.



*Miss Hamilton*

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Vol. 6, No. 17

Tuesday, January 25, 1955.

House Of Commons Debate On Paris Agreements: Ottawa, Jan. 24 (CP) -- A veteran Jewish member of the Commons - describing himself as torn between emotion and realism - announced today he will vote "with heavy heart" for the admission of a rearmed West Germany into NATO.

Mr. David Croll, Liberal representative of heavily-Jewish Toronto Spadina, said he will "do what needs to be done at this time, but without joy and with the Everest of misgivings."

There is scarcely a home in one section of his riding that has not suffered from Nazi persecution of Jews, Mr. Croll said, but he felt that without the proposed step there could be only chaos.

In the Commons' continuing debate on the German issue, Mr. Croll joined the only other Jewish member in supporting the Government's motion for ratification of the Paris agreements on West Germany. Mr. Leon Crestohl (L-Montreal Cartier) made his stand known last week.

During today's discussion, two CCF members gave reasons why they will vote against ratification and therefore in the opposite way from Mr. Coldwell, who already has announced his support.

They were Mr. H. W. Herridge (Kootenay West) and Mr. O. L. Jones (Okanagan Boundary). This brought to five the number of CCF members who have announced they are voting against Mr. Coldwell's stand.

Electricity By Atoms In 1958: Toronto, Jan. 24 (CP) -- Electricity by atomic power is expected to be produced in Canada on an experimental basis early in 1958.

Mr. W. J. Bennett, President of Atomic Energy of Canada Limited, made the forecast tonight in a speech to the Toronto Board of Trade outlining Canadian progress in research to harness the atom for industrial, medical and domestic purposes.

He said Canada will start this spring to design a small experimental atomic power plant to produce electricity "with a view to the completion of construction early in 1958."

Mr. Bennett also said that:

1. Annual gross income from uranium production should reach about \$100,000,000 by the end of 1957, ranking it fourth in dollar value behind nickel, copper and gold.

2. The new \$40,000,000 NRU atomic energy reactor in the atomic energy plant at Chalk River, Ont., 125 miles northwest of Ottawa, will be operating in June, 1956, giving Canada the finest atomic research facilities in the world.

3. Atomic power plants can meet Southern Ontario's future needs for electricity and that small package plants could be designed for the far north.

Cost of the project has not been estimated and no decision has been made on the site. However, officials said the experimental plant will involve an expenditure of many millions of dollars and may be built at Chalk River or somewhere in Southern Ontario.

Richard L. Hearn Ontario Hydro Chairman: Toronto, Jan. 24 (CP) -- Mr. Richard L. Hearn, who first joined the Hydro-Electric Power Commission of Ontario 42 years ago as a fledgling engineer, today became its Chairman. He

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succeeds Robert H. Saunders who died eight days ago in London of injuries received in a plane crash.

Premier Frost, announcing the appointment, said Dr. Hearn, 64, agreed to forego plans to retire from his hydro work this year to take on the appointment in recognition of an obligation created by Mr. Saunders' death.

For eight years, Dr. Hearn has been hydro's General Manager and Chief Engineer.

Says Canada Not Dependent On Large Flows Of Outside Capital: New York, Jan. 24 (CP) -- Mr. James Muir, Chairman and President of the Royal Bank of Canada, told a business luncheon today that Canadians are not entirely happy over flow of United States capital into their country and consequences it brings.

Mr. Muir said one result has been the present premium on the Canadian dollar—3 17/32nd per cent in today's closing foreign exchange dealings — which has handicapped Canadian exporters.

Contrary to popular impression, Canada is not dependent on continuing large flows of outside capital. In most postwar years, savings within Canada have been sufficient to finance Canadian economic development.

"It is clearly in Canada's interest to participate wholeheartedly in the General Agreement on Tariffs and Trade," he said.

Across Canada: Canada has developed a junior-size cobalt 60 beam therapy unit for treatment of cancer in small hospitals. Production is expected to start in about one year. The annual report of Atomic Energy of Canada Limited, tabled yesterday in the Commons, said the new unit will be produced by its commercial products division in Ottawa along with two types of larger-size equipment now in production, the Montreal Gazette reports. . . . A faster transcontinental train service with 12 hours, maybe more, cut from the existing Montreal-Vancouver schedule was predicted in Montreal by railway officials, the Gazette reported. The forecast reduction in coast-to-coast travelling time was attributed to the fact that both the Canadian National and Canadian Pacific Railways are now using diesel locomotives on trans-Canada runs. . . . Quebec Mines Minister Cottingham predicted the value of mineral production in Quebec Province will increase by 50 per cent in five years. Development of iron mines in Knob Lake and Ungava Bay areas of Northwestern Quebec; copper mines in Gaspé Peninsula, and gold, silver and copper mines in the Quebec Chibougamau district will account for most of the expected increase, he said. . . . Federal authorities plan to encourage development of flying training at "satellite" airports rather than crowded major fields, Transport Minister Marler said yesterday. Mr. Marler also announced, in a speech before the annual meeting of the Royal Canadian Flying Clubs Association that the Government intends to continue subsidies to flying schools and clubs for elementary training.

*Miss Hamilton*

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Vol. 6, No. 18

Wednesday, January 26, 1955.

Mr. Pearson's Statement On Formosa: Ottawa, Jan. 25 (Globe & Mail) -- Without suggesting the means by which it could be done, Mr. Pearson said today a strong case could be made out for neutralizing Formosa so that it would be neither attacked from the Communist Chinese mainland nor used as the base for attacks upon it.

This would be done pending a final disposition of the disputed island and its immediate neighbour by international negotiations, probably through a conference on Far Eastern problems. The Minister indicated that the Formosans at some point should be asked to state their own choice when he said that "the wishes of the people there, which so often are forgotten....should be a primary consideration."

On the question of arranging a ceasefire in the Formosa Straits via the United Nations, the Minister showed some doubt about its being possible. The Communist Government of China, although not a member of the United Nations, he observed, would be essential to such negotiations if they were to have any chance of success. Whether the Chinese Government would accept an invitation to participate in these deliberations of the Security Council, he said, was another matter.

The Minister avoided comment on today's action by the House of Representatives in voting, 409 to 3, to give authority to the President to make war if necessary to defend Formosa and the adjacent Pescadores Islands.

Mr. Pearson had been asked by Mr. Coldwell if, in view of the President's message, he could "tell us whether the United States has been informed that Canada's policy remains as it was, and that we are not entangled in any of these Formosan adventures." Yesterday Mr. Diefenbaker invited him to make a statement on Formosa.

The Minister early in his statement noted that the United States had commitments of its own in the area - the reference presumably was to a U.S. defense treaty with Chiang Kai-shek - and he added that, while Canada was not involved in these commitments, it was "of course deeply concerned over the dangerous situation existing there. . . ."

With other nations it was "anxious that steps should be taken to bring to an end the fighting which has been taking place for some time along the China coast."

If some past successes of the United Nations at bringing fighting to an end could be repeated, the Minister said, it would be a source of great satisfaction to all. But he indicated the doubt that China would accept a UN invitation to such talks.

Later he was asked by Mr. Angus MacInnis if the Communist Chinese would not be more likely to accept if they were recognized as the Government in control on the mainland of China. Mr. MacInnis also asked if Canada should not make a start by recognizing Red China.

The Minister's answer, covering both parts, was that this was a question on which he would not like to express an opinion at this time.

Mr. Pearson said it was the Government's view before the armistice in Korea that Formosa should be neutralized for the time being, and that its final disposition should be worked out after the end of fighting in Korea. This, he observed, was also the view adopted by the UN Political Committee in January, 1951.

"Despite the developments since then, it remains the view of the Government that the final disposition of Formosa should be dealt with by international negotiations, if you like, at a conference on Far Eastern prob-

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lems, if one could be held."

Pending this decision, Formosa should be neutralized. . . .

The Minister cited with approval the mention in the President's speech of the removal of Nationalist Chinese forces from some coastal islands and their use elsewhere.

A distinction could be made, Mr. Pearson said, between Formosa and the Pescadores and the islands off the China coast which now are in Nationalist hands. The latter were indisputably part of China itself; Formosa and the Pescadores, which were Japanese colonies for 50 years prior to 1945, had had a checkered history, and were not indisputably part of China.

"I suggest therefore that the considerations which recommend the neutralization of Formosa and the Pescadores do not necessarily apply to the coastal islands. . . .the Minister said.

To John Diefenbaker, who asked if the neutralization of Formosa would not lead to the immediate seating in the United Nations of Red China, the Minister replied that he did not think this would be a necessary consequence of that action.

Mr. Howard Green asked: "Does the Canadian Government take the stand, or does it not, that Formosa is the first line of defense for Canada's west coast?"

Mr. Pearson replied that this was a question dealing with matters of strategy, upon which he would hesitate to express an opinion.

Debate On Paris Agreement: Ottawa, Jan. 25 (CP) -- A plea was made today for withdrawal of Canada's armed forces in Europe once a rearmed West Germany has been admitted to the North Atlantic Treaty Organization. It came from Mr. Paul E. Gagnon (Ind. Chicoutimi) as the Commons debate on West German rearmament went through its fourth day.

Three more CCF members said they oppose rearmament. This brought to 10 the number of CCF supporters who have said they will vote against ratification. An 11th CCF member said earlier he would abstain from voting. All other speakers supported the motion.

Those who opposed the Paris agreements today were Mr. Harold Winch, Vancouver East; Mr. E. G. McCullough, Moose Mountain, and Mr. Claude Ellis, Regina City.

Visit Of Pakistan's Prime Minister: Ottawa, Jan. 25 (CP) -- Mohammed Ali, Pakistan's Prime Minister, was guest of honour tonight at a reception by Governor General Massey at Government House.

The reception rounded out a busy day for the Moslem leader. He had talks and lunched with Prime Minister St. Laurent, visited the Pakistani High Commissioner's office and called on diplomatic friends whom he hadn't seen since he left here as Pakistan's High Commissioner three years ago.

Across Canada: Premier Duplessis apparently is preparing a drive to get an additional \$25,000,000-a-year share of direct federal tax revenue in Quebec, federal authorities said yesterday, C.P. reported from Ottawa. They placed this interpretation on his statement that Quebec should get revenues equivalent to those offered by the central administration under federal-provincial tax rental agreements, the dispatch continued. Mr. Duplessis' statement was included in his letter of Jan. 19 to Mr. St. Laurent, tabled in the Commons and in the Quebec Legislature. . . . The Northwest Territories Government last night lifted ever so slightly its ban of 13 years on liquor consumption by its 7,000 Eskimo population. It decided to allow liquor - with reservations - to Eskimos who have adopted the white man's way. . . . The federal Government yesterday opened a defense of Parliament's labour code which three Provinces are asking the Supreme Court of Canada to rule unconstitutional. The code, is being challenged by the Governments of Ontario, Quebec and Alberta.



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Vol. 6, No. 19

Thursday, January 27, 1955.

Commons Approves Paris Agreements 213 to 12: Ottawa, Jan. 26 (CP) -- The Commons - by a vote of 213 to 12 - today approved ratification of the Paris agreements for admittance of a rearmed West Germany into the North Atlantic Alliance. All 12 opposed were CCF members.

As the House voted, the agreements went to the Senate. Four speakers favoured them before Senate debate on the question was adjourned until tomorrow.

There were a few scattered boos in the Commons from the Liberal, Progressive Conservative and Social Credit groups, who voted solidly for ratification, when the first of the opposing CCFers rose.

In the face of Mr. Pearson's plea for a unanimous vote of approval, the 24-man CCF group split three ways. Twelve voted against, five abstained and five, including CCF Leader Coldwell, voted in favour. Two CCF members were absent. . . .

CCF members voting against ratification were: Joseph W. Noseworthy, Stanley Knowles, R. R. Knight, H. W. Herridge, Owen L. Jones, A. M. Nicholson, G. H. Castleden, E. G. McCullough, Thomas Barnett, Harold Winch, Claude Ellis and Colin Cameron.

CCF members who abstained from voting were: Hazen Argue, Alistair Stewart, Mervyn Johnson, A. H. Bryson and Erhart Regier.

Supporting Mr. Coldwell were: Angus MacInnis, Clarie Gillis, Ross Thatcher and Max Campbell. The two absent CCF members were Fred Zaplitny and William Bryce.

Mr. Pearson wound up the 4½-day ratification debate with an hour-long rebuttal to opposition - mostly CCF - criticisms of the agreements.

The chief criticisms of the pact were that it would hinder negotiations with Russia while increasing the risk of war and cause the Russians to add to their armed forces, thus nullifying the addition of 12 West German divisions to Western defence.

Mr. Pearson said a stronger NATO would better the chances of fruitful negotiation. Only when Russia was faced with the West's determination to protect itself would it decide to negotiate realistically on European and world issues.

Russian Foreign Minister Molotov's call for a parley with the West on German reunification before ratification of the Paris agreements by the Western nations was a "transparent and clumsy" effort to bring pressure on the Germans. It was also a "very stale parrot."

The CCF opponents to ratification were adopting a "negative attitude." They were looking back only and were filled with fears that the agreements would lead to war and stop negotiations with Russia.

If the West had accepted the theory that an increase in arms would result only in more arming by the Communists, then NATO never would have been built.

Mr. Pearson contended that defeat of the resolution for ratification would be a rebuff to the peaceful, democratic forces in West Germany, play into the hands of right and left extremists, stop the move toward European unity and fatally weaken NATO itself. . . .

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Senate Debates Paris Agreements: Ottawa, Jan. 26 (CP) -- Senator W. Ross Macdonald said today that the only alternative to rearming West Germany is "complete disaster" for countries seeking universal peace.

The Government leader in the Senate, launched debate in the Upper Chamber on a Government resolution to ratify the Paris agreements providing for entry of a rearmed West Germany into the North Atlantic Treaty Organization.

Senator Macdonald said the agreements are more likely to bring lasting peace than any other method suggested. They would enable West Germany to enter the society of free democracies and would prevent it from becoming a member of the Communist camp.

Says Federal Labour Code Legally Dead: Ottawa, Jan. 26 (CP) -- The Ontario Government said today the federal Labour Code is legally dead. Deputy Attorney-General C. R. Magone made the claim before the Supreme Court of Canada in an action on the constitutionality of the statute under which the federal Government has controlled the Labour relations of about 450,000 Canadian workers since 1948.

Western Gas Contract Signed: Toronto, Jan. 26 (CP) -- Trans-Canada Pipe Lines, Ltd., which proposes to build a pipe line to bring natural gas from Alberta to eastern Canada, has signed a contract with Union Gas Company of Canada, Ltd., for deliveries of gas to Union's system in south-western Ontario.

The contract covers 20 years, during which Union will purchase more than 300,000,000,000 cubic feet of gas, with deliveries to start soon after the proposed Trans-Canada line reaches Toronto. The contract is estimated to involve purchases in excess of \$100,000,000 during the 20-year period.

Announcement of the contract was made jointly today by Mr. N. E. Tanner, President of Trans-Canada and Mr. David P. Rogers, President of Union.

Across Canada: Premier Duplessis said yesterday the tax dispute problem has not been settled. He did not elaborate his statement in a brief, 15-minute speech in the Legislative Assembly before the Lower House gave second and third reading to the Government law deleting the reference to priority in the preamble of the Quebec Income Tax Act, the Montreal Gazette reported. . . . An offer of Mr. E. P. Taylor and associates to build Toronto a \$12,000,000 auditorium was recommended unanimously by Board of Control yesterday, the Globe and Mail reports. . . . Peace talks in the long Ford of Canada strike entered another deadlock yesterday, the Globe and Mail reported.



*Miss Hamilton*

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DEPARTMENT OF EXTERNAL AFFAIRS  
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Vol. 6, No. 20

Friday, January 28, 1955.

Mr. St. Laurent On Prime Ministers' Conference: Ottawa, Jan. 27 (CP) -- Prime Minister St. Laurent said today the international situation is "quite grave" because of developments in Formosa. He added that as a result of the Formosa situation, Far Eastern affairs will be the main subject for discussion at the Prime Ministers' Commonwealth Conference opening Monday in London.

He told the Commons that, as a result of the Formosa situation and "after certain messages to and from London," Mr. Pearson will accompany him to the Conference. They will leave tomorrow evening by RCAF plane.

It was understood that Mr. Pearson and Sir Anthony Eden, British Foreign Secretary, want to discuss Formosa and possibly work out some policy to ease the situation there.

Mr. Pearson said in the Commons Tuesday that Nationalist-held islands off the Chinese coast - except for Formosa and the Pescadores - are "indisputably" part of the territory of China.

Mr. St. Laurent said:

"In view of the recent developments I would expect that a lot of our time will be taken up by the discussion of the international situation which we all look upon as being quite grave at this moment.

"All of us appreciate the opportunity of taking counsel together as to what might best serve the interests of peace in the world."

The decision to have Mr. Pearson go to London was believed to have been taken only today.

The Prime Minister, rising at the start of today's sitting, also said:

"This (Prime Ministers') meeting will give an opportunity for an exchange of views on some very important questions and it underlines the value of the Commonwealth association as a medium for such exchanges.

"In turn, these exchanges will make possible, I hope, more effective policies and actions for the attainment in our respective countries of the objectives of peace and greater human welfare which are basic for all the peoples of the Commonwealth.

"At this particular meeting questions of foreign affairs, and more particularly those concerned with Far Eastern matters, will occupy a great deal of attention. Recent developments in the Far East have underlined the seriousness of these issues. . . ."

Urges Recognition Of Red China: Ottawa, Jan. 27 (CP) -- Canadian recognition of Communist China was urged today in the Senate. Sen. William Euler (L-Ontario) said that, since Communists form the "actual Government" of China, "we should recognize it." He added that Red China "should come into the United Nations." He made the suggestion during Senate debate of the Paris agreements providing for entry of a rearmed West Germany into the North Atlantic Treaty Organization.

Ratification of the agreements was approved unanimously by the Upper Chamber after a two-day debate. The Commons approved ratification Wednesday by a vote of 213 to 12 following 4½ days of debate.

Nine Senators spoke in the debate.

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Ford Strike Ended: Toronto, Jan. 27 (CP) -- The Ford of Canada strike, longest in Company history, ended today. Settlement came in the strike's 109th day.

In the general terms of settlement the Company agreed to a master agreement, to run to June 15, 1956, and effective immediately after ratification by the locals at Windsor, Oakville and Etobicoke.

The Union agreed to revision of seniority clauses which the Company said would relieve it of some of the cost and inefficiency arising from short-term lay-offs.

A wage improvement factor, effective June 15, will give employees of the three locals four cents more an hour.

The Company agreed to provide comprehensive hospital and surgical benefits.

December Exports At 17-Month High: Ottawa, Jan. 27 (CP) -- Canada's exports declined in 1954 for the second straight year, but a sharper drop in imports reduced the overall foreign trade deficit.

Exports, hit mainly by lower shipments to the United States, dropped to \$3,945,700,000, down \$266,900,000 from \$4,172,600,000 in 1953 and \$410,300,000 from the 1952 peak of \$4,356,000,000, the Bureau of Statistics reported today.

Imports dropped to \$4,094,600,000, down \$288,200,000 from the record \$4,382,800,000 in 1953. Imports were lower from both the U.S. and Britain.

This decline in buying narrowed Canada's deficit to \$148,900,000 from \$210,200,000 in 1953.

While exports for the year were down, there appeared to be signs of a sharp pick-up towards the year-end. In December exports jumped to a 17-month high of \$395,300,000, shipments to Britain almost doubling to \$81,500,000 from \$47,600,000 in December, 1953.

Overall shipments were \$34,400,000 higher than in the previous year and were the highest since the near-record \$398,300,000 in July, 1953.

Imports for the month, however, slipped to \$337,000,000 from \$338,400,000 in the previous year and thus Canada showed a \$58,300,000 monthly surplus, the biggest in three years, and more than double the \$22,500,000 surplus in December, 1953.

Across Canada: Mr. Prudham last night announced a scale-down in federal gold-mining subsidies, estimated by officials to save the treasury and taxpayers about \$5,500,000 a year. Under revisions announced in the Commons mines whose production costs are \$26.50 an ounce or less will no longer be eligible for aid. . . . Appointment of a Royal Commission on bilingualism in Canada was urged last night in the Commons by a French-language Independent Member from Quebec. Mr. Fernand Girard, Lapointe, said bilingualism is the link between Canada's two major ethnic groups; national unity depends on the practice of bilingualism by both French and English-language Canadians. . . . The Northwest Territories Government ended a nine-day session here yesterday, endorsing a \$1,600,000 budget aimed at northern development and approving a new plan to extend health services in the north.



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*Miss Hamilton*

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Vol. 6, No. 21

Monday, January 31, 1955.

**Main Estimates Tabled:** Ottawa Jan. 28 (CP) -- The federal Government's first reduction in annual spending in seven years today was indicated in its main 1955-56 estimates tabled in the Commons. Mr. Harris' main estimates - the basic expenditure programme for the year starting April 1 - are down \$153,000,000 from the amount authorized to date in the current fiscal year. The reduction is about 3.3 per cent.

The coming year's estimates, which undoubtedly will be boosted later by customary supplementary estimates, were placed at \$4,360,266,000. Authorizations to date this fiscal year, also subject to supplementary increases before March 31, are \$4,513,800,000.

The reduction is accounted for mainly by a \$133,000,000 decrease in the amount allocated the Defence Department, bringing it to \$1,775,000,000. The seven-per-cent reduction was the second defence cut in as many years.

For the first time in some years - departmental officials were unable to say just how many - the estimates show a decrease in proposed spending for the civilian departments. It is a tiny one - \$4,500,000 that would bring non-defence spending down to \$2,381,466,000.

The estimate figures are the so called budgetary ones. They do not include \$367,600,000 for old age security pensions, which come out of a special fund made up of earmarked taxes and special parliamentary votes, and \$99,053,000 for loans and investments which the Government expects to get back.

Included in the loans is an initial \$50,000,000 for Parliament's St. Lawrence Seaway Authority to start off its \$190,000,000 navigation construction job on the river.

Mr. Harris presented figures reflecting widespread use of the pruning knife on departmental appropriations. . . .

The RCAF bore the brunt of the service cuts and of the reductions as a whole, in a decrease of \$109,000,000 to \$880,404,000 by comparison with the current year's estimates.

The Navy drops to \$323,318,000 from \$337,301,000 and the Army goes to \$500,312,000 from \$506,840,000.

Mutual aid to NATO countries was reduced to \$175,000,000 from \$300,000,000 and defence production estimates were cut.

The Defence Research Board was the only arm of the services to get a substantial increase - to \$52,578,000 from \$50,400,000. Civil defence got a slight boost of \$500,000, to bring it to \$7,000,000. . . .

**Canadian Defence Stressed:** Ottawa, Jan. 28 (CP) -- The growing concern of Canada's defence planners with North American defence was underlined today in the 1955-56 estimates of Government spending.

In brief, the estimates gave this picture: More money for home defence; less for arms for Canada's European allies.

The defence appropriations for 1955-56 are \$1,775,000,000 a decrease of \$133,000,000 from the 1954-55 estimate.

However, actual expenditures in the current fiscal year now are forecast at \$1,705,000,000. This means the Defence Department plans to spend \$70,000,000 more in the coming year than in 1954-55.

At the same time, the appropriation for mutual aid, the programme under which Canada helps arm its European allies, is slashed to \$175,000,000, from \$300,000,000 in the year ending March 31, 1955. Actual ex-

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expenditures for mutual aid in the current fiscal year now are forecast at \$255,000,000.

Soon after the estimates were tabled in the Commons, Defence Minister Campney entered the Throne Speech debate and said:

"The defence of Canada - indeed of North America - has suddenly become almost equally important to the other NATO nations as it has always been to ourselves.

"This arises, of course, from the emergence of an improved Russian nuclear weapon delivery capability against North America.

"Under such circumstances it becomes essential that greater efforts be put forth immediately in strengthening the defences of this continent because North America is the base - the only great base from which operations for the defence of Europe can be supported, and also because of the necessity of protecting the thermonuclear retaliatory capacity of the United States - which provides at the present time probably the greatest single deterrent to war. . . .

"A large portion of the cost of this (air defence) system is still to be paid.

\$46,000,000 Deficit In December: Ottawa, Jan. 28 (CP) -- The federal accounts showed a deficit of \$46,013,000 in December, moving the 1954-55 budget closer to the red.

The continuing drop in revenues with no comparable letup in expenditures has cut the surplus for the first nine months of the fiscal year to \$45,656,000, it was shown in the monthly Treasury statement issued today.

This is less than one-fifth the \$240,381,000 surplus in the similar period of the previous year when the Government ended up with a surplus of only \$45,800,000 for the full year. . . .

With corporation income tax collections still lagging, December's revenues dropped by \$15,607,000 to \$363,599,000 from \$379,106,000 in December, 1953. Revenues for the nine months dropped to \$2,973,264,000 from \$3,168,629,000.

Spending also eased but a lesser amount than the revenue drop, declining by \$4,181,000 in the month to \$409,612,000 from \$413,793,000. Expenditures for the nine months totalled \$2,927,608,000, virtually unchanged from \$2,928,248,000 in the previous year.

Ford Workers Accept Settlement: Windsor, Ont., Jan. 30 (CP) -- Ford of Canada workers today voted overwhelmingly in favour of accepting an agreement which ends the strike started October 10. Mr. Charles Macdonald, President of Local 200, United Automobile Workers Union (CIO-CCL), said 92 per cent of the 3,900 workers who cast ballots were in favour of accepting the settlement. About 5,700 workers were eligible to vote.

The vote, by secret ballot, was taken earlier today after the terms of the settlement were presented to the workers at a special membership meeting.

The Windsor local is the last of the three involved in the 109-day strike to accept the peace terms.

Two thousand workers at the assembly plant in Oakville cast 90 per cent of their votes in favour of accepting the settlement Saturday, and workers at the parts depot in Etobicoke, Toronto suburb, voted 74 to 12 to end the strike.

Across Canada: Support prices at all times for nine key commodities and the use of a statistical formula to set the prices have been approved as policy by the Canadian Federation of Agriculture. A statement issued Saturday said the CFA directors at a closed meeting decided that support prices should be in effect always for wheat, oats, barley, corn for grain, cheese, butter, concentrated milk products, eggs and bacon hogs, C.P. reported from Edmonton. . . . Dr. R. C. Wallace, 73, scientist and scholar who retired 3½ years ago after 15 years as Vice-Chancellor and Principal of Queen's University, died Saturday, in Kingston, Ont.



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Vol. 6, No. 22

Tuesday, February 1, 1955.

U.S. Potato Duty Protested: Ottawa, Jan. 31 (CP) -- The Government was urged today to extend its tariffs on imports of American potatoes if the United States continues its duty on Canadian exports.

Mr. Angus MacLean (PC--Queens), a Prince Edward Island potato grower, said in the House of Commons the Government should try to convince the U.S. to allow as much duty-free Maritimes potatoes on its eastern markets as it exports to western Canada.

If the U.S. did not agree to that, then Canada should put a year-round tariff on U.S. table potatoes. The tariff should be 37½ cents a hundredweight, the duty now imposed six weeks of the year between June 15 and July 31.

Mr. MacLean said in the Throne Speech debate the duty would permit Maritimes growers to compete with U.S. imports as far west as Regina.

Tighter regulations to increase safety of Canadian air travel were proposed by the Member for Moose Jaw, Sask., site of Canada's worst civil air disaster.

Mr. Ross Thatcher (CCF) also charged in the Commons that Trans-Canada Air Lines and officials of the Transport Department have been lax in taking elementary safety precautions.

Mr. Thatcher was commenting in the Throne Speech debate on the passing of a TCA North Star and an RCAF Harvard trainer on converging courses near Moose Jaw January 6.

Transport Minister Marler told the Commons January 10 that the passing was made at the prescribed altitude clearance and was not a near catastrophe. He said investigation showed newspaper and radio reports were "grossly exaggerated and misleading."

Princess Margaret's Plane Refuels at Montreal: Montreal, Feb. 1 (Gazette) --

Princess Margaret got her first chance to look at Canada but it was no more than a view of Montreal Airport from the window of her plane last night.

The luxury stratocruiser Canopus, flying the Princess on her first solo goodwill tour abroad, a month-long visit to the Caribbean colonies, radioed from mid-Atlantic last night that it was flying directly to Montreal, where it made a one-hour refuelling stop before proceeding to the West Indies. . . .

Hong Kong Memorial: Ottawa, Jan. 31 (CP) -- A memorial will be unveiled at Saiwan Bay cemetery in Hong Kong February 20 on which are recorded the names of 228 Canadian soldiers with no known graves.

Names of the Canadians, army headquarters said today in announcing the unveiling, will be among those of more than 2,000 Commonwealth servicemen who died during the siege of Hong Kong just 13 years and a month ago. Their graves have never been located.

Board Turns Down CBC Technicians' Demands: Ottawa, Jan 31 (CP) -- The CBC today accepted a conciliation board report recommending against wage increases for its technicians, whose union leaders urged them to authorize a strike.

The majority report of the three-man Federal Conciliation Board, made public here, gave a flat turndown to demands for wage increases ranging between \$9.50 and \$84 a week and to most of the remainder of a series of requests on behalf of about 650 employees.

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Housing Head Heralds Good Year: Ottawa, Jan. 31 (CP) -- The head of Central Mortgage and Housing Corporation said tonight that 1955 housing construction in Canada is expected to equal or outstrip the records of 1954, when 117,000 units were begun and 106,000 were completed.

Mr. Stewart Bates, newly-appointed president of the federal Government housing agency, said that in addition to the starts and completions in 1954, more than 70,000 houses were under construction at the end of the year, "an all-time record in the carryover of construction from one year to another."

Across Canada: The Bureau of Statistics says family formation in Canada is increasing but the average size is staying about the same -- little better than three people per family. The Bureau said in an annual estimate today that there were 3,595,000 families in Canada at June 1 last year and they averaged 3.7 persons. This was an increase of 118,000 families or 3.4 per cent since the start of June, 1953 and 182,000 or 5.3 per cent since the same date in 1952. . . . The federal Government was asked today for a \$5,300,000 contribution toward flood control and conservation programme in the vast Humber Valley to prevent recurrence of such disasters as the flood that followed Hurricane Hazel last fall. The request was made to Resources Minister Lesage by an eight-man delegation which presented a brief on behalf of the Humber Valley Conservation Authority, representing 15 municipalities in the Toronto area. . . . Mr. Courtland Elliott, retiring president of the Toronto Board of Trade, suggested in Toronto that Canada "return to the gold standard," in order to avoid fluctuations in the value of her dollar.

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Vol. 6, No. 23

Wednesday, February 2, 1955.

End Ceiling Price on NHA-Mortgaged Houses: Ottawa, Feb. 1 (CP) -- The Government today ended the nine-year power of Central Mortgage and Housing Corp. to fix top sales prices for houses built by commercial contractors getting maximum loans.

Henceforth the builder, for the first time since 1946, will be able to get the maximum National Housing Act loan and sell his house for whatever price he can get.

The Government expects that in some areas this policy shift will cause a temporary price jump, but that prices later will flatten out.

Peak production combined with a stepup in competition for the house-buyer's dollar should give the purchaser more house for his money, the Government said.

Mr. Rowe On Health Insurance Plan: Ottawa, Feb. 1 (CP) -- Mr. Earl Rowe, acting Opposition leader, said tonight the contributory health insurance plan proposed by the Progressive Conservative Party would not interfere with operation of private plans by insurance companies.

He told the Commons in the Throne Speech debate that the plan would not constitute state medicine or any "socialist scheme." It would not prevent the Blue Cross or other insurance companies from operating health insurance plans.

Mr. Rowe was referring to his party's want-of-confidence motion in the Government urging an effective contributory health insurance plan in co-operation with the provinces.

Mr. Robert W. Mitchell (PC--London) produced a pair of white socks when he said textile products made in the United States are being sold in Canada as Canadian-made goods.

He said he had bought the socks under the impression that they were Canadian made. But actually they were manufactured in the U.S.

Mr. Mitchell urged a review of tariffs to protect Canada's "depressed" textile industry and a proper system of marking imported goods.

Quebec will never accept establishment of divorce courts in the Province, a Quebec backbencher told the Commons.

Mr. Alexis Caron, Liberal member for Hull and Mayor of that City, said Quebec believes marriage is a matter for religious authority, not civil authority.

Suggests Edward Johnson As Canada Council Head: Ottawa, Feb. 1 (CP) -- A Liberal member of the Commons today suggested appointment of Opposition Leader Drew's father-in-law as head of the proposed Canada Council.

Mr. Henry Hosking of Wellington South recommended that the job go to Mr. Edward Johnson, former general manager of the Metropolitan Opera Company.

Jobless Total Up In Ontario: Ottawa, Feb. 1 (Globe) -- Ontario appears to have borne the brunt of the slowdown in business activity that occurred in 1954.

On December 31, according to figures released today by the Dominion Bureau of Statistics, there were 431,770 Canadians registered as jobless

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with the Government employment agencies. This was up 7.6 per cent from a year before.

Of these 431,770 unemployment insurance claimants 138,945 -- nearly one in three -- were Ontario residents. And whereas the rise across the Dominion was 7.6 per cent, the Ontario total shot up dramatically by 32 per cent from the figure in December, 1953.

In three provinces -- Quebec was one of them -- there were fewer insurance claimants in December, 1954, than there had been a year previously.

Congratulations Sent P.M. On His 73rd Birthday: Ottawa, Feb. 1 (CP) -- Prime Minister St. Laurent, 73 today, was sent a message of congratulations from his cabinet colleagues.

Trade Minister Howe, acting Prime Minister, send the message to London, where Mr. St. Laurent is attending the Commonwealth Prime Ministers' conference.

"Our colleagues join with me," wrote Mr. Howe, "in sending congratulations and best wishes for your birthday with the hope that you may enjoy good health and happiness for many years to come."

Across Canada: The Quebec Legislative Assembly yesterday adopted amendments to the Quebec municipal code providing for three-year terms for mayors and aldermen in small municipalities. Terms of office under current legislation are two years. . . . The federal Government paid \$1,396,000 for three buildings on Wellington street facing Parliament Hill, it was reported yesterday according to C.P. It was understood federal authorities plan to erect Government buildings on the property, the Ottawa dispatch continued. . . . Two Canadian naval fliers are stranded temporarily aboard the United States aircraft carrier Yorkton with the U.S. 7th Fleet off Formosa. The Navy said, according to C.P., they would not become involved in any fighting if hostilities broke out because their terms of appointment as exchange pilots with the U.S. Navy are completed. The two fliers -- Lt.-Cmdrs. Ron Heath, of Courtenay, B.C., and William Walton, of Port Credit, Ont. -- were en route home aboard the Yorktown when the carrier was diverted suddenly to Formosa.



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Vol. 6, No. 24

Thursday, February 3, 1955.

CCF Amendment Defeated 204 to 23: Ottawa, Feb. 2 (CP) -- The House of Commons today defeated a CCF non-confidence motion in the Government and then heard a new one from the Social Credit group.

The Liberals, Progressive Conservatives, Social Crediters and independents voted solidly against the CCF motion. (The vote was 204 to 23.)

The CCF motion, in the form of an amendment to the address in reply to the Speech from the Throne, said the Government has "deliberately returned to the policy of uncontrolled and unplanned private enterprise which resulted in the depression and unemployment of the prewar years."

It also said the Government has not undertaken "the economic planning necessary to cope with the serious problems now facing the Canadian people."

With the CCF motion disposed of, Mr. George Hahn, New Westminster, immediately moved the Social Credit non-confidence motion.

It said the Government has "failed to take or to recommend the necessary fundamental economic and financial measures to place Canadian producers and workers on a sound and prosperous basis, and to insure our economy against recurring recessions." . . . .

Formosa Debate Ruled Out: Ottawa, Feb. 2 (Montreal Gazette) -- The House of Commons today shied away from a full-dress debate on the tense Formosa situation.

A motion by CCF Leader Coldwell that the Commons abandon all other business "for the purpose of discussing a definite matter of urgent public importance, namely the critical situation in Formosa" was finally ruled out.

But it was only discarded after Acting External Affairs Minister Paul Martin had cautioned the House against it on the grounds that it should not "engage in a discussion that, I am sure, would not help the situation."

He added that he did not think that there was anything that could be said by himself or by anyone else in the Commons that could have a salutary and useful effect on the discussions and negotiations now in progress.

"I am not saying this by way of criticizing my honourable friend's initiative in the matter," Mr. Martin said gravely, "but just to impress on him that I believe, from the opportunity I have had and the Government has had of perusing the despatches which have come to us that what I have just said is a fully responsible statement."

Liberal members of Parliament applauded when Mr. John Diefenbaker (PC-Prince Albert) said that the Opposition shared this view and that "we, in this party, do not want to do anything that will aggravate the tense situation." . . . .

Quebec Tax Arrangement: Ottawa, Feb. 2 (Montreal Gazette) -- Revenue Minister McCann today announced the steps which the federal Government is taking to implement the 10 per cent federal income tax reduction which Prime Minister St. Laurent guaranteed to Quebec taxpayers last month.

He told the Commons he was recommending an immediate change in tax regulations which would permit employers to reduce payroll deductions-at-the-source by 10 per cent in line with the new federal policy. This would cover the 1955 tax year.

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The Minister also stated that as far as the 1954 tax year was concerned, Quebec taxpayers would be allowed to deduct provincial taxes from federal taxes up to the new maximum of 10 per cent. . . .

Strike Vote At CBC Polls: Montreal, Feb. 2 (Gazette) -- CBC radio and television technicians across Canada are voting on whether to go on strike to back up wage demands. Union officials predicted a strike would seriously disrupt the Corporation's radio and TV broadcast schedules.

Polls in Montreal, Toronto and 24 other centres with CBC installations were scheduled to open at midnight and close about noon today.

Voting will be among some 650 members of the National Association of Broadcast Employees and Technicians (CIO-CCL), in dispute with the CBC since last spring over wage demands and other requests.

Improved Veterans' Allowances: Ottawa, Feb. 2 (CP) -- Veterans Minister Lapointe today gave the Commons notice of legislation to improve allowances paid needy war veterans.

The measure, forecast in the Speech from the Throne at the opening of Parliament, provides for a higher scale of allowances and a higher level of other income than now is allowed recipients. Details have not been announced.

Exchange Value Of Canadian Dollar: Ottawa, Feb. 2 (CP) -- The exchange value of the Canadian dollar has dropped by about one-half cent in the last week and the view in financial quarters here is that the decline may do the economy some good.

But federal officials were quick to maintain that if there is any decline, it is not because of Government interference in the free market play of exchange rates. . . .

Visitors To Ottawa: Ottawa, Feb. 2 (CP) -- Prime Ministers Robert Menzies of Australia and Mario Scelba of Italy will visit Ottawa next month.

The External Affairs Department announced today that Mr. Menzies will be here March 9-14 and Mr. Scelba, March 26-27.

The Department also said that Gen. Paul Eugene Magloire, President of Haiti, and Mrs. Magloire will be in Canada, February 9-14. They will visit Ottawa, February 9-10, Quebec City, February 11 and Montreal, February 12-13.

Mr. Paul Henri Spaak, Belgian Foreign Minister, will arrive February 24, spend two or three days in Ottawa and visit Montreal and Quebec City before leaving March 2.

Across Canada: The Quebec Legislative Assembly last night gave second reading unanimously to a law setting up a new three-man Securities' Fraud Commission after Premier Maurice Duplessis refused to amend the law to provide for appeals from Commission rulings, the Montreal Gazette reported. . . . Paintings by Peter Paul Rubens, Sir Joshua Reynolds and Thomas Gainsborough, all recently acquired by the Montreal Museum of Fine Arts, yesterday were put on special exhibition at the museum. Also included are a variety of smaller acquisitions. . . . Two Toronto surgeons received plaques yesterday for their contribution to the teaching of surgery, as demonstrated by them in a motion picture. Doctors Robert Janes and Charles Robson were honoured on behalf of the American College of Surgeons before a meeting of the Toronto General Hospital's Board of Trustees, the Globe and Mail reported.



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Vol. 6, No. 25

Friday, February 4, 1955.

Social Credit Amendment Defeated: Ottawa, Feb. 3 (CP) -- The Commons tonight defeated by a vote of 158 to 35 a Social Credit motion of non-confidence in the Government.

The Progressive Conservatives voted with the Liberals while the CCF group and Mr. Paul E. Gagnon (Ind.-Chicoutimi) sided with the Social Crediters.

The Social Credit motion said the Government has "failed to take or to recommend the necessary fundamental economic and financial measures to place Canadian producers and workers on a sound and prosperous basis, and to insure our economy against recurring recessions."

Still before the Commons is a Conservative non-confidence motion. A CCF non-confidence motion was beaten yesterday 204 to 23.

Mr. Coldwell On Formosa: Ottawa, Feb. 3 (Globe & Mail) -- Canada adheres to the policy that Formosa and the Pescadore Islands should be neutralized and that the Chinese Nationalists should withdraw from the islands immediately off the coast of Red China.

This assurance was given the House of Commons today by Welfare Minister Martin in reply to charges made by CCF Leader Coldwell that the Government had changed its policy regarding Formosa since the beginning of the Commonwealth Prime Ministers' Conference in London.

Mr. Coldwell based his allegation on newspaper reports that the Prime Ministers, except Mr. Nehru of India, had backed the U.S. stand. . . .

Declaring that the U.S. policy in the Far East was dangerous, Mr. Coldwell expressed the fear that Canada might "drift into a situation which will bring about a catastrophic war." Mr. Martin replied that Canada was not committed by the action taken by the United States in the Formosa area, whence Washington has despatched the U.S. Seventh Fleet.

"Any obligation which we might have in regard to the Formosa Straits," said Mr. Martin, who spoke as Acting Minister of External Affairs, "could arise only from our responsibility as a member of the United Nations.

"Although we are not committed by American policies, we are certainly affected by them. That is why we welcome the assurance which President Eisenhower gave on January 27 that the U.S. forces in the Formosa area would be used purely for defensive purposes. We are confident that the U.S. Government will exercise a moderating influence on the Chinese Nationalist Government." . . . .

CBC Faces Strike Threat: Toronto, Feb. 4 (Globe & Mail) -- The Canadian Broadcasting Corp. was given a strike ultimatum last night. It must agree to substantial pay increases for key technical workers by February 16 or face a blackout of all its radio and TV services.

In a secret ballot, which closed at noon yesterday, CBC technicians in 19 centres across the country voted overwhelmingly in favour of a strike to back up contract demands.

Ballots in English and French asked the membership of the largest unionized group in the CBC whether they were willing to empower the national negotiating committee to call members off their jobs to reach a settlement.

(over)

The vote was: In favour of strike action, 647; against, 74.

Voters in favour of striking represented 83.5 per cent of total membership of 775.

It is the first time in its history that the CBC has faced the threat of a national strike.

The strike vote was called last week after a conciliation board in Ottawa rejected the men's demands for pay increases averaging 30 per cent, higher overtime rates and new job classifications.

Quebec Government Reports Surplus: Quebec, Feb. 3 (Montreal Gazette) -- The Quebec Government today tabled its 10th consecutive surplus in the 10 years of its administration. Finance Minister Gagnon, in his budget speech in the Legislative Assembly today, said the financial year 1954-55 will show a surplus on ordinary account of \$38,579,000. Revenue for the same period will aggregate approximately a record \$327,325,000.

The Finance Minister told the House the surplus on ordinary account of \$38,579,000 was used in payment of part of the capital expenditures which will amount to \$64,596,000. . . .

Cost Of Restoring Parliamentary Library: Ottawa, Feb. 2 (CP) -- The Works Department said today estimated cost of restoring the library of Parliament, destroyed by fire in August, 1952, has been revised by almost 150 per cent. The initial estimate of \$1,000,000 has been raised to \$2,398,000. A return tabled in the Commons for Mr. Frank E. Lennard (PC, Wentworth), gave this explanation for the higher costs:

"As demolition progressed, it became clear that the work of rehabilitation would be considerably more extensive than was originally estimated with consequent greater cost."

The Department said \$702,554 had been spent on the job at December 1, 1954.

Arctic Air Route To Europe: Ottawa, Feb. 3 (CP) -- The Air Transport Board today issued a licence to Canadian Pacific Airlines for an air service between Vancouver and Amsterdam over an Arctic route.

It will be the first Canadian service over this route. The only one now linking the continents by way of the Arctic is a Scandinavian project operating between Los Angeles and Copenhagen.

CPA has announced it plans to start operations early in May. It still needs formal authorization from the Netherlands Government but this has been assured.

Across Canada: Quebec Finance Minister Onesime Gagnon revealed in his budget speech the Government will spend an all-time record of \$65,000,000 on education during the coming fiscal year, 1955-56. . . . The Canadian Retail Federation, in a pre-budget submission to Finance Minister Walter E. Harris, criticizes taxation privileges enjoyed by co-operative societies in Canada, and said "the principle of equity in taxation should be applied as carefully as possible in the formulation of our taxation policies," C.P. reports from Montreal. . . . The elected representatives of 70 per cent of Ontario's population yesterday threw their weight behind the move to have the Provincial Government seriously consider toll highways. Last week the 33,500 members of the Ontario Chamber of Commerce urged appointment of a Select Committee to study the question.



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Vol. 6, No. 26

Monday, February 7, 1955.

P.C. Amendment Defeated 99 To 69: Ottawa, Feb. 4 (CP) -- The House of Commons today defeated by a vote of 99 to 69 a Progressive Conservative motion of non-confidence in the Government. The CCF and Social Credit groups and Mr. Paul Gagnon (Ind.-Chicoutimi) voted with the Progressive Conservatives.

The House previously defeated a Social Credit motion of non-confidence by a vote of 158 to 35 and a CCF motion by a vote of 204 to 23.

The six-point Progressive Conservative motion said the Government had "failed" to retain and expand Canada's overseas markets, solve unemployment, relieve taxpayers from excessive taxation, eliminate waste and extravagance in the Government, encourage the processing of natural resources and co-operate with the provinces in developing a national health insurance plan.

Columbia River Control Discussions: Ottawa, Feb. 6 (Globe & Mail) -- The question of Provincial rights, which in the past has arisen mainly in connection with taxation powers, is assuming a different aspect in a controversy between Ottawa and the British Columbia Provincial Government.

In this case the rights are concerned with power development. At stake is the asserted right of the British Columbia Government to allow the Columbia River to be dammed near Castlegar, B.C., so as to increase its power potential farther downstream in the United States.

Under a bill which was debated in the Commons on Friday night, the Dominion would assume authority to require that any Province or anyone else seeking to alter the flow of an international river such as the Columbia could do so only by license of the Federal Cabinet.

After it has received second reading in the Commons, probably some time this week, the bill will be sent to the External Affairs Committee for hearings.

Extend Pensions To Blind Persons: Ottawa, Feb. 6 (CP) -- The Government has started parliamentary machinery rolling to extend pensions to blind persons between 18 and 21 years of age.

The legislation, of which Health Minister Martin gave notice Saturday on the Commons order paper, also will raise maximum income allowances for those receiving the \$40-a-month federal payment.

Health officials estimated that the changes will increase the federal bill for blind pensions by about \$250,000 a year to roughly \$4,250,000.

Parliamentary Committee To Examine Research Effort: Ottawa, Feb. 6 (CP) -- Members of Parliament this session will receive their first opportunity since 1950 to examine in detail the activities of the Government's main research agencies.

Mr. Howe has announced a special committee will be proposed to study atomic energy and research generally.

The Committee will investigate research conducted by Atomic Energy of Canada Limited, which operates the Chalk River, Ont., atomic energy project, and by the National Research Council.

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It is also expected the committee will study operations of Eldorado Mining and Refining Limited and the Mines Branch of the Mines and Technical Surveys Department.

Royal Commission On Copyright Laws: Ottawa, Feb. 6 (CP) -- A three-man Royal Commission will open hearings Monday on Canada's copyright laws, designed to protect writers, painters, composers, designers and others against infringement of creative works.

The Commission headed by Chief Justice J. L. Ilseley of Nova Scotia was appointed last year to decide whether Canada's legislation on patents, copyright, trade marks and industrial design should be changed, and, if so, how.

Resuming its public hearings, the Commission will first receive evidence on industrial designs and trade marks and on Thursday will start receiving representations on copyrights.

25th Brigade Re-Designated The 4th: Ottawa, Feb. 6 (CP) -- The 25th Brigade, which left 400 dead in Korea, has passed into Canadian Army history. The formation, it was learned today, has been redesignated the 4th Brigade.

The 4th Brigade is scheduled to hold manoeuvres this summer at Camp Gagetown, N.B., with units of the 1st Infantry Division.

Across Canada: Lower food prices snipped another fifth of a point from the consumer price index during December, reducing living costs for the second month in a row. Countering the impact of higher rents and home-ownership costs lower food prices reduced the index to 116.4 from 116.6 the Bureau of Statistics reported. The index is based on 1949 prices equalling 100. It was the second consecutive decline of one-fifth of a point and the first time in a year that the index has decreased two months in a row. . . . Cndr. John H. G. Bovey, DSC, commander of the destroyer Crusader when she set record as champion "train-buster" of the United Nations fleet in Korean waters, has been awarded the U.S. Bronze Star Medal for his exploits, C.P. reported from Ottawa. . . . The Alberta Research Council has approved unanimously an "unqualified endorsement" of fluoridation of Alberta's public water supplies. The Council's report, culmination of an exhaustive two-year survey, was issued Saturday by Highways Minister Taylor, Council Chairman.



*Miss Hamilton*

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Vol. 6, No. 27

Tuesday, February 8, 1955.

Mr. Diefenbaker Urges Bill On Human Rights: Ottawa, Feb. 7 (CP) -- Court rulings in the Blair Fraser case were described today by a distinguished lawyer as an undermining of freedom of the press.

Mr. John Diefenbaker (PC-Prince Albert) said in the House of Commons that unless the law is changed in respect to examinations for discovery there will be a drying up of information sources on which Canadian newspapers must depend.

Mr. Diefenbaker spoke of the Fraser case in seeking Commons support for a Bill on Human Rights, which he has championed for years.

He requested a bill which would assure all Canadians freedom of speech, religion, press and radio; that habeas corpus shall not be abrogated or suspended except by Parliament; that no one shall be deprived of liberty or property without due process of law and never by Government Order-in-Council.

He said the Fraser case is a bigger challenge to the sanctity of the doctrine of freedom of the press than anything experienced in recent times.

It represented a "serious danger" and an encroachment on the rights of the press to obtain and disseminate information.

He quoted from the newspaper trade magazine Editor and Publisher which described the case as an "unbelievably dangerous precedent."

Mr. Diefenbaker said the case means any newspaper can be sued for libel if it refuses to disclose its sources of information.

British experience had shown the necessity of maintaining freedom of the press and British newspapers were protected in cases similar to the Fraser case. . . .

Mr. Heeney Urges Understanding: Montreal, Feb. 7 (CP) -- Canadians should stop childishly criticizing the United States and learn more about how that country is run, Canada's Ambassador to the U.S. said today.

"Let us, while maintaining our strong right to differ and assert our differences, behave as responsible adult friends and partners," said Ambassador A.D.P. Heeney.

"If we want the Americans to know us better, to have more appreciation of the character and traditions of this land; if we want them to understand why we are determined to develop this country as a sovereign North American nation; if we want them to appreciate the nature and strength of our association with the Commonwealth - then we on our part must make it our business to know them and their country better than we do."

\$62,750,000 Uranium Project: Toronto, Feb. 8 (Globe & Mail) -- An Ontario uranium mine arranged yesterday for the money that will make it the largest producer of the atomic mineral in Canada, and one of the largest in the world. A total of \$62,750,000 is involved. In a joint announcement, Algom Uranium Mines Ltd. reported the completion of plans to bring Algom's two properties, Quirke Lake and Nordic Lake, into production. Initial output of each mine will be 3,000 tons of ore daily.

The Quirke and Nordic deposits are in the Algoma-Blind River district of Ontario, a few miles north of Lake Huron and midway between Sudbury and Sault Ste. Marie.

(over)

Financing was arranged on the basis of a letter of intent from Eldorado Mining and Refining for the sale of Algom's estimated output of uranium oxide concentrates for about five years.

Rio Tinto is an old and respected British Company. Its participation indicates the importance attached by British interests to long-term sources of uranium and of the importance of the Algom deposits.

This is the largest financing deal ever arranged for a uranium mining project in Canada and is believed to be the largest single investment of British capital in any Canadian mining enterprise.

Cape Breton Fumes Over U.S. Lecturer's Description: Sydney, N.S., Feb. 7 (CP) -- Cape Breton fumed today over a speech by a U.S. lecturer who was quoted as describing the island as a sort of medieval Shangri-la without automobiles or radios.

Mr. James V. Stowell delivered a lecture on The Islanders of Cape Breton, Jan. 28, in a school hall at Lawrence, Mass. The reaction exploded when Mr. Alex A. MacDonald who said he was a native Cape Bretoner, sent a copy of a Lawrence Evening Tribune story on Stowell's lecture to the Halifax Chronicle-Herald which ran it on the editorial page.

The Post-Record of Sydney also ran the Evening Tribune version and both Nova Scotia dailies teed off on Stowell in editorials.

Excerpts from the Evening Tribune story based on the lecture: "The people (of Cape Breton) are not concerned with the outside world. They have no radio or autos. Perhaps, every few weeks, they may see a Halifax newspaper.

"There are only three horses on the island and nobody seems to know to whom they belong . . . cows and sheep are not penned up."

The account described the perilous Cabot trail as "the only real good road," put the 75-mile width of Cabot Strait between Nova Scotia and Newfoundland at near a half-mile and said the 200,000-odd Cape Bretoners comprised Scots, Frenchmen and Micmac Indians. . . .

Mr. Victor Coffin, President of the Board of Trade, said: "My first reaction was that it must be a hoax but after I read it, I came to the conclusion that it was the most fantastic and ridiculous nonsense and did not contain one single fact." . . . .

Across Canada: The Government spent on defense 42 cents of every dollar it received in the 1953-54 fiscal year, a return tabled in the Commons yesterday reported. . . . The CBC management and its technicians' union yesterday agreed to resume wage-contract talks as Labour Minister Gregg appealed to both sides to renegotiate in efforts to head off a threatening strike. . . . Speaker René Beaudoin cracked down yesterday on Commons members who attempt to use divorce bills as an opportunity to criticize Parliament's way of handling divorces. He said in the Commons he has firmly resolved not to allow discussion of Parliamentary divorce procedure when divorce bills come up for approval in the House.



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*Miss Henshall*

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Vol. 6 No. 28

Wednesday, February 9, 1955.

Checkoff Bill Defeated 133 To 54: Ottawa, Feb. 8 (CP) -- The House of Commons today voted down 133 to 54 a CCF member's bill to make the checkoff of union dues compulsory on employers under federal jurisdiction.

The measure of Mr. Stanley Knowles, Winnipeg North Centre, would have made it obligatory on employers of 392,500 workers to collect dues and turn them over to unions at the request of workers. Mr. Knowles has introduced the same measure into the House for several years.

It proposed the "voluntary revocable" type of checkoff, under which employees could end the checkoff at any time. It would have applied to such industries as railways, shipping, radio and airlines whose labour relations are under Parliament's control.

Labour Minister Gregg and other Cabinet members voted against the bill but seven Liberal members broke party solidarity to support it.

Eleven Progressive Conservatives also went against the majority of that party, which voted against the measure. It got solid support from the CCF and Social Credit groups and also was backed by Quebec's three independents.

New Estimates Committee: Ottawa, Feb. 8 (CP) -- Five Government Departments' estimates of expenditures will be given detailed committee examination by the Commons this session.

Planned spending of four Departments - Finance, Veterans Affairs, Citizenship and Immigration and Northern Affairs - will be scrutinized by an Estimates Committee, Finance Minister Harris told the House today.

It is the first time since Confederation that the Government has moved establishment of such a Committee.

Since 1945, there has been a standing House Committee on External Affairs and estimates for that Department will be examined by that Committee as usual.

The Opposition generally welcomed Mr. Harris' statement but criticized some points in the Government plan.

Tariff Board On Wool Cloth Industry: Ottawa, Feb. 8 (CP) -- The Tariff Board says Canada's wool cloth industry is in serious difficulties and that conditions may worsen, but that a shrinking market, and not low tariffs, is to blame.

The multi-million-dollar industry has been hit, said the Board by a stiffening fight for the consumer's dollar, the growth in demand for synthetics and a jump in Canadian production costs.

But the Canadian tariff on competing imports from Britain cannot by itself be considered a cause of the industry's present sickness, the Board added in a 20,000-word report to Finance Minister Harris tabled in the Commons today. . . .

Largest Public Investment Programme For Ontario: Toronto, Feb. 8 (CP) -- The largest public investment programme in the history of Ontario was forecast today in the Speech from the Throne read by Lieutenant Governor Louis Breithaupt at the opening of the Provincial Legislature.

An unprecedented programme of highway and public works construction, the St. Lawrence Seaway power development and other projects, it said, "will contribute notably to the alleviation of the unemployment which has been evident in our transition to a peacetime economy."

(over)

The programme will involve "not only an acceleration of work on four-lane highways and by-passes, but a substantial extension of grading, paving, repaving and resurfacing of existing highways throughout Ontario."

R.C.M.P. Issues Anti-Crime Booklet: Ottawa, Feb. 8 (CP) -- The R.C.M.P. is distributing 50,000 booklets which, it is hoped, will lead to a reduction in petty crime in Canada.

The 20-page booklet is entitled "Crime In Your Community" and is intended as the first step in a campaign to make the public aware of what it can do to help prevent crimes such as house-breaking and petty thefts.

The booklets will be distributed through R.C.M.P. divisions, subdivisions and detachments to business men and shopkeepers in the eight provinces - all except Ontario and Quebec - and some 70 municipalities.

CBC To Increase News To Eastern Europe: Ottawa, Feb. 8 (CP) -- The CBC announced today that its International Service this month will increase daily short wave broadcasts about Canada to countries behind the Iron Curtain.

The increase in daily short wave coverage to the eastern European Communist world will be made possible under a revised broadcasting schedule effective February 27 - two days after the International Service reaches its 10th anniversary of operation.

"Broadcasts to eastern European countries, like Czechoslovakia and Russian, will be given greater coverage daily, while some increase also is being made in the time schedule to Poland," the announcement said.

The CBC's plan to tell countries behind the Iron Curtain more about Canada and Canadians comes at time of increasing world tensions. The announcement said revision of the broadcasting schedule is "dictated by changing world conditions. . . ."

Across Canada: President Paul Eugene Magloire of Haiti will arrive here Wednesday at 3:30 p.m., E.S.T., to begin a five-day state visit to Ottawa, Quebec City and Montreal. . . . Canadian-born Alan Jarvis, who has won distinction by his early career in England, has been appointed Director of the National Gallery of Canada, to succeed Mr. H. O. McCurry, who retires this summer. . . . Quebec taxpayers will not have to submit receipts for donations to organized charities in making deductions from their Provincial income tax, the Controller of Provincial Revenue announced last night. . . . Mr. Ezra Taft Benson, U.S. Secretary of Agriculture, has accepted an invitation to address the semi-annual meeting of the Canadian Federation of Agriculture in Regina, June 14, the Federation announced yesterday.



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Vol. 6, No. 29

Thursday, February 10, 1955.

Mr. St. Laurent, Mr. Pearson Return From London: Ottawa, Feb. 9 (Globe & Mail)

-- Prime Minister St. Laurent today firmly but smilingly declined an invitation to add to theories and speculations on the most intriguing subject of the day.

He had just alighted from the aircraft that brought him from the Commonwealth Prime Ministers' Conference in London when a reporter asked him the question.

"No, no, no," he replied, shaking his head, "I don't know anything about the situation in Russia."

Mr. Pearson returned with Mr. St. Laurent.

The Prime Minister will report to the Cabinet, probably tomorrow, on the talks in London. He is expected to make a statement in the Commons soon.

The London meeting, he said, had been helpful. Asked if the Conference had ended on an optimistic note, he said that "it did so far as we were concerned."

He commented on the cordiality of the meeting, and the frankness with which each participant presented his Government's views.

The Prime Minister said he would not go beyond such remarks before conferring with his colleagues.

Federal Aid For Education Debated: Ottawa, Feb. 9 (CP) -- The Government rejected today a CCF proposal for federal assistance to public education, reasoning it would be an encroachment on provincial autonomy.

Citizenship Minister Pickersgill said in the House of Commons the simple earmarking of financial aid for education would interfere with the right of provinces to spend federal grants in whatever way they want.

He said members of Parliament would be false to their trust from the people if they voted money to be spent by the provinces for education without exacting some control over the way the money was spent.

Mr. Pickersgill spoke on a resolution by Mr. R. R. Knight (CCF - Saskatoon) who urged "financial assistance to the various provinces for the expansion and equalization of educational opportunity across Canada."

Mr. Knight said the assistance could be given without encroaching in any way the exclusive jurisdiction of the provinces in education.

Debate on the resolution was adjourned at the end of the half-day sitting. This, in effect, killed the motion.

Lisbon, Ottawa Embassies: (Press Release No. 7, Feb. 9) -- The Department of External Affairs announced on February 9 that the Portuguese Government and the Government of Canada, considering the importance of their reciprocal interests and the close relations existing between the two countries, have decided to raise to the status of Embassies their Legations in Lisbon and in Ottawa.

The appointment of Ambassadors will be announced at a later date.

Tax Rental Agreements: Ottawa, Feb. 9 (CP) -- The Government said today the Federal Treasury would lose an estimated \$127,600,000 annually if all other provinces ditched the federal-provincial tax rental agreements and followed Quebec's lead in imposing a provincial income tax.

The theoretical figure was based on a 10-percent reduction in federal income tax in all 10 Provinces. . . .

Mr. Hazen Argue, (CCF-Assiniboia) asked what a 10-percent reduction in federal income tax in Quebec and the other nine Provinces would represent in lost federal revenue.

Urge Copyright Law Revisions: Ottawa, Feb. 9 (CP) -- A section of Canadian law permitting importation of foreign works without regard to copyright in this country was described today at a Royal Commission hearing as a "wicked invasion of the rights of a copyright owner."

The Book Publishers' Association, a Branch of the Toronto Board of Trade representing numerous book publishers, used the phrase in urging revisions in the copyright law.

It warned that unless publishers holding copyrights are protected against infringing importations some may have to curtail their operations.

The BPA brief was supported by others from the Canadian Authors' Association and the Canadian Branch of the Oxford University Press, Toronto.

The latter said its publishing operations had been hit hard by foreign importation of Oxford-copyrighted books, so much so that its Head Office in the United Kingdom was considering reducing it to a mere order agency.

The authors' group, supporting the publishers' briefs, said authors spend years of work and research to produce their works - one author had consumed seven years on one novel - and were entitled morally and legally to the fruits of their labours.

The authors urged elimination of compulsory licensing for republication of a work and asked payment of royalties on dramatic and musical performances by educational, social, charitable and other such groups.

Canadian Labour Amalgamation: Ottawa, Feb. 9 (CP) -- A developing move for amalgamation of Canada's two biggest labour congresses got impetus today from a long step towards AFL-CIO unification in the U.S.

Spokesmen for the Trades and Labour Congress of Canada and the Canadian Congress of Labour - which have a combined membership of 855,000 - said today the action of U.S. associates of the Canadian bodies will speed eventual amalgamation on this side of the border.

The U.S. action was taken at Miami Beach, Fla., where Committees of the AFL and CIO agreed to a merger, subject to later convention ratification.

In the view of qualified observers here, this may come about finally in the spring of 1956 and could be followed by organic unity of the TLC and CCL later that year.

At the moment, it is not the intention of chiefs of these congresses to try to bring in the Canadian and Catholic Confederation of Labour, with about 100,000 members, and the 40,000 members of the Independent Railway Brotherhoods of the running trades.

Both the TLC and the CCL have been in close touch with the Miami Beach discussions of the U.S. Federations.

Across Canada: The Rockefeller Foundation yesterday announced grants totalling \$6,900 to personnel of McGill University and the University of Manitoba, C.P. reported from New York. . . . The CBC and its union of technicians threatening a strike conferred Wednesday for four hours. At the end of this first session of resumed negotiations staged at the request of the federal Government, a CBC spokesman said both sides agreed there would be no statement for the day. . . . President Paul Eugene Magloire of Haiti and his wife arrived in Ottawa Wednesday, to begin a five-day state visit to Canada. . . . British-born William J. Smith, of Montreal, yesterday became President of Canada's biggest transport union, Canadian Brotherhood of Railway Employees.



*Miss Hamilton*

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Vol. 6, No. 30

Friday, February 11, 1955.

Moscow's Legislators Exchange Proposal: Ottawa, Feb. 10 (Montreal Gazette) --

Intense interest has been awakened here by the Moscow suggestion that legislators of the countries of the world make personal appearances, and even speeches in each other's Parliaments, to lessen world tension. . . .

Prime Minister St. Laurent assured a hushed House of Commons this afternoon that the plan would "be given careful consideration" if, as he anticipated, it should be advanced by the Russian authorities "in some more formal manner."

"All Honourable Members know," he said gravely, "that it would be both their desire and the desire of the members of the Government to do anything and everything that would bring about better relations."

He added that the situation was such that "we should all do our best to take advantage of any suggestion that would bring about an easing of the tension in the world."

His brief statement came in reply to a question by Mr. John Diefenbaker, in which he described the Moscow suggestion as "novel and challenging."

The terms in which the question was phrased indicated that the Opposition would not be averse to accepting the idea if there appeared to be any indication that any useful purpose would be served.

"Does the Prime Minister," Mr. Diefenbaker asked, "consider that the suggestion is one of merit and worthy of consideration and acceptance to indicate the attitude of Canada generally to doing anything that will bring about better relationships?"

Both the wording of the question and the tone of the Prime Minister's reply drew applause from the Commons.

Senator Euler On Formosan Policy: Ottawa, Feb. 10 (CP) -- A former Liberal Cabinet Minister said today that the Formosan policy of the United States may result in a third world war.

Senator William Euler (L-Ontario) said during the Senate Throne Speech Debate it is "far-fetched" to say control of Formosa is necessary for U.S. defence.

". . . . I fear that out of this policy of the United States there is a risk of getting into another war," he said.

Senator Euler reiterated an opinion he expressed previously in the Upper Chamber that Communist China should be recognized by Canada and the United Nations.

The former Trade Minister said that in foreign policy matters Canada is too prone to follow the lead of the U.S.

Dangers of Return To Economic Nationalism: Ottawa, Feb. 10 (Montreal Gazette) --

The Chairman and President of the Royal Bank of Canada yesterday warned that a return to a buyer's market could so strengthen protectionist sentiment that Canadians would lose all or most of the gains achieved since the end of the Second World War.

This is the "paramount danger," Mr. James Muir said in an address before the NATO Parliamentary Association. "A return to economic nationalism would mean real danger to the North Atlantic community and a real gain to disruptive forces originating behind the Iron Curtain."

Mr. Muir traced the growth of economic power and independence in Canada since the war. "We now feel keen competition from abroad in certain sections of our economy and this competition comes largely from our NATO partners," he said.

He urged that these NATO partners be convinced that protectionism and increasing restriction on trade is not the answer to economic discontent.

"Since our problems arise from higher costs, we should closely examine the causes of these ills." Between 20 and 25 per cent of Canada's national product depends on its export markets, he pointed out.

While protection may redound to the immediate benefit of one industry, "we cannot adopt universal protection without raising costs and prices all round," he said. "We cannot afford this if we wish to remain competitive in foreign markets nor can we continue raising costs indefinitely."

Mr. Muir spoke against increasing obstacles to trade through protection and against uncertainty in the import trade through "complicated" tariff regulations.

"This is the kind of policy we berate others for adopting and no such policy is consistent with unity and strength in the NATO community," he said.

"An enlightened trade policy will in the end benefit all NATO partners, economically," he stated.

"Some net economic sacrifice, through freer trade, might well be worth while for the sake of a stronger NATO, but no such net sacrifice is needed. Our great hope for unity and strength in NATO, lies in the trade policy enlightenment picture."

Arctic Radar Fence: Ottawa, Feb. 10 (CP) -- Three Canadian companies will carry out a major share of developing the \$200,000,000 Arctic radar fence sponsored by the United States.

The U.S. Management Contractor, Western Electric Co., has awarded Dew Line (Distant Early Warning) contracts to:

Foundation Co. of Canada, Montreal; Northern Construction Co. & J.W. Stewart Ltd., Vancouver, and Spartan Air Services Ltd., Ottawa.

Spartan will do a three-month aerial survey of the Arctic area where the radar chain will be located. Foundation will build the eastern half of the line and Northern Construction the western half.

Informants said a large number of the instruments to go into the radar line will be produced by U.S. companies, but other Canadian companies are likely to share in the big Arctic project.

Across Canada: Sir Ernest MacMillan said yesterday it is hoped Canada's young music field eventually will blossom into a firm body of musicians but adequate protection must be given to the copyrights of Canadian composers. He told a Royal Commission on copyright law that composers get little enough for their efforts. Anything that would ensure they received their due royalties on their works would help the cause of Canadian music. . . . Canadian business men yesterday urged Finance Minister Harris to cut taxes on both corporation and personal incomes to boost economic incentive. The Executive Committee of the Canadian Chamber of Commerce suggested also that top priority be given to reducing excise taxes on certain consumer industries. . . . The Saskatchewan Legislature opened yesterday.



*Miss Hamilton*

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Vol. 6, No. 31

Monday, February 14, 1955.

Armed Forces Manpower: Ottawa, Feb. 11 (CP) -- Increased emphasis on continental defence - and consequently the RCAF - is shown in a revision of manpower ceilings for Canada's armed forces.

The over-all ceilings remains unchanged at 120,000, excluding 3,000 officer cadets and apprentices. But among the three services the Air Force gains in manpower at the expense of the Army and the Navy.

RCAF strength now is authorized at 51,000, the Army's at 49,000 and the Navy's at 20,000. This is an increase of more than 1,000 for the RCAF from manpower ceilings set about four years ago. It is a drop of 1,000 for the Army and a slight decrease for the Navy.

The new ceilings are contained in an Order-in-Council passed January 17 and tabled in the Commons today by Mr. St. Laurent.

At December 31 last, the actual manpower figures for the services were: Navy, 18,806; Army 49,447; and RCAF 48,750.

The manpower ceilings are permitted to vary from one to three per cent either way so that there will be no necessity for the Army, now slightly beyond its authorized ceiling, to cut its strength.

Actually, the Army's strength has varied little in the last two years while those of the Navy and Air Force have climbed steadily. Last spring, more than 50,000 names were on the Army roll-call.

Chrysler Strike Threat: Windsor, Ont., Feb. 13 (CP) -- A general membership meeting of Chrysler Corporation of Canada workers Saturday approved strike action if necessary to enforce new contract demands.

Mr. Earl Watson, Chairman of the Chrysler unit of Local 195, United Automobile Workers Union (CIO-CCL), said 88 per cent of the 1,800 workers who attended the meeting were in favour of strike action.

No deadline for settlement of the company-union dispute was set. The Union executive and negotiating committee were given authority to call a strike whenever they think it necessary.

The strike vote was taken by secret ballot.

The closed meeting also voted by show of hands to reject the Company's latest contract offer, which included a three-cent hourly wage increase.

Asks Canada Push Arms Cut Conference: Ottawa, Feb. 11 (CP) -- A CCF Commons member wants the Canadian Government to take the lead in arranging a four-power conference on armaments reduction.

Mr. A. M. Nicholson of Mackenzie today placed on the Commons order paper a resolution which would have the House call on the Government to arrange the Canada-United Kingdom-U.S.-Russia meeting of Government heads.

Purpose of the meeting would be to "consider the problems created by the reduction of armaments and the devising of policies and means for strengthening of collective peace through the United Nations."

Mr. R. Howard Webster, Montreal, Buys Globe & Mail: Toronto, Feb. 11 (CP) -- Mr. Howard Webster of Montreal was announced tonight as the successful bidder for the Toronto Globe and Mail. Purchase price was believed to be considerably more than \$10,000,000.

The announcement was made to the Globe and Mail, Toronto's only morning newspaper, by Mr. Webster from Montreal.

In a brief message to the newspaper staff, Mr. Webster, a financier who comes from a family long associated with Montreal, said:

(over)

"I have no intention of any changes. I hope they will all stay with me and that together we will make a real success of it."

Mr. Webster was one of 12 bidders for the newspaper and had not been mentioned in any previous speculation about purchasers.

Mr. Webster, who is 45, is Director of a number of Canadian and United States concerns, among them Imperial Trust Co., Annis Furs (Detroit), Holt Renfrew Co., Ltd., Acadia-Atlantic Sugar Refineries Ltd., U.S. Radiator Co., Eversharp Inc., Southwest Lumber Co. Inc., Central Coal and Coke Corp., Penobscot Building, Inc., and Davis Leather Co., Ltd.

Publishes Canadian Works At A Loss: Ottawa, Feb. 11 (CP) -- An authority on U.S. copyright said today that artistically Canada is a coming country but as yet Canadians don't seem to have a proper appreciation of the works of their countrymen.

Mr. R. J. Burton of New York, Manager of BMI-Canada Ltd., performing rights licensing associations, told a Royal Commission on copyright that his organization publishes Canadian works at loss. But it would continue to do so because it had faith that Canada's musicians, song writers and literary artists eventually would come into their own.

They needed copyright protection.

Would Block Passage Of Divorce Bills: Ottawa, Feb. 11 (Globe & Mail) -- The Progressive Conservatives and six Social Crediters joined Government supporters today in the Commons in defeating a CCF move to block the passage of 44 Divorce Bills.

By 107 votes to 28, the House defeated a motion by which it would have bypassed the Divorce Bills in order to proceed with debate on a Bill introduced by Mrs. Ellen Fairclough (PC, Hamilton West) to enforce equal pay for equal work by women.

The motion was sponsored by Mr. Stanley H. Knowles (CCF, Winnipeg North Centre).

CBC Strike Threat Ended: Ottawa, Feb. 13 (CP) -- The threat of a strike of radio-TV technicians in the CBC across Canada ended Saturday.

Negotiating committees for the CBC and the National Association of Broadcast Employees and Technicians (CIO-CCL), brought together by the Labour Department, arrived at a basis of settlement in their long contract dispute as a Wednesday strike time neared.

The union settled for an across-the board increase of five per cent, retroactive to last August 1, compared with original demands on a sliding scale ranging between \$9.50 and \$84 a week.

Across Canada: Mr. St. Laurent will report to the Commons Monday on developments which took place at the London Conference of Commonwealth Prime Ministers, C.P. reported. . . . The Minister of Labour, Mr. Gregg, said Friday, he hopes a study of problems of women in employment will be completed quickly, opening the way to legislation providing equal pay for women who do men's jobs, C.P. reported. . . . One of the biggest construction contracts ever let by a Government agency was signed here Friday to clear the way for an immediate start on the St. Lawrence Seaway. The contract for \$6,470,000 was signed at a brief ceremony in the office of Mr. Lionel Chevrier, Chairman of the Seaway Authority. Under the contract, two Montreal firms, the Pentagon Construction Co. and Iroquois Constructors Ltd. will build a canal and lock at Iroquois Point, just west of the village of Iroquois on the St. Lawrence River. . . . Sir William Thomas White, Canada's Minister of Finance in World War I, died Friday in Toronto at the age of 88.



*Miss Hamblet*

# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 6, No. 32

Tuesday, February 15, 1955.

Statement On Prime Ministers' Conference: Ottawa, Feb. 14 (CP) -- Prime Minister St. Laurent said today he doesn't believe Canada can take on additional defence commitments at this time. He was replying to Opposition questions after reporting to the Commons on the Commonwealth Prime Ministers' Conference in London.

He said there is little he could add to what was contained in the communique issued by the Prime Ministers after the Conference.

Mr. Diefenbaker asked about press reports of the conference which had referred to a "more equitable distribution in defence efforts" among the Commonwealth members.

Mr. St. Laurent said he had told the other Prime Ministers:

"....Developments in thermonuclear weapons and in the method of delivery had brought home to us the need of providing a warning system on the American continent which.....would have to be largely on Canadian territory.

"We felt that it was necessary to have that early warning system as one of the components of the deterrent effect of these weapons so that any potential enemy would realize that even a surprise attack would not make retaliation impossible.

"I added that our part in the establishment of such a system would place a heavy load on the Canadian people; that a large part of the financial burden would be borne by the United States but that Canada must play her part.

"It was most important that these things done on Canadian soil be a joint operation and be dealt with as such; and that there be nothing that would indicate that it was not something of interest to Canada as well as to the rest of the continent.

"I did say that I felt that both the Canadian and American people would wish to feel regarding this essential part of the shield and deterrent against war that there was a proper balance being maintained between what we were doing in Europe and what was being done on our own continent.

"As the industrial and productive potential of North America was of such importance in the build-up of the forces of the free world it was felt that proper attention should be given to everything that was necessary to keep the whole defence setup in its deterrent effect in proper balance.

"With reference to the assertion made that Canada was a wealthy country, I pointed out there were limits beyond which we could not go and I felt our people would support any Government in carrying what was considered its proper share in building up these joint defences.

"But I also pointed out that care had to be taken to maintain a proper balance in the manner in which expenditure was made and that I did not think we were in a position where we could take on additional commitments in regard to these defences."

"Mr. Diefenbaker said it had been suggested Canada contribute forces to a strategic Commonwealth reserve of airborne troops and that Australia and New Zealand had agreed to give one division for service outside their countries. He asked whether Mr. St. Laurent had taken a stand against this on behalf of Canada.

The Prime Minister said:

"....I do not remember anything that would justify the statement that we took a stand against what was being done by others."

(over)

"I believe we have wider commitments outside our own country and more air and land forces stationed outside this country, in proportion to population, than any other of the Commonwealth countries except perhaps the United Kingdom itself."

Earlier, in his report on the conference, the Prime Minister said:

"While the superiority of the Western world in nuclear weapons now is probably our most important single deterrent against war, nevertheless, we recognize that this is a wasting asset and that peace must ultimately rest on a better and most lasting foundation."

At another point, he said:

"I notice that disappointment has been expressed in certain quarters, at the lack of more positive results from the meeting of Prime Ministers.

"The Commonwealth is not a political organization under centralized direction or control and.....any attempt now to transform the Commonwealth into that kind of union would be unsuccessful and might destroy the free association which has been maintained successfully."

The conference had not been called to make decisions. Rather it served as an opportunity for a full and frank exchange of views on the world situation. It was of "immense value" for the West to have the views of the Asian Prime Ministers.

On Formosa, he said:

"We did not try to draw up blueprint for collective action which would be made public but we all.....have a common concern to avoid conflict; and also.....to avoid disunity and division among the nations that are earnestly seeking peace."

"I should also like once more to emphasize this: Canada has no commitments of any kind in respect of the Formosa area except those which arise out of our membership in the United Nations."

An External Affairs debate probably will be held Friday or early next week, he said.

Mr. Dulles To Visit Ottawa: (Press Release No. 7, Feb. 14) -- The Department of External Affairs announced February 14 that Mr. Dulles, will visit Ottawa, March 17 - 19. This will be Mr. Dulles' first official visit to the Canadian Capital. Mr. Dulles will be the guest of the Governor General and will stay at Government House. Further details of his visit will be announced in due course.

Bank Of Canada Reduces Loan Interest Rate: Ottawa, Feb. 14 (CP) -- The Bank of Canada today reduced its interest rate on loans to chartered banks to  $1\frac{1}{2}$  per cent from two per cent.

The two-per-cent interest rate had been maintained by the central banking agency since October, 1950. It was the first drop in the rate in 11 years.

The bank said it was making the reduction because of the general decline in yields on securities. The bank rate is the minimum at which the central bank will lend for short periods to chartered banks and the money market on the security of Treasury bills and short-term Government bonds.

CBC Asks Copyright Protection: Ottawa, Feb. 14 (CP) -- Wider copyright protection on Canadian programmes was urged today by the Canadian Broadcasting Corporation.

In a brief to the Royal Commission studying Canada's copyright, patent and trade mark legislation, CBC said there have been repeated instances of programme piracy. It asked:

1. Writing into the law of a section outlining "broadcaster's rights" to give protection against reproduction without consent.
2. A declaration that reproduction of broadcast programmes into private homes by private wire or other means for commercial gain is a public performance and, therefore, subject to copyright laws.



*Mrs. Hamilton*

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Vol. 6, No. 33

Wednesday, February 16, 1955.

**Immigration Debated: Ottawa, Feb. 15 (CP) --** The Government was accused today of reducing immigration and "planning for a little Canada." Mr. Davie Fulton (PC - Kamloops) said in the Commons he condemns this "pessimistic policy of reduction."

He added:

"A planned, vigorous policy of selective immigration to bring in more people is in keeping with the best interests of all sections of our country and of our people."

He said there is evidence of immigration cutting as he moved a motion of non-confidence in the Government on the immigration issue.

The motion said:

"The immigration policy of the Government is not clear, consistent or co-ordinated, and is not in conformity with the needs or responsibilities of Canada and in its administration denies simple justice to Canadians and non-Canadians alike."

The Progressive Conservative motion was supported by CCF and Social Credit speakers.

**Dr. Keenleyside Hopes Fear Will Prevent War: Montreal, Feb. 15 (CP) --** A top Canadian official of the United Nations said tonight: "Our only real hope lies in the possibility that the last minute, before the ultimate catastrophe, we may frighten ourselves into sanity."

Dr. H. L. Keenleyside, Director-General of the UN's Technical Assistance Administration, said:

"The scientists and soldiers tell us that today - or at the latest tomorrow - hostile nations on opposite sides of the globe can hurl guided missiles at each other with a margin of error on landing of only 10 miles; that each of these missiles can carry explosives that will destroy all life within an area of 300 square miles; that there is no way by which they can be effectively intercepted; that even a brief continuance of such a bombardment may so pollute the atmosphere that life anywhere on earth will become impossible."

Although fear had never been an effective deterrent to war in the past, it is "just possible that humanity, appalled by its own inventions, may finally achieve peace."

Dr. Keenleyside was addressing the McGill University School of Social Work. His remarks were contained in the text of an address released to the press before delivery.

**Mid-Canada And DEW Lines Construction: Ottawa, Feb. 15 (CP) --** Transport Minister Marler said today military aircraft - both Canadian and American - may be needed to assist in construction of the Mid-Canada and DEW (distant early warning) radar lines.

He informed Mr. John B. Hamilton (PC - York West) in the Commons that airlift requirements for construction of the two lines are being adjusted continuously and that he believes all Canadian civilian air carriers will have the opportunity to participate.

Construction is to start this spring on the two lines, the Mid-Canada at the 55th parallel and the DEW in the Canadian Arctic along the northern mainland coast.

(over)

Senator Asks Wider Grounds For Divorce: Ottawa, Feb. 15 (CP) -- New legislation to widen the grounds for divorce in Canada to include desertion, cruelty and insanity as well as adultery was introduced tonight in the Senate.

The bill, similar to one introduced in the Senate in 1938 but defeated in the Commons, was presented by Senator William Aseltine, 68-year-old Conservative from Saskatchewan who has been a member of the Senate's Divorce Committee for more than 20 years.

Besides widening the present sole divorce ground of adultery, the bill provides that no divorce proceeding could be started until three years after marriage except under certain circumstances.

Circumstances permitting divorce action before the three-year time limit would include exceptional hardship, those involving interests of children or in cases of adultery.

Consul General At Chicago: (Press Release No. 10, Feb. 16) -- The Department of External Affairs and the Department of Trade and Commerce announced February 16 the transfer of Mr. Frederick H. Palmer, M.C., Consul General in Manila, to Chicago as Consul General. Mr. Palmer is expected to take up his new duties about the end of March.

Across Canada: Sir Anthony Eden, British Foreign Secretary, will open the Canadian National Exhibition, August 26, officials said yesterday. . . . Premier Smallwood yesterday announced opening of a new Labrador area to prospectors and mining companies and predicted it would develop "great activity during the present season." Mr. Smallwood said the 2,400-square-mile concession in Labrador had been granted to the Canadian Javelin Company which would open it up for prospecting. . . . Development of two rust-resistant varieties of Durum wheat was announced yesterday following a meeting of the associate committee on plant breeding of the National Research Council and the federal Department of Agriculture. . . . Total cargo tonnage received at and shipped from the eight harbours administered by the National Harbours Board decreased by 4 per cent in 1954, as compared with the previous year, according to figures released by Transport Minister Marler. The figures were 40,890,000 tons for 1954, as against 42,500,000 tons in 1953. The chief factor in the decrease was a lower volume of grain traffic.

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Vol. 6, No. 34

Thursday, February 17, 1955

**NHA Loan Interest Rate Reduced:** Ottawa, Feb. 16 (CP) -- Maximum interest rate on insured loans granted under the National Housing Act will be reduced to  $5\frac{1}{4}$  per cent from  $5\frac{1}{2}$ , effective tomorrow.

Works Minister Winters told the House of Commons today that the reduction also will apply to other types of loans under the Act.

He said the reduced interest rates will apply only to loan applications approved from tomorrow morning on. The drop was in keeping with lower long-term interest rates on Government securities.

The reduction is the second major change in Government housing policy announced at the present session. It also follows the decision of the Bank of Canada, Monday, to reduce its interest rate on loans to chartered banks to  $1\frac{1}{2}$  per cent from two.

**Resources Conservation Debate:** Ottawa, Feb. 16 (CP) -- For the fourth straight session of Parliament, a CCF member today sought a Dominion-Provincial conference on resources conservation.

But the proposal of Mr. H. W. Herridge, Kootenay West, again was rejected by the Government. Resources Minister Lesage said in the Commons the responsibility of initiating such a conference rests with the provinces.

Mr. Herridge said Governments pay lip service to conservation of soil, water and forests but their actions are limited and unrelated. Exploitation and neglect of natural resources continued. . . .

**Consulate General In New Orleans:** (Press Release No. 11, Feb. 17) -- The Department of External Affairs and the Department of Trade and Commerce announced on February 17 that the Consulate in New Orleans has been raised to a Consulate General and that the present Consul and Trade Commissioner, Mr. Gerald A. Newman, has been appointed Consul General.

**Would Determine If Authors Get Fair Return:** Ottawa, Feb. 16 (CP) -- A Royal Commission studying Canada's copyright laws was urged today to investigate the internal financial workings of performing rights societies to determine whether Canadian authors and composers get a fair return for their works.

The Auditorium Owners and Operators Association, the Canadian Hotels Association and the Associated Broadcasting Co. Ltd., all made the proposal in requesting changes in the setup by which the societies license performances of copyrighted work and collect fees for the authors and composers.

(over)

Newfoundland Wild Life Recommendations: St. John's, Nfld. (CP) -- After an 18-month survey of the Province, the Wildlife Management Institute has recommended that fishing rights on Newfoundland's salmon rivers should not be leased to groups or organizations.

The Washington organization which conducted its investigation at the request of the Provincial Government, also opposed the importation of deer. "Elsewhere a rising deer population has been associated with a decline in the moose herd," the report stated.

Across Canada: The Government was asked yesterday to use some of its income tax inspectors in Saskatchewan to check on possible tax delinquents among farmers in Ontario, Quebec and other provinces. Senator Walter Aseltine (PC - Saskatchewan) made the proposal in the Senate after stating that Saskatchewan farmers in 1952 paid \$13,268,000 in income taxes compared with \$27,465,000 paid by all farmers in Canada. . . . Premier Duplessis, speaking in the Quebec Legislative Assembly branded the Trans-Canada Highway agreements as an encroachment on the rights and privileges of the provinces. He said that "by going into road construction, a field reserved exclusively to the provinces under the constitution, the federal Government encroaches on a right that does not belong to it," according to the Montreal Gazette. . . . A number of historical items, one dating back to 1760, were discovered recently in a cellar of ancient Chateau de Ramezay. The relics include a dressing case belonging to General Thomas Gage, military governor of Montreal in 1760. . . . The Benedictine Monastery of St. Benoit du Lac, in Quebec's eastern Townships, was refused its Legislative request for the right to rule and expropriate privately owned land surrounding the present monastery domain.



*Miss Hamilton*

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Vol. 6, No. 35

Friday, February 18, 1955.

**Minister's Statement On Immigration:** Ottawa, Feb. 17 (CP) -- Mr. John Diefenbaker today charged the Immigration Department with arrogance, abuse of authority and despotic and high-handed methods. . . .

Mr. Diefenbaker based the bulk of his attack on the fact that would-be immigrants barred entry to Canada are not given the reasons for being turned down.

The Minister of Immigration, Mr. Pickersgill, in a two-hour speech, said some information about applicants who might be considered a danger to Canada's security comes from "sources not under Government control" on the understanding that the information is confidential and will not be made public. That was one of the reasons, he said, why his Department does not make public the reasons for rejecting immigrant applications.

The questionnaire which applicants must answer pries into their private lives. If an application is rejected, that in itself is bad enough without having to disclose the reasons to lawyers or to relatives now in Canada. The disclosure might be used for purposes other than trying to have the ruling reversed.

Mr. Pickersgill said it would be impossible for the Department to go to the courts on every application that is rejected. The Department's budget would not permit it.

Canada's population has increased 25 per cent since 1947 and more than 1,000,000 immigrants have been admitted. He doubted whether the increase could have been accomplished any faster.

It now is becoming more difficult to get immigrants because economic conditions have improved so greatly in Europe.

"It is going to be a good deal more difficult to get the kind of people we want," the Minister said.

He quoted Mr. Fulton as saying the Government has neglected immigration from the United Kingdom.

But there is no country easier than the U.K. from which to emigrate to Canada. There are fewer formalities, speedier procedures, more officials and a promotional campaign, he said. . . .

**Commons Estimates Committee Powers:** Ottawa, Feb. 17 (CP) -- The Progressive Conservatives today fought to gird the newly-formed Commons Estimates Committee with power to call for any witnesses and documents it requires in the course of investigating Government expenditures.

With the Liberals voting in a solid bloc against the Opposition, the Committee decided not to ask the Commons for such power at this time. The Committee, first of its kind, has been set up to scrutinize spending in four Departments - Finance, Veterans Affairs, Citizenship and Immigration and Northern Affairs.

Mr. Donald Fleming initiated the debate by arguing that the Committee's work might prove futile unless it asks the House for power to send for "persons, papers and things."

Other Opposition members supported his move, but Liberals rejected it and the motion was defeated 11-7.

Colombo Plan Aid: (Press Release No. 12, Feb. 17) -- On January 20, the High Commissioners for Canada in New Delhi and in Karachi formally concluded agreements with the Governments of India and Pakistan respectively for the establishment in both countries of Biological Control Centres as part of Canada's contribution under the Colombo Plan.

This project originated at the Commonwealth Agricultural Bureaux Conference of 1950 at which the Indian and Pakistani delegates requested that consideration be given to the establishment in their countries of biological research stations to develop natural methods of controlling insect pests and weeds. At the request of the Governments of India and Pakistan, Canada arranged for a study of this proposal by Mr. Wendell F. Sellers, Assistant Director of the Commonwealth Institute of Biological Control who visited Pakistan and India in the early part of 1952. . . .

Ambassador Of Argentina: (Press Release No. 13, Feb. 17) -- His Excellency Dr. Enrique Jose Guillermo Plate on February 17 presented to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Argentina to Canada. The ceremony of presentation took place at Government House. . . .

Inquiry In Commons As To Zhukov Visit: Ottawa, Feb. 17 (Montreal Gazette) -- Mr. George Hees (PC - Broadview) asked in the Commons this afternoon if the Government was considering issuing such an invitation "in view of the reported desire of Marshal Zhukov to visit the North American continent."

Prime Minister St. Laurent replied:

"The Government "has not yet taken that into active consideration."

Across Canada: The Musical Protective Society of Canada yesterday recommended abolition of performing rights fees now collected from public users of music. In a brief to a Royal Commission studying Canada's copyright, patent and trade mark laws, MPS said public performance of music is in effect "free advertising" and results in promotion of recordings, C.P. reported. . . . Mr. George Burt, Director of the United Automobile Workers (CIO-CCL), yesterday said workers at the Chrysler Corp. of Canada plants in Windsor will strike at 6 a.m., Wednesday, if a contract settlement is not reached by that time. Mr. Burt said the decision to strike was reached late Thursday at a meeting of the stewards and committee men of the Chrysler unit of UAW's local 195. . . . Thunderous applause yesterday greeted the return of Mr. Drew to the Commons after an attack of meningitis. Members pounded their desks as Mr. Drew took his seat for the first time this session. Mr. St. Laurent immediately stepped to the centre of the aisle separating the Government and Opposition benches to shake hands with him. . . . Robert J. Deachman, 76, former Liberal member of Parliament, died in the hospital, Wednesday at London, Ont.



*Mrs. Hamilton*

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Vol. 6, No. 36

Monday, February 21, 1955.

Non-Confidence Motion Defeated In Commons: Ottawa, Feb. 18 (CP) -- The House of Commons today defeated a Progressive Conservative motion of non-confidence in the Government by a vote of 111 to 62. The motion reflected opposition criticisms of Government immigration policy. With one exception, Mr. W.D. Wylie (SC-Medicine Hat), the Opposition voted solidly against the Liberal majority.

The Opposition's three-point motion moved by Davie Fulton (PC-Kamloops) last Tuesday said:

1. The Government's immigration policy is not clear, consistent or co-ordinated;
2. The policy is not in conformity with the needs or the responsibilities of Canada;
3. Administration of the policy denies simple justice to Canadians and non-Canadians.

In a brief windup to the debate, Finance Minister Harris, former Immigration Minister, referred to the Opposition's contention that decisions of the Department should be subject to appeal before the courts.

Mr. Harris said that ever since Canada adopted an immigration policy there has been continual disagreement over whether the Department or the courts should administer the policy.

The latter would require the Government to set definite immigration quotas but the difficulty there would be that in times of economic difficulties Parliament would have to change the quotas. It was better to have a flexible policy, as always had been the case in Canada, with the Minister of Immigration reporting to Parliament. Mr. Harris said the Government always has followed a policy not to specify admission of certain numbers of certain nationalities.

The Opposition had suggested that immigration cases should be handled by the courts but it did not propose a definite amendment to the Immigration Act to accomplish this, Mr. Harris said.

Mr. Harold Winch (CCF-Vancouver East) agreed with Government statements that reasons for rejecting an immigrant should not be made public. But he said the applicant should be told. . . ."

Propose Retirement Of Senators At 75: Ottawa, Feb. 20 (Montreal Gazette) -- A Commoner, Mr. Frank S. Follwell (L-Hastings South), introducing legislation providing for retirement of Senators at 75.

Mr. Follwell introduced his bill last session but it never was debated. Now, he has given notice he intends to re-introduce it.

Meanwhile, a number of Senators are having private discussions about retirement at 75, the age at which judges of the Supreme Court of Canada and most Provincial Supreme Courts retire.

The discussions are described as "exploratory" by Senator Thomas Vien, 73 (L-Quebec). Other senators say they know nothing about the talks reported to have been held by an unofficial committee.

Canadian Dollar Drops To Lowest Quote In Months: New York, Feb. 18 (CP) -- The Canadian dollar dropped today in foreign exchange dealings to its lowest premium in terms of the U.S. dollar in almost a year.

The Canadian money has declined almost a full cent since Monday and almost two cents since Feb. 9 when the premium was over three per cent.

(over)

Today it was quoted for a time at a premium of  $1\frac{5}{8}$  per cent, the lowest since April, 1954, when for a brief spell it hovered around the  $1\frac{1}{2}$ -per cent mark. It later rose slightly to  $1\frac{3}{4}$ .

However, during the last three years the Canadian dollar has rarely stayed below a premium of two per cent for any length of time.

Banking sources here were not inclined to blame any one factor for the drop.

Canada, U.S. Press Party To Tour Industrial Quebec: Montreal, Feb. 21 (Montreal Gazette) -- The largest and most representative group of newspapermen assembled in Canada since the Churchill-Roosevelt Conference during the war will tour industrial Quebec under the auspices of the Montreal District Chambre de Commerce in connection with Quebec Week, March 4-14.

Newspapermen from every Canadian Province, from many areas of the United States and a few from Europe are included in the group. Their aggregate readership exceeds 125,000,000.

The press party will include representatives of such publications as Time, Newsweek, the New York Times, Wall Street Journal and the Chicago Tribune and all the leading Canadian newspapers. Canadian correspondents from British Columbia to Newfoundland will reach Montreal aboard special "Friendship Flight" planes of Trans-Canada Air Lines.

They will tour industrial Quebec on a train equipped with a dark room for photographers, special telegraph facilities and a post office.

B. C. Libel Case Dismissed: Vancouver, Feb. 18 (CP) -- A court action that, it was claimed, involved the freedom of the press ended here today with a dismissal order from the B.C. Supreme Court.

The case was dropped by agreement with Mr. Gordon S. Wismer, former Attorney-General of British Columbia, who had sued Maclean-Hunter Publishing Co. of Toronto and its Ottawa editor, Blair Fraser, for libel. No costs were assessed.

It had been before the highest courts in Canada for three years and ended with publication of an apology by the publishers.

Spanish Masterpieces Exhibited: London, Ont., Feb. 20 (Globe & Mail) -- The first exhibition composed entirely of Spanish masterpieces ever held in Canada was opened here on Saturday night at the University of Western Ontario.

In accordance with the university policy of having its annual exhibitions opened by men noted for their authority on the subject, the Spanish art expert, Dr. Martin Soria, officiated.

Across Canada: Quebec Mines Minister W. M. Cottingham in a weekend address predicted Quebec's mineral production for 1955 will reach a record \$300,000,000. Mr. Cottingham, addressing a Victoria Curling Club luncheon in Quebec City said that mining in Quebec, already a major industry and one of the leading factors in the economic life of Canada, was destined to expand. . . . Chrysler Corporation of Canada and the United Automobile Workers Union (CIO-CCL) held negotiations at Windsor, Friday, as they tried to settle a contract dispute. Unless the dispute is settled, 7,500 workers will leave their jobs Wednesday. . . . Removal of secrecy around corporations' income tax appeals is provided in a bill to be introduced in the Commons by Mr. Stanley Knowles, CCF, Winnipeg North Centre.



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*Miss Hamilton*

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Vol. 6, No. 37

Tuesday, February 22, 1955.

Western Farm Plebiscite Proposal Defeated: Ottawa, Feb. 21 (CP) -- The House of Commons today defeated by a vote of 91 to 66 a Liberal back-bencher's resolution to have Western farmers asked by plebiscite whether they want the Canadian Wheat Board to deduct their membership dues to farm organizations from board grain payments.

The resolution, proposed by Mr. John Decore, Vegreville, was supported by nine other Liberals, 21 Progressive Conservatives 22 CCF and 13 Social Credit members. It was opposed by 81 Liberals, six Progressive Conservatives; W. D. Wylie (SC-Medicine Hat); and three Quebec independents - Paul Gagnon, Chicoutimi; Fernand Girard, Lapointe, and Raoul Poulin, Beauce.

The resolution asked the Government to consider empowering the Wheat Board to conduct a plebiscite among grain producers holding permit books. The plebiscite would ask farmers to state whether they would like the Board, at their request, to pay the membership dues from money owing them from grain sales.

Mr. Knowles' Income Tax Act Amendment: Ottawa, Feb. 21 (CP) -- A bill designed to remove the privilege of closed hearings in corporations' appeals to the Income Tax Appeal Board was introduced today in the Commons.

Mr. Stanley Knowles (CCF-Winnipeg North Centre), sponsor of the bill, said it would not change the secrecy proviso now applying to appeals by individual income tax payers.

The bill also would enable Cabinet Ministers to disclose to Parliament information obtained from corporations under the Income Tax Act.

Mr. Diefenbaker On Reduction Of Armies: Montreal, Feb. 22 (Gazette) -- Canada should be a leader in bringing about the reduction of armies on both sides of the Iron Curtain, Mr. John Diefenbaker, M.P., said here last night. The Progressive Conservative member for Prince Albert said that then the way would be clear for the introduction of measures to banish the use of hydrogen and atomic bombs in war.

Mr. Diefenbaker said the Soviet suggestion last Friday that all nations abolish their stocks of nuclear weapons has all "the appearances of reality and necessity."

"But if this suggestion were carried out," he said, "it would mean that the USSR and Red China would be left with armies four times greater in numbers than the armies of the West. The Red alliance would be in a position to wage aggressive war with hope of victory."

Addressing the Young Men's Section, Montreal Board of Trade at the Queen's Hotel, Mr. Diefenbaker said:

"Canada must assure the utilization of atomic energy for the benefit of, rather than for the destruction of mankind. Unless this is done the road to international hell will be paved with good intentions." . . . .

Mr. Spaak's Ottawa Visit: Ottawa, Feb. 21 (Citizen) -- The international scene will be surveyed in Ottawa this week in talks between Belgian Foreign Minister Paul-Henri Spaak and the Canadian Government.

Mr. Spaak, who is no stranger here, is due by air from London Thursday and he will remain in the Capital until the weekend when he will go to Montreal for the remainder of his stay in Canada.

Mr. Spaak is flying from London to Montreal Wednesday night and will be met at Montreal airport by Government officials who will accompany him to Ottawa. One of his first activities when he arrives will be a press conference Thursday afternoon.

Friday he will be the guest of honour at a luncheon arranged by the Government and which is to be presided over by Prime Minister St. Laurent. Mr. Spaak will meet the Prime Minister and Mr. Pearson during the day for discussions on international affairs.

Says Publishing Canadian Novel A Gamble: Ottawa, Feb. 21 (CP) -- Publishing an original Canadian novel is strictly a gamble, a publishing executive told the Royal Commission on Copyright today.

Mr. John Gray, Managing-Director of the MacMillan Co. of Canada, Toronto, said that where an author is known through previous publication the publisher has something to go on. But decision to publish a first novel by a new author was made strictly "with a crystal ball."

He urged the Commission to plug holes in the law which permits importation of foreign-printed copies of works on which a Canadian publisher may hold the Canadian rights and may have spent substantial money in promoting.

Most Canadian novels, Mr. Gray said, take years to produce a profitable margin for the publisher. Some never did. For that reason, the Canadian publisher's business would be impossible if not buttressed by the buying and selling of British and American books in this country.

Sees Canadian Labour Unity Soon: Montreal, Feb. 22 (Gazette) -- A merger of Canada's two major labour congresses could be achieved within a year, Mr. Claude Jodoin, President of the Trades and Labour Congress of Canada, said here yesterday. The merger would embrace Mr. Jodoin's 600,000-member group and the 400,000-member Canadian Congress of Labour.

Addressing the Canadian Club, Mr. Jodoin said efforts toward unity in the labour movement are starting to bear fruit.

"What once appeared as a remote possibility is now shaping into reality," he said.

Across Canada: Some 8,300 persons turned out in Toronto during the weekend to view the \$20,000,000 collection of the 17th Century Dutch paintings at the Toronto Art Gallery. . . . Thanksgiving Day has been proclaimed as Monday, October 10 this year. A special edition of the Canada Gazette Saturday contains the proclamation of the date. . . . The Finance Department has announced purchase in the New York market of \$50 million of Government of Canada 3 per cent bonds due August 1, 1963, and payable in U.S. dollars. . . . Health Minister Phillips of Ontario said Saturday a report in the hands of the Ontario Government shows that a provincial health insurance plan would cost \$192,000,000 a year.



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Vol. 6, No. 38

Wednesday, February 23, 1955.

Sovereignty And Arctic Radar Lines: Ottawa, Feb. 22 (CP) -- Suggestions that Canadian sovereignty is being invaded by United States construction of a radar warning line in Canada's Arctic were denied today by Mr. St. Laurent.

Mr. John Diefenbaker said in the Commons some Canadians have the idea that the joint Canada-U.S. project might in some way be an invasion of or an impingement on Canada's sovereignty.

The Prime Minister replied that nothing is being done that does not flow naturally from Canada's commitments under the North Atlantic Treaty for the common defence of North America.

"It is no longer possible to be isolated from each other," he said. Any project carried out by the U.S. in Canada would remain under Canadian control.

He said, however, that Canadian participation in operation of the DEW (distant early warning) radar line still is under consideration. No decision would be possible until the number of technicians required to man the line is known.

Canada has paid one-third of the cost of the Pine Tree radar chain along the Canada-U.S. border and would completely finance, construct and operate the mid-Canada radar line along the 55th Parallel.

"We did not have, and we have not yet, sufficient qualified personnel to operate the whole of it (Pine Tree); but it has been stipulated that progressively, as we do find it possible to replace the U.S. personnel in those radar stations, it will be our privilege to do so."

The U.S. will be responsible for construction of the DEW line along the northern rim of mainland North America. Canada, however, will contribute such resources of the RCAF and the Royal Canadian Navy as could be made available and will assist the U.S. in organizing and using other Canadian resources.

This was the first indication the RCN might participate in construction of the DEW line. It was presumed it would assist in ocean movement of supplies to building sites.

Mr. Low asked whether serious studies have been made to determine how effective the radar lines would be against guided missiles travelling at speeds greater than 1,000 miles an hour.

Mr. St. Laurent said he could not express an opinion. But the chiefs of staff of Canada and the U.S. recommended the three lines as worth the cost for security of the continent and the building up of the joint strength of NATO.

Special Ambassador: (Press Release No. 15, Feb. 22) -- The Department of External Affairs announced on February 22 the appointment of Mr. Harry Albert Scott, Canadian Ambassador to Cuba, as Special Ambassador for the inauguration of the President of Cuba, His Excellency General Fulgencio Batista. The ceremonies will take place in Havana beginning February 24.

In addition to Mr. Scott, the Canadian Special Mission will comprise Messrs. G. A. Browne and C. S. Gadd with the ranks of Counsellor and First Secretary respectively. Both these officers are members of the Canadian Embassy in Havana.

The Ambassador will transmit to President Batista a message from Prime Minister St. Laurent extending his congratulations and best wishes to the Government and people of Cuba.

To Increase Allowances For Burned Out Veterans: Ottawa, Feb. 22 (CP) -- Veterans Affairs Minister Lapointe today in the House of Commons introduced a bill to amend the War Veterans' Allowances Act to boost the payments to indigent old warriors and allow them greater on-the-side earnings.

The measure increases the maximum monthly payment to single veterans to \$60 from \$50 a month. For a married veteran, the top goes to \$108 from \$90. Permissible ceilings on over-all income go to \$840 from \$720 for single vets and to \$1,440 from \$1,200 for those married.

"It will raise appreciably the standard of living of many veterans," said Mr. Lapointe.

Mr. Harold Winch On Ships For Russia: Ottawa, Feb. 22 (CP) -- The Canadian Government is too suspicious of Russian trade overtures. Mr. Harold Winch said today in the Commons.

The anti-Communist CCF member for Vancouver East, former British Columbia CCF leader, protested the Government's rejection of a Vancouver firm's application for a permit to export Canadian-built ships to Russia.

"Our shipyards are going to fold unless we can get contracts for shipbuilding from outside Canada," Mr. Winch said.

Mr. John Dickey, Parliamentary Assistant to Mr. Howe, said Canada has followed the same practices as the United Kingdom, the United States and several other countries in specifying what types of vessels may go to Russia.

Mr. R. C. Berkinshaw On International Trade: Windsor, Feb. 22 (Globe & Mail) -- The twin goals of convertible currency and free international trade are in sight, and North America must lead the world to them, Mr. R. C. Berkinshaw told U.S. and Canadian businessmen here.

Mr. Berkinshaw, President of The Goodyear Tire and Rubber Co. of Canada Ltd., and President of the Canadian Council of the International Chamber of Commerce, spoke at the International Night banquet of the Windsor Junior Chamber of Commerce.

"The impediments to a more liberal and stable international trade appear less formidable than at any time in the past few years," Mr. Berkinshaw said. "The path is open - but we must lead the way." . . . .

Across Canada: The Government was urged yesterday by the Ontario Flue-Cured Tobacco Marketing Association to cut the federal tobacco tax by three cents on a 20-cigarette pack to boost sales and overcome the threat of unemployment in the industry. . . . The third session of the 24th Legislature of Quebec was prorogued Feb. 22 by Lieutenant-Governor Gaspard Fauteux. . . . Quebec's winter carnival, which rode to success for 40 days with record snowfalls and crisp sub-zero weather, ended yesterday in the midst of a Mardi Gras day thaw.

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Vol. 6, No. 39

Thursday, February 24, 1955.

**Wheat Board Shows \$26 Million Deficit:** Ottawa, Feb. 23 (CP) -- The Canadian Wheat Board showed a deficit of \$26,766,118 in its 1953-54 wheat pool operations but said the deficit will be turned into a surplus when its huge wheat holdings are sold.

The Board's annual report tabled in the Commons today told a story of heavy production and declining sales in the 1953-54 crop year, causing price slashes and a heavy carryover.

But it said it will continue its attempts to sell more wheat, using unclaimed funds to put Canada's wheat story on film in seven languages to aid in the Board's overseas sales campaign.

The 1953-54 crop year ended July 31 last was a tough one for sales, the Board showed in its 70-page report which outlined these developments:

1. Canada's wheat exports, hit by heavy world supplies and declining markets, slumped to 255,000,000 bushels, down 131,000,000 from the "exceptionally large" exports of the previous crop year.
2. The Board had to slash wheat prices during 1953-54 by a total of 32½ cents a bushel for No. 1 Northern in the face of stiffening world competition.
3. The Board was in debt to the banks to the amount of \$87,121,000 as of July 31, 1954.

**Divorce Debated In The Senate:** Ottawa, Feb. 23 (CP) -- Canada is "away behind the times" in her divorce machinery, a Senator with long experience in divorce handling said today.

Senator Walter Aseltine made the statement in urging the Senate to endorse a bill which would widen grounds for dissolution of marriage in Canadian courts.

The Saskatchewan Progressive Conservative said that, because adultery is the sole ground now, except in Nova Scotia where cruelty is a ground, thousands of Canadians still are largely bound together although they are incompatible. . . .

**Chrysler Strike Averted:** Windsor, Ont., Feb. 23 (CP) -- The early morning shift of production workers at the Chrysler Corporation of Canada entered the plant today, after learning a scheduled strike had been averted just two hours earlier.

A settlement in the 11-month-old contract dispute between the company and the United Automobile Workers union (CIO-CCL), was announced at 4:01 a.m. EST today. A strike had been scheduled for 6 a.m. Details were not announced.

**Employment Down In January:** Ottawa, Feb. 24 (DBS) -- Non-farm employment in the six-week period ending January 22 declined by about the usual amount for this time of the year and farm employment fell a little more than seasonally, according to the joint monthly statement by the Department of Labour and the Dominion Bureau of Statistics. The total number of persons with jobs at January 22 was estimated at 4,983,000, about the same as a year earlier. Unemployment increased over the period by about the same percentage as last year and continued above year-ago levels.

Employment during January remained higher this year than last in logging, pulp and paper, chemicals, petroleum, mining, trade and services. It declined seasonally in construction and some manufacturing industries, and somewhat more than seasonally in agriculture and in transportation industries. Employment remained fairly stable in the textile, clothing and steel industries and improved in the vehicles and parts industries as the Ford plants got back into production.

The Bureau's monthly labour force survey placed Canada's civilian labour force at 5,345,000 in the week ending January 22 versus 5,414,000 in the week ending December 11 and 5,242,000 a year earlier. Persons at work 35 hours or more in the survey week numbered 4,470,000 versus 4,614,000 in December and 4,465,000 at the same time last year.

Applications for employment on file in National Employment Service offices on January 20 totalled 569,600, an increase of 206,900 since December 9 and 46,000 since January 21, 1954.

Increased Family Allowances Debated: Ottawa, Feb. 23 (CP) -- Mr. Hazen Argue today accused the Government of "a callous attitude" in not increasing family allowances. Health Minister Martin denied the charge by the CCF member for Assiniboia, saying Canada spends more on family allowances than on any other single piece of legislation in its social security programme.

The exchange came during the Commons' half-day Wednesday sitting restricted to private members' resolutions, Mr. Argue's motion asked the Government to consider legislation calling for an increase in family allowances, which now range between \$5 and \$8 a month for children from birth to 16 years.

The proposal, part of CCF policy, was rejected by Mr. Ross Thatcher (CCF - Moose Jaw-Lake Centre). Mr. Thatcher said family allowances could not be boosted without increasing income taxes. Parliament must wait until it can reduce defence expenditures before increasing the allowances.

Across Canada: Russia made an inquiry last spring about importing Canadian wheat but has not shown further interest. This information was given the Commons Wednesday by Trade Minister, C. D. Howe, C.P. reported.

. . . . Mr. James S. Duncan, Chairman of the Dollar-Sterling Trade Council, announced yesterday he is writing to more than 2,000 Canadian companies asking them to buy a greater share of their import requirements from the United Kingdom, according to C.P. from Toronto. . . . By a system of TV link-ups, medical audiences totalling 15,000 throughout North America tonight are to watch simultaneously a technical programme originating in CBS New York studios. This will be the first closed-circuit network programme seen in Canada. It will be watched in Toronto at the Royal Ontario Museum, by an audience of about 700 doctors and medical students. It is not open to the public. Other places where it will be seen are Ottawa, Kingston, Montreal and Quebec City, according to The Globe & Mail.



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Vol. 6, No. 40

Friday, February 25, 1955.

\$5,808,000,000 For Economic Expansion In 1955: Ottawa, Feb. 24 (CP) -- Governments, industries and individuals are planning to spend a near-record total of \$5,808,000,000 in Canada's economic expansion this year, the Trade Department reported today in a white paper. The forecast increase is entirely in construction. Spending on machinery and equipment is expected to drop for the second consecutive year.

Spending on new housing is expected to jump by 10 per cent to a new high of \$1,283,000,000. The mining industry plans to boost its spending by 24 per cent to a record of \$309,000,000.

All in all, a capital investment programme of the size forecast, if completed, would be six per cent higher than the \$5,498,000,000 actually spent last year but slightly below the all-time high of \$5,841,000,000 in 1953.

Last year was the first time in the postwar era that investment fell below forecasts, dropping by \$328,000,000 from the mid-year estimate of \$5,826,000,000.

The Department said by 1954 commodity-producing plants had reached sufficient expansion to meet current demand. Plans for further expansion were to care for future market needs.

A general economic decline in North America had caused industry to think twice about expanding. Bad weather had delayed some construction and demand for machinery had been affected by poor prairie crops. All this had affected the investment picture.

But this year conditions appear brighter, the Department said. Overseas countries are prosperous and the United States economy is gaining in strength, all helping to create an atmosphere favourable to further expansion of the Canadian economy. . . .

Would Welcome American Immigration: Ottawa, Feb. 24 (CP) -- The Government would like to see more Americans settle in Canada, but Mr. Pickersgill suggested today any promotional campaign for that purpose might be drowned out by the "loud voices" of general American publicity.

"I am afraid," he told the Commons Estimates Committee, "that any amount Parliament would allow for such purposes would have a small impact and would not be worthwhile."

Canada last year got about 10,000 immigrants from the United States, up from 9,400 in 1953. Mr. Pickersgill said in particular he would like to see more young farmers from northern U.S. settle in Ontario where the population drift from rural to urban centres is still going on.

Generally, he said, Canada will find it a little tougher this year getting immigrants from her main source - the countries of Europe - where returned prosperity has made it more attractive for natives to stay home rather than move to another country across the seas.

New immigrants totalled about 154,000 in 1954, down some 14,000 from 1953. Mr. Pickersgill said he hopes to see an increase from Britain this year, but Canada would have to put on greater promotional efforts there because of domestic prosperity.

Mr. Spaak On NATO Political Group: Ottawa, Feb. 24 (CP) -- Belgian Foreign Minister Spaak said today he will discuss with Canadian leaders possible formation of a political organization within the framework of NATO.

(over)

"It is a mistake to have a military organization without a political organization," he told a press conference. "A beginning toward a political organization should be made now."

However, he added, he is not sure how this problem can be solved. One method might be for each nation concerned to give up some of its sovereignty.

Earlier, Mr. Spaak told a Canadian Club luncheon that if the United States had withdrawn its forces from the European continent, Canada and Britain would have done the same.

Possibility of such a U.S. withdrawal had come last fall after France had rejected the proposed European Defence Community and Europe was on the "verge of catastrophe."

Second Reading For International Rivers Bill: Ottawa, Feb. 24 (CP) -- The Commons tonight defeated by a vote of 179 to 16 a Social Credit attempt to block approval of a Government bill tightening federal control over use of international river water.

In a second vote immediately afterward, the bill was given second reading - approval in principle - by 178 to 16. Apparently one member had left the chamber between the votes.

The bill then was sent to the External Affairs Committee for detailed study.

Unemployment Debate Pending: Ottawa, Feb. 24 (CP) -- Rising unemployment is "alarming," the House of Commons was told today, and it promptly scheduled tentatively a major unemployment debate for Monday.

CCF Leader Coldwell tried to open an emergency debate today - on the heels of record postwar unemployment figures issued yesterday by the Government - but later agreed to wait until early next week.

Ambassador Of Italy: (Press Release No. 16, Feb. 24) -- The Department of External Affairs announced on February 24 that His Excellency Sergio Fenoaltea presented to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Italy to Canada.

Across Canada: The Senate yesterday set up a special 20-member committee to go into the whole problem of drug addiction in Canada. Solicitor-General Ross Macdonald, Government leader in the Senate who proposed the Committee, said it should concern itself with means to control the actual traffic of drugs and narcotics throughout the country. . . . The Government yesterday served notice it will ask the Commons to reduce by half the 11 hours set aside each week for private members' business. A motion will ask that, starting next week, Government business be given precedence on Mondays. . . . Prime Minister St. Laurent said yesterday the Government has not yet reached any decision on establishment of a Canada Arts Council. He was replying in the House of Commons to Mr. George Hees.



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Vol. 6, No. 42

Tuesday, March 1, 1955.

Mr. Pearson Hopeful Peaceful Settlement Formosan Strait Solution: Ottawa, Feb. 28 (Globe & Mail) -- Mr. Pearson today expressed the hope that before there is any armed intervention by the United Nations, "every avenue for peaceful settlement of the disturbed situation in the Formosan Strait will be fully explored."

He read a statement in the House of Commons in amplification of his frequently repeated assertion that Canada has no commitments regarding Formosa other than those arising out of Canada's being a member of the United Nations. The statement was made in reply to Alistair Stewart (CCF, Winnipeg North), who asked what these commitments might be.

As the UN had taken no action regarding Formosa, Canada had no commitments to take action, Mr. Pearson said. The question of the Formosa hostilities was now on the agenda of the Security Council, but discussion of it had been deferred because of the refusal of the Peiping Government to send a representative to the discussion. Meanwhile the Council had decided that the problem be examined further through diplomatic channels.

If the Council decided on some form of mediation and if UN member Governments were asked to give assistance by way of lending their "good offices or something of that kind," then there would be a moral obligation on Canada to give that request sympathetic consideration, Mr. Pearson said.

Mr. Howe Sees 1955 Prospects Very Good: Halifax, Feb. 28 (CP) -- Mr. Howe said tonight that Canada will have a "very good year" in 1955 if all current forecasts materialize.

Main problem, he added, is to maintain and expand foreign markets for Canadian goods. Exports declined last year, but despite all difficulties, "we have succeeded in the main in finding markets for all that Canada can produce. . . ."

"Prospects for 1955 are again promising and I feel sure that the experience of 1954 does not indicate any real setback in our ability to find markets for that part of Canadian production which is surplus to our own requirements."

He told the Dalhousie Alumni Association that "economic conditions in the United States are improving and so is the foreign exchange position of a number of our overseas customers."

"The present economic outlook seems to be: Some improvement in exports, capital spending continuing at a high level, industrial activity expanding and consumer expenditures rising."

"If all these circumstances materialize and we have at least an average crop, we can expect 1955 to be a very good year."

Dr. Solandt On Nuclear Weapons: Montreal, March 1 (Gazette) -- The world, nearing the day when it will have enough nuclear weapons to destroy civilization, must seek some form of world Government that will make war impossible, Dr. O. M. Solandt, Chairman of Canada's Defence Research Board, said here yesterday. But, meanwhile, the free world's scientists must continue to devise and perfect new weapons, powerful arms still being the best deterrent to a third world war, he said.

(over)

"We have reached a stage in history," he told the Canadian Club of Montreal, "where we can foresee the possibility of having weapons available in the world in numbers and of powers adequate to destroy our civilization and render large parts or even the whole of the world uninhabitable by man.

"This means that our attitude toward war must be fundamentally changed if we are to ensure survival."

"It is obvious that we must seek some form of world organization that will make war impossible. This is not an easy task and will not be accomplished quickly," he said.

He said the North Atlantic Treaty Organization has been more successful than any previous association of nations in solving the problems of joint defence.

Dr. Solandt insisted that, while nuclear weapons can lead to the destruction of the world, they are also the best deterrent to war.

Finance Minister Optimistic: Ottawa, Feb. 28 (CP) -- Assuming a reasonably good wheat crop in the West this year and an increase in Canada's gross national production, Finance Minister Harris said today he felt that "the Minister of Finance should not be unduly apprehensive." He was addressing the Canadian Retail Federation.

He appeared optimistic about the factors which make for growing revenues. And he said he felt the Government should endeavour to so strike a balance between defence and other spending that there would be a little more money for services which people have been putting off for many years.

Across Canada: Mr. Lionel Chevrier said yesterday that he is "delighted" by the United States decision to seek shelving of a law requiring American duplication of a proposed St. Lawrence Seaway canal at Iroquois, Ont. He was commenting on an exchange of correspondence between U.S. Ambassador R. Douglas Stuart and Mr. Pearson in which the U.S. decision is spelled out. The letters were tabled in the Commons, C.P. reported. . . . Mr. St. Laurent said yesterday the Government has received a request for some assistance towards construction of the proposed Trans-Canada Pipe Lines Ltd. west-east natural gas pipeline. He said the matter is under consideration but no decision has been reached. . . . The Royal Canadian Engineers' army survey establishment has just completed a top-priority job-mapping for the mid-Canada radar line. Mapping at a rate of more than 1,000 square miles a week, the unit has finished charts covering 40,000 square miles across a strip of Canada at roughly the 55th Parallel, C.P. reported.



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Vol. 6, No. 43

Wednesday, March 2, 1955.

Debate On Unemployment: Ottawa, March 1 (CP) -- Two Opposition parties today called for the overthrow of the federal Government because of rising unemployment. As the House of Commons opened an unemployment debate, the Progressive Conservatives moved a motion of want-of-confidence in the Government and the CCF promptly approved the resolution.

Labour Minister Gregg denied that the situation is deteriorating, as Progressive Conservatives contended. Admitting the number of jobless is up from a year ago, he said the increase is due mostly to growth in the labour force and that the number at work increased in the last published figures.

Mr. Gregg also said the Government is willing, at the coming federal-provincial conference, to discuss the problem of taking care of able-bodied jobless who are without unemployment insurance. . . .

Earlier in today's sitting, Mr. St. Laurent said he looks for such a conference "as early as it can conveniently be arranged" and that he expects to communicate within the next week with the Premiers.

The unemployment discussion developed from figures released by the Government last week showing jobless at a postwar high.

The Bureau of Statistics estimated 362,000 persons were out of work and looking for jobs in late January, compared with the previous high of 318,000 last March. At the same time, 569,582 persons were looking for work through national employment service against the high of 569,896 in March, 1954.

Mrs. Ellen Fairclough (PC - Hamilton West) who proposed the no confidence motion, accused the Government of "lack of constructive planning" on employment. . . .

Says Net Budgetary Deficit Indicated: Ottawa, March 1 (CP) -- The Government's first budget deficit in eight years was predicted tonight by Mr. Howe.

"For the first time since 1946," Mr. Howe said in the House of Commons, "a net budgetary deficit is indicated."

Giving a review of economic conditions during a debate on unemployment, he advanced these reasons for his forecast:

"Tax collections have been lower. . . .

"Even though incomes of most Canadians rose, the personal income tax has been reduced, a drop of two per cent during 1954, as compared with the year previous.

"Sales and excise tax collections were also down five per cent, though total domestic sales . . . remained firm."

For the 1953-54 year ended March 31 last, the Government had a surplus of \$46,000,000. For the current year, it forecast a nominal surplus of \$4,000,000.

At the end of January the surplus on current accounts stood at \$123,130,000. At the same time last year it was \$287,494,000. . . .

Would Reduce Voting Age: Ottawa, March 1 (CP) -- For the second time in less than a year the Government today opposed a CCF move to reduce the federal voting age to 18 from 21.

(over)

State Secretary Pinard told the Commons there should be no reduction of the voting age without a change in the age at which persons assume full legal responsibility in Canada. That age now is 21.

Mr. Pinard spoke in opposition to a bill introduced by Mr. Hazen Argue (CCF - Assiniboia) to reduce the federal voting age by three years. Mr. Argue placed a similar bill before the House last June.

Canadian Legion Brief On Lotteries: Ottawa, March 1 (CP) -- The Canadian Legion says charitable organizations should be allowed to raise funds by small lotteries but that it opposes games of chance on a national scale.

The Legion, in a brief submitted today to the Commons - Senate Committee on capital and corporal punishment and lotteries, said the Criminal Code should be amended to permit lotteries "when the proceeds go to benefit some worthy cause."

However, the Legion said it opposes national lotteries, bingos and sweepstakes because they tend to fall under control of racketeers and professional promoters.

Population 15,439,000: Ottawa, March 1 (CP) -- Canada's population totalled 15,439,000 January 1, up 2.7 per cent from 15,035,000 on the corresponding date last year, the Bureau of Statistics estimated today.

This gain of 404,000 for 1954 is numerically greater than the gains of 386,000 or 2.6 per cent for 1953 and 388,000 or 2.7 per cent for 1952.

The January 1 figure is an increase of 29,000 over the December 1, 1954, estimate of 15,410,000.

Across Canada: Prime Minister St. Laurent said yesterday he will open negotiations within the next week with Provincial Premiers on setting a date for a federal-provincial conference on fiscal policies. Replying in the Commons to Mr. Donald Fleming he said it is intended to hold the conference "as early as it can be conveniently arranged." . . . Canada's first woman parliamentarian will be honoured at a special ceremony here next Tuesday on the 33rd anniversary of the day she took her seat in the Commons. A bronze bust of the late Agnes Macphail, who died in 1954, will be unveiled in the southwest corridor of the main Parliament Building near the Commons Chamber. The bust will be unveiled by Mrs. Meredith Reany of Palmerston and Mrs. Hugh Bailey of Toronto, sisters of Miss Macphail. . . . The Commons External Affairs Committee decided unanimously to invite provincial representatives to its next meeting, March 8, to testify on the international rivers bill.



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OTTAWA - CANADA

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Vol. 6, No. 44

Thursday, March 3, 1955.

Statement Declined On Security Grounds: Ottawa, March 2 (CP) -- The Government declined today on security grounds to state whether Canada possesses atomic bombs or other atomic weapons.

Defense Minister Campney also told the House of Commons it is not in the national interest to disclose whether the Government permits the transport of atomic bombs in Canada by any foreign country.

Mr. Campney made the statements in replying to a series of questions placed on the order paper by Mr. Hazen Argue (CCF, Assiniboia). Mr. Argue wanted to know whether Canada possesses any atomic bombs or atomic weapons of any kind and whether the transport of atomic bombs from any foreign country is permitted into Canada or through Canada.

The Minister said it is not in the national interest to give any information - affirmative or negative - because of its value to foreign powers.

Mr. Campney said he has been advised by Defense Production Minister Howe that "no authorized statement regarding the passage of atomic bombs into or through Canada has been made by officials of his Department since December 1, 1954." Nor was any such statement made, to his knowledge, by officials of any other Department of the Government.

Unemployment Debate: Ottawa, March 2 (CP) -- Demands for an immediate federal-provincial-municipal conference to deal with unemployment problems were heard in the Commons today.

As the House went through the second day of an unemployment debate that will continue tomorrow, Mr. Drew urged that such a meeting be called by the federal Government next week.

Mr. Stanley Knowles agreed with the proposal and also laid down a 12-year programme to wipe out unemployment by the time of Canada's 100th anniversary of Confederation.

From other members - as the House discussed a Progressive Conservative motion of non-confidence in the Government - there came other suggestions.

Mr. David Croll proposed inflationary tax-slashing to the extent of a substantial budget deficit for 1955-56 to stimulate employment. He also wanted a large-scale housing programme.

Mr. Victor Quelch of Acadia, Social Credit financial critic, reiterated his party's theory that new money should be issued to increase purchasing power. Canada should accept, too, a certain amount of foreign currency in exchange for goods.

Mr. C. E. Johnston (SC-Bow River) called for elimination of the 10-per cent sales tax, federal assumption of responsibility for able-bodied unemployed and other measures.

Today's debate, based on last week's official figures of a postwar high in unemployment, brought Mr. Drew into a formal discussion for the first time this session.

50 Businessmen To Attend Tokyo Congress: Toronto, March 2 (CP) -- More than 50 Canadians, representatives of Canadian business, will go to Tokyo in May to attend the biennial congress of the International Chamber of Commerce.

(over)

INTERNATIONAL CHAMBER OF COMMERCE

GENERAL INFORMATION  
GENERAL INFORMATION TO MEMBERS  
GENERAL INFORMATION

Mr. R. C. Berkinshaw of Toronto, President of the Canadian Council of the Organization, said today the size of the delegation, the biggest which has attended any of the overseas congresses since the Chamber was formed in 1919, indicates Canadian interest in the Chamber's world-wide interests.

He spoke at the Canadian council's annual meeting at which he was re-elected President and, as such, leader of the Tokyo delegation.

In his review of activities of the Chamber, an international organization of business men with headquarters in Paris, Mr. Berkinshaw said freeing of currencies and establishment of open foreign exchange markets, which would constitute a major impetus to international trade, is one of ICC's most cherished aims.

The balance-of-payments position of a number of Western countries now had improved to a point where the possibility of freeing national currencies from control should soon be possible.

Would Retire Senators At 75: Ottawa, March 2 (CP) -- Legislation compelling Senators to retire at 75 was introduced today in the Commons by Mr. Frank S. Follwell, Liberal Member for Hastings South.

The bill would amend the British North America Act under which Senators now are appointed for life. However, the change would not apply to Senators appointed prior to the time the proposed legislation went into effect.

Across Canada: The Senate, looking to the future, made provision yesterday for the possibility that the London and Port Stanley Railway some day may be operated with atomic power. The provision was inserted in a private bill, sponsored by Senator W. H. Taylor (L, Ontario), which would permit the City of London, Ont., to take over the 24-mile line, originated in 1853. . . . The largest budget in Saskatchewan's history, calling for substantial increases in spending by social welfare and education departments without tax increases, was placed before the Legislature yesterday by Provincial Treasurer Fines. His budget called for estimated revenues of \$79,992,920, and estimated expenditures of \$79,971,810, with a \$21,110 estimated surplus. . . . A start on a province-wide chain of micro-wave relay towers will be made next year, Alberta Government Telephones announced yesterday. Mr. A. Higgins, Manager of the Government-owned firm, said the Company has started acquiring tower sites through the Province. . . . The Tariff Board in a 2-1 decision has ordered the Government to reduce duties on imports of Czechoslovakian scarves on the grounds the Revenue Department could give no legal reason for imposing a 50 per cent dumping duty. The appeal against the Department's action was launched by Tooke Bros. Ltd., Montreal, importers of the Czech wool scarves, C.P. reported.



## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

Miss Hamilton

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Vol. 6, No. <sup>43</sup> 44

Friday, March 4, 1955.

Canada Cuts U.S. Trade Deficit: Ottawa, March 3 (CP) -- Canada showed a deficit of \$594,000,000 in trade with the United States in 1954 as both exports and imports declined.

In contrast, Canada had a surplus of \$265,000,000 in trade with Britain, the Bureau of Statistics said in a summary of 1954 world trade.

The deficit with the U.S. was smaller than two big ones of \$758,-200,000 in 1953 and \$627,900,000 in 1952, but larger than the \$479,000,-000 in 1951 and the \$80,000,000 in 1950.

In over-all world trade, Canada imported more than she exported for the second consecutive year, though with trade reduced. The 1954 deficit of \$146,300,000 was down sharply from the \$210,200,000 in 1953. This contrasted with the \$325,500,000 surplus in 1952.

Exports dropped in 1954 to a four-year low of \$3,946,900,000 from \$4,172,600,000 in 1953.

Imports were the lowest in two years, dropping to \$4,093,200,000 from \$4,382,800,000.

Total trade with all countries - including imports and exports - fell to \$8,040,100,000, the lowest since the \$6,331,300,000 in 1950.

In trade with the U.S., Canada's exports dropped to \$2,367,500,-000 from \$2,463,000,000, while imports declined to \$2,961,400,000 from \$3,221,300,000.

In trade with Britain, exports eased only slightly to \$658,300,-000 from \$668,800,000, while imports were cut more sharply to \$392,-500,000 from \$453,400,000.

Discuss Reported Impending Return Of Fred Rose: Ottawa, March 3 (CP) -- Mr. Pickersgill hinted today the Government may take action to prevent the return to Canada of Fred Rose who has been behind the Iron Curtain since 1953.

He gave the indication in the House of Commons after being asked by Mr. Leon Balcer (PC-Three Rivers) whether the Government intends to refuse Rose and his wife permission to re-enter Canada. Mr. Balcer referred to a Montreal report that the Roses may come back to Canada "before long."

Mr. Pickersgill said his Department intends to abide by existing immigration law. Under it, the Roses still are Canadian citizens "and there is at the present time nothing that the Department can do about it."

He said he regrets the Government is unable to take any action to block the return of Rose and his wife to this country.

A spokesman for the RCMP said the force has no knowledge that the 46-year-old Montrealer plans to re-enter Canada after a 16-month stay behind the Iron Curtain. He now is believed in Czechoslovakia with his wife and daughter.

The Montreal report said that "word has been allowed to 'leak' that they (the Roses) are getting fed up with what they have found and would like to come back to this country." It also said the 'leak' probably was allowed to "make their return more logical."

(over)

Federation Of Agriculture Asks Price Props: Ottawa, March 3 (CP) -- Canadian farmers, fearing the impact of world food surpluses on prices and sales, today appealed for a wide range of federal price props to head off "serious trouble" in the \$8,000,000,000 farm economy.

The 450,000-member Canadian Federation of Agriculture, in a meeting with Cabinet, urged also that the Government ban imports of cheese, move surplus butter out of the country and help provide free milk for school-children to overcome a "depressed condition" in the dairy industry.

Mr. H. H. Hannam, CFA President who headed the 27-man federation delegation, said Mr. St. Laurent and 15 Cabinet Ministers turned out for the meeting. He said the reception was "excellent." The CFA was promised consideration but there was no indication how far the Government was prepared to go to meet the farmers' demands.

The CFA, in its brief, said farmers are suffering from a cost-price squeeze that has reduced living standards. Farm prices are falling while farm costs remain high. Farmers are being penalized for producing an abundance of food which is driving prices down.

Commons Senate Committee On Capital Punishment: Ottawa, March 3, (CP) -- A prominent Canadian sociologist said today that murder is the safest crime to commit in Canada.

Professor C. W. Topping, Head of the Department of Sociology at United College, Winnipeg, made the statement to the Commons-Senate Committee on capital and corporal punishment and lotteries in a brief urging abolition of the death penalty.

Only one of every 10 persons charged with murder was convicted. However, eight out of 10 persons were convicted after being charged with other indictable offenses.

Mrs. Ann Shipley (L. Timiskaming) and several other committee members disagreed with Mr. Topping's conclusion. Mrs. Shipley suggested the low ratio of convictions is proof that in Canada only the guilty are convicted of murder. . . .

Across Canada: No date has been set yet for presentation of the 1955-56 budget to Parliament, Finance Minister Harris said yesterday. He was replying in the Commons to a question from Mr. Macdonnell. . . . The Revenue Department estimated yesterday that 2,690,000 of Canada's 4,800,000 taxpayers will get some portion of their 1954 taxes back through refund claims. It said the refunds will total about \$146,000,000 if all claims are filed. Deadline for filing 1954 tax returns is April 30. . . . An increase in commercial disappearance over farmers' marketings accounted for the decline in Canadian wheat stocks for the week ending February 23. The Board of Grain Commissioners reported that wheat in store and in transit at North American position stood 348,300,000 bushels at the close of business for the week, compared with 352,000,000 bushels the previous week. . . . Mr. Tyler Thompson of Elmira, N.Y., has taken up his new post as United States Minister here, the U.S. Embassy announced yesterday. Mr. Thompson succeeds Mr. Don C. Bliss, 58, now on assignment in Europe, Canadian Press reported from Ottawa.



*Miss Hamilton*

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Vol. 6, No. 46

Monday, March 7, 1955.

Would Lift Secrecy On Corporation Income Tax: Ottawa, March 4 (CP) -- Corporation income tax matters are of public concern Mr. Stanley Knowles said today as he spoke on his own Commons bill which he said is aimed at lifting "the veil of secrecy" surrounding these matters.

The bill would make it mandatory for hearings before the Income Tax Appeal Board to be held in public cases where the appellant is a corporation.

It also would permit the Government to provide, especially on the request of Parliament, information on income taxes of corporations.

Under present law, a corporation appealing a Revenue Department decision to the Income Tax Appeal Board can elect to have the hearing held in camera. Information on income taxes, whether individual or corporation, now is regarded as secret.

Mr. Sinclair To Attend Moscow Meeting Of Whaling Commission: Ottawa, March 4 (Globe & Mail) -- Next summer Fisheries Minister Sinclair will become the first Canadian Cabinet Minister ever to make an official visit to Russia.

Mr. Sinclair will go to Moscow to represent Canada at the annual meeting of the International Whaling Commission which opens there on July 18. Canada is one of the 17 nations on the Commission. It meets annually and gathered last summer at Tokyo.

Apart from the Russian Fisheries Minister, Mr. Sinclair will be the only delegate of Cabinet rank attending the meeting. Mr. Sinclair expects to spend about a week in Moscow.

Royal Commission On Coastal Shipping: Ottawa, March 4 (CP) -- Transport Minister Marler said today terms of reference of a Royal Commission into coastal shipping will allow the body to study shipping between the Pacific and Atlantic coasts.

Mr. Howard Green (PC, Vancouver Quadra) said in the Commons there is some doubt that the Royal Commission, announced Wednesday, would have authority to inquire into shipping between the two coasts.

Mr. Marler said it is intended that the Commission look into this phase of shipping and that its terms of reference are broad enough to enable it to do so. This would cover carriers calling at foreign ports while travelling from one Canadian coast to the other.

Forecast Labour Unification: Ottawa, March 4 (CP) -- First firm negotiations for amalgamation of Canada's two largest labour congresses will be made here Wednesday.

They will come, informants said today, at a meeting of the unity Committee of top officers of the two Congresses, which up to now has been engaged solely in working out a truce on membership raiding between the organizations.

Officials of the Trades and Labour Congress of Canada and the Canadian Congress of Labour said the Wednesday talk undoubtedly is the forerunner of unification of their memberships of about a combined 1,000,000, though several major problems still have to be hurdled.

(over)

They rule out final amalgamation in 1955 - taking a slower pace than their big U.S. affiliates - but declare it is certain for some time next year.

Industrial Quebec Exhibition: Montreal, March 6 (Globe & Mail) -- Sparked by the Montreal Chambre de Commerce, the greatest industrial promotion effort in the history of Quebec got underway here this weekend.

An Industrial Quebec exhibition drew thousands of Montrealers and visitors yesterday and today, while tonight a special train left with 70 newspapermen from all parts of Canada, the United States and Europe on a week-long tour of seven industrial centres of the Province.

The big show began as a relatively modest plan by the French business organization in Montreal for an industrial exhibition. With the enthusiastic co-operation of business and Government, it has become an international show window.

Penticton, B.C., Celebrates World Title Hockey Victory: Penticton, B.C., March 6 (CP) -- An estimated 6,000 persons, more than half the population, shattered the quiet of this Okanagan Valley town today at the news that the home-town Penticton V's had won the world hockey championship.

Minutes after news of the V's 5-0 win over Russia in Krefeld, Germany, for the world title reached here fans rushed from their homes for a spontaneous celebration. Cars piled four deep along the main street. A parade started from the firehall, led by Fire Chief H. M. Foreman.

Surveying the scene, Mr. George Cady, member of the V's executive, said, "This makes Vancouver's Granville Street look like an alley."

A procession of cars stretched for more than 11 miles as drivers tooted and honked their way. . . .

Across Canada: Lower food prices brought down the cost of living slightly in January. The monthly consumer price index announced Friday dropped one-tenth of a point. The index went to 116.3 in January, the first time in a year that it had declined three months in a row. It was lower than at any time since last June, when it stood at 116.2. This was 1.9 points below the record of December, 1951, but higher than the 115.7 of a year previously. . . . A contract for construction of 38 microwave towers between Toronto and the Manitoba border has been let by the Bell Telephone Company, it was learned Friday, according to C.P. . . . Premier Duplessis announced on Friday the Canadian International Paper Company plans construction in the "very near future" of a new \$2,000,000 plant at Pointe-aux-Trembles.

Note: The Daily Airmail Bulletin of Friday, March 4, should be designated Vol. 6, No. 45.

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Vol. 6, No. 47

Tuesday, March 8, 1955.

Commons Approves Increased Veterans' Allowances: Ottawa, March 7 (CP) -- The House of Commons tonight gave unanimous approval to a bill which will boost payments to some 41,500 burned-out war veterans and their dependents by \$9,500,000 a year.

The bill providing for increases in war veterans' allowances now goes to the special Commons Committee on veterans affairs for clause-by-clause study. It was given second reading without a vote after Veterans Minister Lapointe wound up the two-day debate.

Replying to the chief Opposition criticism that the ceilings on permissible annual income for recipients are too low - \$840 for single and \$1,440 for married veterans - Mr. Lapointe said they are permitted to make as much as they can through casual earnings on part-time jobs without it being charged against the ceilings.

Everything except full-time, regular employment was allowable under terms of the bill and Department regulations concerning casual earnings.

Mr. Lapointe said that for a married veteran who is physically unable to do part-time work, the allowance can be increased to \$120 a month through a special assistance fund from the \$108 amount under the new bill. The single veteran's \$60-a-month allowance could be raised to \$70.

Coast To Coast Microwave TV Network: Ottawa, March 7 (CP) -- Revenue Minister McCann said tonight the Government expects Canada will be linked from coast to coast by a microwave television network in about three years.

He told the Commons the network - estimated in some quarters to cost about \$50,000,000 - will link publicly-owned and private television stations from Vancouver to Sydney, N.S. Portions of the network would be completed in less than three years.

Dr. McCann said a microwave network already links CBC and private stations from Windsor to Quebec City.

The CBC had accepted tenders submitted by Canadian telephone companies for extension of the network west from Toronto to Vancouver and east from Montreal to Sydney. The Corporation also had accepted tenders of the railway telegraph companies for extension of the French television network in Quebec.

One World Or None, Says Dr. Solandt: Toronto, March 7 (Globe & Mail) --

Peoples of the world are faced with the desperate alternative of one world or none, Dr. O. M. Solandt, Chairman of the Defense Research Board told the Canadian Club Monday.

"We can foresee the possibility of having weapons available in the world in numbers capable of destroying our civilization and of rendering large parts or even the whole of the world uninhabitable to man," he said. "This means that our attitude toward war must be fundamentally changed if we are to ensure survival."

(over)

Ambassador To Portugal: (Press Release No. 18, March 7) -- The Secretary of State for External Affairs, Mr. Pearson, on March 7, announced that the Hon. W.F.A. Turgeon, P.C., Q.C., Canadian Ambassador to Ireland and Minister to Portugal, will be transferred to Lisbon with the rank of Ambassador. It was announced on February 9 that the Portuguese Government and the Government of Canada had decided to raise to the status of Embassies their Legations in Ottawa and Lisbon.

The Secretary of State for External Affairs also announced the retirement of Mr. Emile Vaillancourt, Canadian Ambassador to Peru. Appointments of successors to Mr. Turgeon as Ambassador to Ireland and to Mr. Vaillancourt will be announced at a later date.

Dominican Republic Trade Delegation: Ottawa, March 7 (T & C) -- Mr. Howe announced today that the Dominican Republic was sending to Canada a trade delegation to discuss commercial relations of mutual concern. The delegation, comprising Dr. Manuel Resumil Aragunde, Secretary of State for Trade and Commerce, and Senor Salvador Ortiz, a senior member of the administration, is due to arrive March 6. His Excellency Rafael Paino Pichardo, Ambassador of the Dominican Republic to Canada, will participate in the discussions.

Across Canada: The Supreme Court of Canada ruled yesterday it has no power to sit in judgment on a lower court's decision in connection with United States extradition moves. The Court rejected a bid by the U.S. Justice Department to appeal a Montreal court decision refusing to grant extradition of two Montrealers. The two - Walter Link and Harry Green - are wanted in the U.S. in connection with stock fraud charges involving \$341,000 allegedly collected from American investors, C.P. reported from Ottawa. . . . Immigration Minister Pickersgill said his Department will take steps to boycott immigrant ships where living and other conditions are not found suitable for the bringing of new Canadians to Canada. . . . Census-takers are preparing for the first five-year cross-Canada nose count in June, 1956. Persons in cities, towns and villages will be asked only seven questions against 29 in the regular 10-year count. Rural folk will be required to answer only 75 questions compared with 200 in 1951.



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Vol. 6, No. 48

Wednesday, March 9, 1955.

Geneva Conference On Peaceful Uses Of Atomic Energy: (Press Release No. 19, March 8) -- The Department of External Affairs announced on March 8 that the Canadian Government has accepted the invitation of the Secretary-General of the United Nations to participate in the forthcoming International Scientific Conference on the Peaceful Uses of Atomic Energy.

The Conference, which will meet in Geneva from August 8 to August 20, 1955, has been called as a result of a resolution unanimously adopted at the last session of the General Assembly of the United Nations. The resolution states that the purpose of the Conference will be "to explore means of developing peaceful uses of atomic energy through international co-operation, and in particular, to study the development of atomic power and to consider other technical areas - such as biology, medicine, radiation protection; and fundamental science - in which international co-operation might most effectively be accomplished".

Canada was a co-sponsor of the resolution and in the debate on it in the General Assembly, the Minister of National Health and Welfare and Acting Chairman of the Canadian Delegation, Mr. Martin, expressed the view that the Conference would provide "The first occasion to focus world-wide attention on the efforts of countries with the experience in atomic energy to speed the development of peaceful applications by making freely available the knowledge thus far acquired".

As Mr. Martin revealed at that time, the Canadian contribution to the Conference will consist of a number of scientific papers dealing with Canada's special experience in the peaceful application of atomic energy, particularly in the fields of uranium production and power reactor technology.

Dr. W. B. Lewis, Vice-President, Research and Development, Atomic Energy of Canada Limited, will be responsible for co-ordinating the Canadian contribution to the Conference and has already assisted with the preliminary arrangements for the Conference as Canadian member of a committee set up to advise the Secretary-General of the United Nations. He will be attending the Conference accompanied by a delegation of scientists from both Government and private agencies.

GATT "Will Go On": Ottawa, March 8 (CP) -- The General Agreement on Tariffs and Trade "will go on," Trade Minister Howe today told the House of Commons. He described the new agreement, worked out at Geneva, as "not as good as it might have been but it might have been much worse."

Mr. Howe added it is not as strong and effective as he had hoped last October when the Geneva meetings started. But it was more satisfactory than he had thought it might be when he returned from Geneva last December.

The current agreement expires June 30.

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It will be to Canada's interest to adhere to GATT, Mr. Howe said. He indicated that he will make a full statement on the Geneva meetings in two or three weeks after the Government has been fully briefed on them by its representatives.

One of the main purposes of the Geneva Conference was to work out a new tariff schedule among the 35 participating nations and to try to put GATT on a firmer organizational basis.

Mr. Menzies In Ottawa: Ottawa, March 8 (CP) -- Prime Minister Menzies of Australia will be the guest of Governor General Massey for the first two days of his five-day visit that starts tomorrow, the External Affairs Department said today.

He will arrive at Uplands Airport at 3:00 p.m. to be met by Mr. St. Laurent, Cabinet Members and others. Later, he will call on Mr. Howe and have dinner at Government House.

On Thursday he will visit Mr. St. Laurent's office, hold a press conference, address the Women's Canadian Club and visit the Commons in session. He will be the Prime Minister's dinner guest.

Friday he will fly to Montreal where he will receive an honorary degree at a special McGill University convocation, returning to Ottawa later in the day.

Saturday he will confer with Mr. Pearson, and on Sunday he will fly from here to Washington.

Across Canada: National Research Council grants-in-aid to universities and for research fellowships will total about \$3,000,000 in the 1955-56 fiscal year beginning April 1. Council President Dr. E.W.R. Steacie has announced that its scholarships programme will increase to \$834,000 from \$563,000 and that research grants will rise to \$1,497,000 from \$1,338,945. Council grants to various committees for research projects and to cover about 100 post-graduate fellowship-holders on the Council staff will push the total to the \$3,000,000 figure, C.P. reported. . . . A Canadian organization which attempts to rehabilitate criminals said yesterday that life imprisonment would be a better way to prevent murder than capital punishment. The John Howard Society of Quebec made the statement in a brief submitted to the Commons Senate Committee on Corporal and Capital Punishment. . . . Mr. T. M. Patterson, has been appointed Director of the Northern Affairs Department's engineering and water resources branch, it was announced yesterday.



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Vol. 6, No. 49

Thursday, March 10, 1955.

Mr. Menzies Arrives On 5-Day Visit: Ottawa, March 9 (CP) -- Prime Minister Menzies of Australia arrived in Ottawa by air today. . . .

Mr. Menzies, on a five-day visit, will hold talks with Canadian officials on the possibility of getting stop-over privileges in Eastern Canada on a proposed Australian-United Kingdom air service via North America. The Australians, it was learned, would like to get landing rights in Montreal.

House Debates Beef Price Spreads: Ottawa, March 9 (CP) -- The Commons today spent more than three hours debating a private member's resolution requesting a federal investigation of beef-price spreads.

Then Agriculture Minister Gardiner said the federal Government has no legal right to conduct such an inquiry. The grading and marketing of the bulk of meat products fell under provincial jurisdiction.

The resolution, submitted by Mr. Davie Fulton (PC-Kamloops), dealt with the spread between the price received by the farmer for beef and that paid by the consumer.

Mr. Howe To Visit Australia, New Zealand: Ottawa, March 9 (CP) -- Trade Minister Howe will leave April 8 on a three-week tour of Australia and New Zealand, the Department announced today. He will discuss wheat marketing with Australian officials and trade in general with Ministers of both countries.

Gen. McNaughton On International Rivers Bill: Ottawa, March 9 (CP) -- Gen. A.G.L. McNaughton, Chairman of the Canadian section of the International Joint Commission, today urged Canada to move quickly to make use of the power potential of the Columbia River basin in British Columbia.

Otherwise, he told the Commons External Affairs Committee, this country might wake up to find the United States had made claims against Canadian water resources. . . .

The Committee is studying a Government bill, given approval in principle by the Commons February 24, which would give the federal Government tighter control over use of international river waters. It would require any group, including a Provincial Government, to obtain a federal licence to construct dams on such rivers.

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Labour Congresses Move Toward Amalgamation: Ottawa, March 9 (CP) -- Canada's two largest labour congresses today took a long stride towards amalgamation as a unity committee adopted a set of basic principles for a merged organization of about 1,000,000 workers.

One of the 15 principles - all of them still to be ratified by the TLC-CCL governing bodies - is that a main objective of the super-congress would be eventual unification of all genuine labour groups among Canada's 1,260,000 organized workers.

These would include the 100,000-member Canadian and Catholic Confederation of Labour in Quebec, some 50,000 members of the railway running trades and miscellaneous groups. However, officials said today no approach has yet been made to these.

Communist - dominated unions would be barred from the merged congress, as they now are in the TLC and CCL.

CCL Secretary-Treasurer Donald MacDonald, acting as spokesman after today's one-day meeting, said the eight-man group of top officers "made exceptional progress towards our goal of a merger."

Across Canada: Dr. M. A. Rauf, India's High Commissioner to Canada, at Kingston, Ont., on March 8 took delivery of the first of 120 locomotives built by the Canadian Locomotive Company for India under the Colombo Plan. Completion of the engine was the first step in a \$21,000,000 contract for locomotives under the Colombo Plan. . . . The 19th Federal-Provincial Wildlife Conference opened in Montreal yesterday. It will bring together game commissioners and leading wildlife and conservation officials from all the 10 Provinces. The 20th North American Wildlife Conference, sponsored by the Wildlife Management Institute of Washington, D.C., will open its three-day sessions next Monday. . . . Federal subventions assisting the movement of Canadian coal to market are being increased for the west and kept largely unchanged for the east, Mines Minister Prudham said Wednesday.

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Vol. 6, No. 50

Friday, March 11, 1955.

Atom Strength Necessary, Says Mr. Menzies: Ottawa, March 10 (CP) -- Prime Minister Menzies of Australia said today the Russians could become masters of Europe in a few weeks if the West agreed to ban the atom bomb.

He said there are a lot of people in the West who want the A-bomb banned, but he warned that Russia cannot be trusted, and that she has overwhelming superiority in conventional weapons.

The Russian type of "peaceful co-existence," he maintained, was "hypocrisy," and there could be no greater way to produce war "than to abandon military superiority which deters the other side from starting a war."

Mr. Menzies appealed for maintenance of Western atomic strength in a luncheon address to the Women's Canadian Club.

On the second day of his five-day Canadian visit he conferred with Prime Minister St. Laurent, held a press conference, visited the Commons where he received an ovation from the members and later held talks with Defence Minister Campney. . . .

Extend Life Of Department Of Defence Production: Ottawa, March 10 (CP) -- Prime Minister St. Laurent said today the Government has no intention at present of appointing a separate Minister for the Department of Defence Production now in the hands of Mr. Howe.

Mr. St. Laurent made the statement in the House of Commons as he proposed a motion to extend indefinitely the life of the Department and the broad powers it holds to ensure Canada's defence buildup. The act under which the Department was set up is due to expire July 31, 1956.

The motion, to be followed by introduction of a bill, also would increase the salary of the Minister of Defence Production to \$15,000 from \$10,000 a year to bring it in line with the scale for other Cabinet posts.

Mr. St. Laurent said, however, this will have no immediate effect because Mr. Howe, while doing double duty, draws only his salary as Minister of Trade and Commerce.

Replying to a question from Mr. Fleming, the Prime Minister said the Government has no intention now of detaching the Defence Production from Mr. Howe and putting it under a separate Minister.

Senate Debates Bill To Widen Divorce Grounds: Ottawa, March 10 (CP) -- Senator W. Rupert Davies today urged his colleagues to support a bill widening grounds for divorce in Canada.

The Ontario Liberal argued in the Senate that it would bring happiness to many now living in a union where happiness is impossible. The benefits would far outweigh any possible abuses.

Restrictions advocated by some of his colleagues opposing the bill constituted the very antithesis of Christianity, he said.

In the brief debate, Senator Davies was joined by Senator Baird (L. Newfoundland) in support of the bill which would add cruelty, desertion for three years and incurable insanity as divorce grounds in those provinces which have divorce courts.

Senator Baird said he sees "no sane, unbigoted reason for our insistence that the legitimate reasons for divorce shall be so limited as to encourage illegal methods of obtaining divorce evidence."

The principle of the bill will be debated again next week.

CBC System Of Regulation To Remain: Ottawa, March 10 (CP) -- Revenue Minister McCann said today the Government does not intend to change the system by which the Canadian Broadcasting Corporation regulates broadcasting in Canada and is directly responsible to Parliament for its actions.

He told the Commons it is a good system. It had worked well and the private radio stations had done well for themselves.

The Opposition, he said, tries to insinuate that the publicly-owned CBC is "under the thumb of the Government." It was not. It was under laws made by Parliament and was responsible to Parliament.

Ontario Budget: Toronto, March 10 (CP) -- Following are some of the main points of the Ontario budget presented in the Legislature Thursday by Premier Frost:

For the seventh consecutive year there will be no increase in Provincial taxes; instead the amusement tax is cut by 20 per cent.

Ontario plans to remain within the tax rental agreement for the full five-year period ending March 31, 1957, but is not satisfied with present terms.

The Government predicts a 1955-56 surplus of \$865,000 to go with the 1954-55 surplus of \$704,000.

Assistance to municipalities, school boards and other agencies is increased to \$157,100,000 from \$144,800,000 and will include for the first time provincial aid for civil defense.

The Government and its agencies will spend more than \$700,000,000 on a record capital construction programme creating employment for a work force of 175,000 persons. . . .

Across Canada: The Immigration Department has printed 140,000 copies of a booklet designed to help new Canadians understand federal Government operations. A return tabled in the Commons said the booklet, entitled "Our Government," is for the use of immigrants attending citizenship classes. There were 120,000 English and 20,000 French copies printed. . . . Special grants of \$5,600,000 to universities were provided for in the new Ontario budget. Premier Frost said these grants are for construction and deferred maintenance. . . . With the tremendous oil potential that exists in Western Canada, the industry in this country has "just scratched the surface," members of the Kiwanis Club of Montreal were told yesterday. Mr. A. G. Farquharson, Vice President, McColl-Frontenac, said actual oil potential in the west has climbed from 19,000 to 420,000 barrels a day since 1946 and production has jumped from 19,000 barrels daily to 263,000 from some 6,000 producing wells during that period.



## DAILY AIRMAIL BULLETIN

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DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 6, No. 51

Monday, March 14, 1955.

**Forces In Korea:** Ottawa, March 11 (CP) -- Mr. Campney said tonight that the impending move of an army battalion to Korea as replacement troops has been suspended pending talks on a further reduction of Canadian forces there.

He said in an interview that the transfer of the 1st Battalion, the Black Watch, from Aldershot, N.S., has been held up.

The Government hoped to have it settled "reasonably shortly" whether or not the replacement of the 2nd Battalion Queen's Own Rifles, which now is in Korea, would be carried through.

He said he hopes Canada can withdraw all its forces - some 1,200 men in Korea and that negotiations are being carried on with other Commonwealth and United Nations countries with troops there.

Mr. Campney said he hopes there will be no undue delay for the Queen's Own in returning to Canada. But it would not be prudent to replace them with another full battalion and then decide soon after that many Canadian troops were not necessary in the UN forces helping to keep the truce in Korea.

Discussions about a reduction in Canada's commitment were being carried on with Britain, Australia and New Zealand, which also have troops in the Commonwealth unit there. Consultation with the United States and the UN also was necessary. . . .

**Commons Debates Defence Production Act:** Ottawa, March 11 (CP) -- A veteran opposition member said tonight in the Commons that in continuing the Defence Production Act the Government is seeking full wartime powers on a permanent basis.

Mr. Howard Green referred to the powers of expropriation and of forced contracts Mr. Howe has under the Act. He said the Minister has power to force a contract upon a manufacturer on penalty of putting his business under a controller.

"There is no freedom left to business in Canada so long as that provision remains on the statute books," he said.

Mr. Howe replied that the powers are required by the Department to enable it to act quickly in procuring materials, especially those in short supply. There was no sense in having a strong military force which did not have the backing of a strong procurement agency.

The Government had received no complaints from industry that the powers in the act were too wide.

Mr. Green urged a full review of the wide powers contained in the Act, due to expire in July, 1956. He spoke on a motion preparatory to introduction of legislation by which the Government will seek to extend the life of the act indefinitely.

**Claim Canada's New Cloth Ten Times Stronger:** Ottawa, March 11 (Globe & Mail)

-- A new method of processing yarn which will spark an industry-wide revolution in textiles and which could guide Canada's textile industry to world leadership has been developed here.

Research experts in the National Defence Department have developed the method which represents one of the first major successful breaks away from the method of spinning in use since man produced his first piece of cloth.

(over)

Used exclusively for military purposes so far, the new textile, which has four to 10 times the strength of comparable standard cloths, has a tremendous potential for use in civil defence. . . .

When released for civilian use, it will have a range of benefits as wide as textiles themselves. Many of the most important benefits, in industrial textiles and work clothing, will be felt by the labouring group. But the new yarn process also opens up new fields of design in women's clothing and can easily be incorporated in men's suitings.

The U.S. Government, using the patents under a reciprocal agreement with Canada, is rushing the new textile into production for use by its armed forces. Seven Canadian mills are already producing the new yarn and textiles from it in commercial quantities for Canadian use.

Cloth produced by the new method is not confined to any specific raw material. All textile fibres, such as cotton, wool and synthetics, can be used. Although strength is greatly increased, the cloth loses none of its softness or other pleasing characteristics. The cloth produced is so strong that it can be used, around a light metal framework, for luggage.

The yarns can be spun on existing mill equipment, which only requires alterations to handle the new process. . . .

Dairy Products Talks With New Zealand: Ottawa, March 11 (T & C) -- The present world dairy products position, more particularly as it applies to cheese, was discussed by Mr. William Marshall, Chairman of the New Zealand Dairy Products Marketing Commission, with the Minister of Trade and Commerce, Mr. Howe, and the Minister of Agriculture, Mr. Gardiner, together with officials of their respective Departments. During Friday's discussions, there was a full exchange of views and information on the dairy products position in Canada and New Zealand.

Across Canada: No decision has been reached regarding assistance to the Trans-Canada Pipe Lines Company, Mr. St. Laurent was reported to have told the press following Cabinet meeting Saturday morning. . . . A budget of \$915,000 for promotion of Ontario during the coming year, and for maintenance of the inspection services which survey tourist camps, motels and similar establishment, was approved Friday by the Legislature. . . . Nine Commons Committees now are meeting, some two or three times a week. At least another six, and perhaps more, will be set up before prorogation, expected in early July. They now are meeting morning and afternoon and soon will start meeting at night, C.P. reported. . . . Calgary Workshop 14 won top honours for the second consecutive year in the Alberta Regional Drama Festival which ended Saturday night. British adjudicator Andre van Gysegem rated the Company's production of George Bernard Shaw's The Apple Cart above the five other plays presented during the four-day festival.



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Vol. 6, No. 52

Tuesday, March 15, 1955.

Mr. Pearson On Canada-U.S. Relations: Toronto, March 15 (Globe & Mail) --

While Canada has not accepted U.S. commitments covering aid to the Chinese Nationalists in Formosa, "that is not the same thing as saying that they may not involve us," Mr. Pearson told the Canadian Club yesterday.

Asserting that it would be unthinkable for either country, if the other were engaged in a life and death struggle, to remain neutral, Mr. Pearson said that this is a tremendous change from the days when Canada twice entered a struggle for survival two years or more before the United States came in.

"This change is one which must affect all our policies to, and relations with, the United States," he said.

In drawing a clear distinction between approval of U.S. foreign policy in relation to Formosa, and Canadian concern and possible involvement in that tense situation, he said.

"There is a difference in these matters between legal commitment and political concern. That is why we and other friendly countries at times find it necessary to state our views clearly and frankly . . . on matters which, in a strict legal sense may not be our concern, but are most assuredly our concern in every other way.

"In Canada our co-ordinated and inter-related continental defense arrangements with the United States would alone make such concern inevitable - and special."

Mr. Pearson recalled that almost four years ago to the day, he told the Canadian Club in Toronto that he believed the days of relatively easy and automatic relations with the U.S. were over. He believed this viewpoint was true then, and it was true today, not because Canadian-U.S. relations were less friendly, but on the contrary, because they were closer than ever.

"We should be more concerned even than before about maintaining and strengthening this friendliness, both because in the dangerous world of today it is more necessary than ever, and because it will be subjected, to new situations and new tests in the days ahead."

As the two countries move into closer and closer relationships, they could less than ever afford to take each other for granted, the Minister continued. The very similarities of the two ways of life made it difficult at times for Canadians to appreciate that the U.S. governmental mechanism and methods differed from Canada's as much as Canada's differed from those in France, for example.

In the field of continental defense, there were Canadian-U.S. problems aplenty, Mr. Pearson said. He felt these would increase rather than diminish. North America itself, and its main centres of population and industry, were, for the first time, vulnerable to direct and devastating attack by an enemy.

"It is therefore, the course of prudence for us to try to deter such an attack by building defenses against it, diplomatic and military," Mr. Pearson said.

(over)

"In each case these defenses must be collective and co-operative. Obviously, these continental defenses are matters of common effort and concern.

"On the military side, the resources needed for such things as early warning lines and air defense installations to give the greatest practicable safety to our two peoples, and to maintain the deterrent effect of certain and massive retaliation, may involve substantial economic effort and the stationing of increased forces in Canada, especially air forces. This is a joint Canadian-U.S. problem. Indeed, it is also a NATO problem, and can best be solved by joint and agreed action of the two NATO members from this continent." . . . .

"We seek no special favours from the United States for our trade," Mr. Pearson said. "Quite apart from any political implications, a narrow, continental approach would not resolve our problems. It would merely ignore most of them and would aggravate many of them.

"No doubt problems will arise in our economic relations in the future, and some of them may be of quite a serious character. We shall be best prepared to handle such situations with good sense if we and our neighbours always keep in mind that we shall be living together for a long time.

"The fortunes of both our countries are interdependent," Mr. Pearson said. "But the dependance of Canada on the United States is far greater than is the reverse. That is a fact which we must accept even if, at times, it makes us feel uncomfortable. This does not mean that we should not stoutly maintain and frankly express our own views on all matters of interest of concern to us. It does not mean that we should not do our best to alter American policy in matters which affect us when we think that policy is wrong. Above all, it does not mean that we should not use every legitimate means to protect Canadian interests when they are damaged or threatened by American policy.

"In our differences with the United States, we Canadians have to remember two things," Mr. Pearson said. "One, that in any major war we must be on the same side. Two, that in any major economic conflict, we would suffer more than they would by a policy of retaliation."

Mr. Howe Sees Possible Return To Priorities: Ottawa, March 14 (CP) -- Mr. Howe said today both the Canadian and U.S. Governments believe it will be necessary to return to a priority system for defence materials.

He referred particularly to possible allocation needs for aluminum, copper and nickel and added that there is a threatened shortage of scrap iron in Canada.

Mr. Howe was speaking in the Commons on a Government resolution to extend indefinitely the powers of the Defence Production Act, due to expire July 31, 1956.

The resolution was passed after strenuous objections from Opposition members led by Mr. Drew. Mr. Drew argued that the powers given the Government under the act were too wide and that no new expiry date for the act is set.

Mr. Howe later agreed that the Government would consider including a clause in the act which would enable Parliament to review the act's powers every few years.

Mr. Howe said defence materials in later 1953 and early 1954 became more plentiful because of the recession in Canada and the U.S.

But now it appeared allocation of defence materials again would be necessary.

Across Canada: The first six of 90 Canadian-designed Otter transport planes ordered by the U.S. Army were delivered Monday at Downsview Airport by de Havilland Aircraft of Canada Ltd., The Globe and Mail reported. . . . Premier Henry Hicks of Nova Scotia said yesterday he would like to see federal tax grants to the Provinces guaranteed by the constitution, according to C.P. from Halifax. . . . The annual \$1,000,000-a-year federal contribution towards elimination of railway grade-crossing hazards will be increased to \$5,000,000, Transport Minister Marler said yesterday.



What it means is that beginning next month, federal authorities will assume directly functions which the Minister said Parliament had imposed upon provincial institutions, Judges henceforth will preside over only the actual oath-takings.

The matter arose in the Commons Committee on the estimates.

Teen-Age Drug Addiction Negligible: Ottawa, March 15 (Montreal Gazette) -- Canada has only 3,212 known drug addicts and there is no addiction problem among the teen-age high school students of the country, Health Minister Martin said today.

In a statement to a special Senate Committee investigating the narcotics traffic, he said that, while any number of addicts is serious and distressing, Canada's total must be viewed in terms of her population of more than 15,000,000.

Mr. Martin said Canada has 2,364 criminal addicts - those who get drugs through the illegal traffic.

Canada's Art For Biennial Exhibition: Ottawa, March 14 (CP) -- The National Gallery plans to sponsor a biennial exhibit of Canadian works of art to obtain a broader picture of the country's art and sculpture, Mr. Pickersgill said today.

He made the statement to the Commons Committee on estimates as he quoted figures showing the largest portion of gallery expenditures is on purchases of European works of art.

Mr. Pickersgill said the biennial exhibition will enable the gallery to see what is available for it to purchase. It also had been decided that the gallery's director should spend some of his time travelling around Canada to see what could be purchased.

Mr. Pickersgill said that in the 1953-54 fiscal year the publicly-owned gallery bought 12 important European paintings for a total of \$513,293 and six Canadian paintings for \$3,275.

To date in the current year, it had bought or approved purchase of two European paintings costing \$118,552 and 41 Canadian paintings and sculptures costing \$19,080.

Across Canada: Companies involved in an alleged combine in the manufacture of wire fencing will be prosecuted, it was disclosed yesterday. A return tabled in the Commons for Mr. Fulton by Mr. Garson said counsel for the Restrictive Trade Practices Commission have been instructed to prosecute and now are preparing their case. . . . Although six Liberals joined the CCF in support of it, a bill to reduce the voting age in federal elections to 18 was overwhelmingly defeated yesterday in the Commons. The vote was 177 to 24. . . . Sweeping powers for farm groups to control, direct or fix the prices of any farm products, or even to prohibit sale of the products, are conferred under legislation introduced in the Ontario Legislature yesterday, the Globe and Mail reports.



*Mrs. Kinsler*

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Vol. 6, No. 54

Thursday, March 17, 1955.

Senate Committee To Study Spending: Ottawa, March 16 (CP) -- The Senate today set itself the task of making a deep study of Government spending on the federal, provincial and municipal level and its impact on the Canadian economy.

By a unanimous vote Senators empowered their standing Committee on Finance to take on the job under the chairmanship of Senator T. A. Crerar.

It was under Senator Crerar's chairmanship in 1951 that the Senate Committee last made such a wide study.

The motion to empower the Committee study prior to presentation of the budget by the Government in the Commons next month was sponsored by the Senate's Government leader, Solicitor-General W. Ross Macdonald.

CCF Amendment In Unemployment Debate: Ottawa, March 16 (CP) -- A second motion of non-confidence in the federal Government over its employment policies was placed before the Commons today by the CCF.

It was introduced as an amendment to a Progressive Conservative motion of March 1 as a spasmodic unemployment debate continued. The debate was still in progress when the House ended its abbreviated Wednesday sitting.

Tomorrow, the Commons shifts back to dealing with general legislation and the unemployment discussion will be resumed at some later date.

The CCF amendment to the Progressive Conservative motion - which has not yet been voted on - calls on the Government to make adequate provision immediately for the care of able-bodied persons out of work and not receiving unemployment insurance. It also asks for a long-term programme of "public investment and economic development" to stimulate employment. . . .

Commons Estimates Committee: Ottawa, March 16 (CP) -- Mr. Pickersgill said today he is thinking of asking Parliament for more money this year to reach immigrants through Canada's foreign-language press.

He said the \$15,000 set aside in the current fiscal year for advertising in the foreign-language newspapers is being well spent.

He informed the Commons Estimates Committee he is considering asking for "a little more" through supplementary estimates for the present year, which ends March 30, and said he thinks he could make good use of it.

Rivers Bill Before Committee: Ottawa, March 16 (CP) -- Mr. F. P. Varcoe, Deputy Justice Minister, said today international river improvements in Canada which affect the flow of rivers in the United States are outside provincial jurisdiction.

He was testifying before the Commons External Affairs Committee, which is delving into the legal aspects of a Government bill which would give Ottawa power to license any works in Canada which alter the flow of international rivers in the United States.

Mr. Varcoe also said the bill does not infringe in any way on the powers of the provinces.

Resources Minister Lesage said the bill has two purposes: To see that Canada's water resources are used for the benefit of Canada; and to make sure Canada's water resources aren't given away for nothing.

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Hopes Indians To Take Place As Ordinary Citizens: Ottawa, March 16 (CP) -- Mr. Pickersgill said today he hopes Indians some day will decide they no longer want to remain on reserves as wards of the Government.

"You can't push it," he told the Commons Estimates Committee. "You can only act when everybody is ready to act."

Mr. Pickersgill said the Government's hope for the future is that Indians will want to take their place "as common, ordinary Canadian citizens."

However, there were treaties, special rights and trust funds which extended back two centuries and more. The present goal was to speed up the process of making Indians into normal citizens without interfering with their rights except by agreement.

Social Research Council Grants: Ottawa, March 16 (CP) -- Financial grants have been made by the Canadian Social Research Council to 18 Canadians working on projects ranging from the study of Aivilik Eskimos to a book on the life of Louis Riel.

The grants, averaging \$400 each, are for post-doctoral research, the society said today.

Mr. Edmund Carpenter of the Department of Anthropology at the University of Toronto will study the Aivilik Eskimo in the Maguse River area, west of Hudson Bay.

Mr. G. F. G. Stanley of the Royal Military College, Kingston, has tackled the job of writing the life of Louis Riel. . . .

New Northwestern Ontario University: Toronto, March 16 (Globe & Mail) -- Establishment of a college at the Lakehead, as the beginning of a new university for Northwestern Ontario, and a \$7,000,000 programme of building to make Ryerson Institute in Toronto the finest technical training centre on the continent were announced yesterday by Education Minister Dunlop.

Described by the Minister as the beginning of a new era of education in Ontario, the projects have two major objectives: Providing university training for more students and offering training in technical skills for those who seek to enter industry.

The "Rocket" Suspended For Balance Of NHL Season: Montreal, March 16 (CP) -- Maurice Richard, high-scoring Rocket of Montreal Canadiens, was suspended today for the remainder of the National Hockey League season and the entire Stanley Cup playoffs. There was no fine.

For his stick attack on Hal Laycoe of Boston Bruins and a punch in the eye Richard landed on linesman Cliff Thompson last Sunday night, in Boston, the Rocket was handed the severest penalty, certainly in terms of suspension, he has ever received.

Across Canada: Small loan companies in the United States and other countries are showing increased interest in establishment of branches in Canada. Mr. K. R. MacGregor, Superintendent of Insurance, stating this in his annual report tabled in the Commons, said it is a development likely to affect the small loans business in Canada to a substantial extent, C.P. reported in Ottawa. . . . Premier Duplessis of Quebec, told to "take it easy" after an attack of the flu, left his hotel suite Wednesday to preside over a regular Wednesday session of the Provincial Cabinet. . . . Trans-Canada Air Lines showed record revenues for 1954 and its fourth successive surplus, in its annual report tabled in the House of Commons Tuesday. The surplus of \$496,146 had increased from \$256,230 in 1953.



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Vol. 6, No. 55

Friday, March 18, 1955.

Mr. Dulles Greeted At Ottawa: Ottawa, March 17 (Globe & Mail) -- Mr. John Foster Dulles today began his first official visit to Canada as Secretary of State.

He said, when he arrived at Uplands airport, that he will be combining "a certain amount of business" with this first state call upon the Capital.

For reporters it was a look-and-listen day. Tomorrow they can ask. There is to be a press conference at the U.S. Embassy.

Mr. Dulles was met at the airport by Mr. Pearson and by members of the diplomatic corps, headed by its Dean, French Ambassador Hubert Guerin. He went immediately from the airport to lunch with the Prime Minister.

In the afternoon, Mr. Dulles visited the Parliamentary Press Gallery where he chatted with reporters - on non-political topics; spoke at a closed meeting of Senators and MP's held under the auspices of the External Affairs Committee, and attended a reception given by the Speakers of the two Houses.

Trans-Canada Pipe Lines Start Delayed: Ottawa, March 17 (Globe & Mail) --

Because it cannot arrange either for its financing or for a sufficient supply of gas, Trans-Canada Pipe Lines Ltd. announced here today that it would be unable to make a start this year on construction of its proposed natural gas pipeline from Alberta to Ontario and Quebec.

After weeks of negotiation here, the Company had agreed to proposals made by the Government-owned Industrial Development Bank whereby in return for securities convertible into common stock the bank would participate in the initial financing of the \$350,000,000 project.

By converting the securities, the bank might have become the biggest common stockholder and thus have gained control of the company.

On Monday night the company officials negotiating here learned that this was not agreeable to the U.S.-controlled companies that own many of the Alberta wells. They would not sell to Trans-Canada.

"It was a case of principle," said Mr. Nathan Tanner of Calgary, President of Trans-Canada, in an interview here. "They are opposed to anything which leads to statism."

Although plainly disappointed at this outcome, Mr. Tanner spoke without resentment at the attitude of the U.S.-controlled firms. He observed that Canadians must appreciate that except for U.S. capital the gigantic oil and gas development of Alberta would not have occurred. . . .

As soon as possible Trans-Canada will seek hearings by the Board of Transport Commissioners here and the Alberta Gas and Conservation Board on an application to extend by one year the period previously allowed for the company's financing. This period now expires April 30.

. . . .

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Tax Conference Preliminary April 26: Ottawa, March 17 (CP) -- Prime Minister St. Laurent and the 10 Provincial Premiers will meet here April 26 to set a date for the first federal-provincial tax conference in more than four years.

Mr. St. Laurent originally proposed that the preliminary agenda-planning session be held April 21-22, but he informed the Commons today that the meeting has been postponed until April 26 because two Provincial Premiers found the earlier date inconvenient.

Mob Violence Over Richard NHL Suspension: Montreal, March 18 (Gazette) -- Mob violence took command of Montreal's west end last night as hockey fans by the thousands started a riot over the suspension of Maurice (The Rocket) Richard that has no parallel in Montreal's long and stormy hockey history.

The rioters wrecked Forum doors, broke windows and destroyed telephone booths. Public property surrounding the arena also suffered considerable damage. Windows in more than a score of streetcars trapped in the immediate vicinity at game time were smashed. . . .

The score was 4-1 for Detroit when the game was called and forfeited to the visiting team.

NHL President Clarence Campbell, whose suspension of Richard sent the city into a frenzy, became the target for mob violence. . . .

One spectator, obviously with the pretence of shaking Campbell's hand, threw a punch at him. . . .

Across Canada: Farmers intend to reduce wheat acreage this year to a 10-year low and concentrate on bigger production of oats, barley and flaxseed. More land is to be put to work. Wheat plantings will be reduced from 1954 by 673,600 acres to 23,593,000, the Bureau of Statistics reported. This would be the lowest since 1945. . . . Because no other major source of water-developed electric power will be available after 1962, when the Niagara and St. Lawrence developments have come into production, the Ontario Hydro-Electric Power Commission is studying means of getting power from nuclear fission, Hydro Commission Chairman Richard Hearn, said yesterday. Hydro staff members are working in Great Britain, gaining knowledge of advances there which will reach fruition by the end of the year in an atomic power plant, he said. . . .



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Vol. 6, No. 56

Monday, March 21, 1955.

Mr. Dulles On North American Defence: Ottawa, March 18 (CP) -- Mr. John Foster Dulles said today Russia is unlikely to win a general war unless it can knock out quickly North America's industrial power.

For that reason, the defence of North America was of the utmost importance, the United States Secretary of State added in a 50-minute press conference at the U.S. Embassy.

Further, he said, defence experts believe it is possible to obtain a North American defence to safeguard industrial power. This in turn would considerably increase the chances of peace.

Mr. Dulles said North American defence played the most prominent part in his talks with Canadian leaders. He added:

"We see that. . . the air frontiers are actually in the Polar region, perhaps more than to the east or to the west. Therefore, it is of the utmost importance and in the interests of peace that we should create a situation which is such that the great reservoir of strength which resides in this continent shall not be subject to quick destruction.

"If an aggressor thought he could quickly knock that out he might be tempted to an attack. If he knows he cannot, then the likelihood of a general war is much less and the prospect of peace is greatly increased.

"Our two Governments are working together on this matter of continental defence with the closest of co-operation - an unusual degree of co-operation - and a spirit of goodwill such as should properly emanate from friendly and neighbouring countries which are engaged in a task which is of supreme importance for ourselves and for free peoples everywhere."

Asked whether the U.S. is seeking Canadian permission to station more troops or air squadrons in Canada. Mr. Dulles said he doesn't know. It was primarily a matter for the Defence Departments of the two countries.

He said, at another point, that the U.S. does not expect Canada to support the U.S. blindly on American policies which do not commend themselves to Canadians.

The U.S. welcomed this week's speech by Mr. Pearson who said that if Canada or the U.S. were involved in a major war it would be unthinkable for the other to remain neutral. . . .

Yalta Conference Documents: Ottawa, March 18 (Globe & Mail) -- This week's publication in Washington of documents on the 1945 Big Three Conference at Yalta, which has been ill-received in Britain and Europe, was explained today by Mr. Dulles as something done in the normal course of proceedings in the State Department.

He said the essential facts concerning the conferences, long a subject of internal political controversy in the United States, had already been made public in books. . . .

Alberta - Quebec Gas Pipeline: Ottawa, March 18 (Globe & Mail) -- CCF Leader Coldwell told the House of Commons today that "it would be intolerable if American corporations prevented Canadians from using their own natural resources."

(over)

The CCF Leader made this brief comment as Mr. St. Laurent was questioned by Oppositionists regarding the announcement yesterday that a start cannot be made this year on construction of the proposed \$350,000,000 natural gas pipeline from Alberta to Ontario and Quebec.

Promising the Commons a statement on the matter as soon as he had full and accurate information, Mr. St. Laurent said he had no comment to make at present "other than that I am disappointed that circumstances do not permit the start of the construction of this all-Canadian line this year."

High Salaries For Grain Board: Ottawa, March 18 (CP) -- The Commons today defeated by a vote of 95 to 55 a CCF attempt to block approval of a Government bill increasing salaries of the Board of Grain Commissioners.

The attempt was supported by CCF, Progressive Conservative and Social Credit Parties and opposed by Liberals and one Independent.

Mr. Howe said the Government regarded the motion as one of want-of-confidence. . . .

Supplementary Estimates: Ottawa, March 18 (CP) -- The federal Government looks to record peacetime spending of \$4,567,784,000 for the fiscal year that ends March 31.

Final supplementary estimates of \$53,994,000 tabled today in the Commons brought the 1954-55 figure to the total. Exceeded only by the \$5,322,000,000 expenditure in the war year of 1943-44.

More than half the additional amount was taken up by \$28,758,000 to cover the 1954 deficit of the publicly owned Canadian National Railways. It was the first disclosure of the CNR's deficit, first in three years. The CNR's annual report is to be submitted to the House Monday.

Across Canada: Canadian foreign policy in the light of latest international developments is expected to be outlined before Parliament this week - possibly Thursday - by Mr. Pearson, C. P. announced. . . . The Government announced that it will continue its support price for butter for another year. . . . Prairie farmers will get an interim mid-year payment of seven cents a bushel on oats deliveries to the Canadian Wheat Board, Mr. Howe announced March 18. . . . In the week ending February 19, the number of persons with jobs was estimated to be 5,012,000, some 42,000 higher than in the corresponding week in 1954. There were an estimated 5,391,000 persons in the labour force, 106,000 more than last year. The number of persons without jobs and seeking work was estimated to be 379,000, up 64,000 over the year, DBS announced today.



## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 6, No. 57

Tuesday, March 22, 1955

Mr. Howe On GATT Decisions: Ottawa, March 21 (CP) -- Canada and other countries have lost their fight to bar the United States from imposing farm import curbs. But they have reserved the right to retaliate if they get seriously hurt by U.S. restrictions.

A communique of the 34-country General Agreement on Tariffs and Trade today announced that a majority vote has given the U.S. freedom to restrict farm imports whenever they threaten to interfere with domestic price-support programmes.

In Montreal, before the Canadian Club, Trade Minister Howe termed this a "regrettable incident" in Canadian-American trade relations since Canada and other farm-product exporters had opposed the American bid for a trade-obligations waiver at the recent Geneva GATT Conference.

Mr. Howe said the important thing now is how will the U.S. act under the waiver. She has imposed curbs against imports from Canada and other countries of dairy products and such grains as oats, barley and rye. Will she impose new ones? Mr. Howe appealed to Canadians to reserve judgment. He did not expect "insuperable" difficulties in trade with the U.S.

The waiver granted the U.S. is effective immediately. . . .

CNR Revenues Suffer Biggest Slump: Ottawa, March 21 (CP) -- Revenues of the Canadian National Railways suffered their biggest slump in the Company's history during 1954, the CNR said today in its annual report.

The report tabled in the Commons showed that gross revenues fell by about \$56,000,000, bringing the Company its first deficit in three years despite a sharp reduction in operating expenses.

The deficit - previously announced - was \$28,758,000 compared with a surplus of \$244,000 in 1953. However, the Company continued its unbroken record of surpluses on operations, not taking into account bond indebtedness. The operating surplus was \$14,171,000.

Bond interest commitments of \$31,209,000 brought on the publicly-owned corporation's deficit, which will be met by a parliamentary appropriation.

Gross revenues slipped in 1954 to \$640,637,000 from the Company's all-time peak of \$696,622,000 in 1953, reflecting a general decline in Canadian rail traffic during the year.

Most of the major Departments showed revenue declines, led by a \$50,800,000 drop in freight income.

Operating expenses were cut by \$32,600,000 to \$626,465,000, the CNR's biggest slash in operating costs since the depression years of 1932.

Stabilizing Dollar Exchange Rate: Ottawa, March 21 (CP) -- Finance Minister Harris said today that \$44,000,000 of the Bank of Canada's holdings in gold and United States dollars was used in February to stabilize the Canadian dollar exchange rate. He was asked in the Commons by Mr. J. M. Macdonnell, Progressive Conservative financial critic, to explain a drop of \$94,000,000 in the bank's gold and U.S. dollar holdings. Mr. Harris said \$50,000,000 was spent in redeeming U.S.-held Canadian bonds. The rest was used in stabilizing the market during a brief period when the price of the U.S. dollar was rising. It was part of official Government policy.

(over)

Ministers Eligible For Estimates Committee: Ottawa, March 21 (CP) -- The Commons today voted 130 to 36 to reject a Progressive Conservative motion which would have denied Cabinet Ministers the right to membership on the House's Estimates Committee when their Departments are under review.

The motion by Mr. Davie Fulton (PC-Kamloops) would have blocked a Government move to name Northern Affairs Minister Lesage to the Committee, which soon will begin study of Northern Affairs Department spending plans.

The Progressive Conservative proposal found support from only one member of other Opposition groups - Mr. Harold E. Winch (CCF - Vancouver East). All other CCF members, the Social Credit group and three independents voted with the Liberals.

Employment Report: Ottawa, March 21 (CP) -- Government figures on unemployment today showed postwar peaks were reached in February on the two sets of figures federal officials use to measure Canada's jobless.

The Government's monthly announcement on employment said that at February 17 there were 613,439 persons registered for work with its National Employment Service and that the Bureau of Statistics estimated 379,000 persons were without jobs and looking for work through the week ended February 19.

British Government Requesting New Cloth Samples: Ottawa, March 21 (CP) -- A new method of spinning yarns with five to 10 times the strength of ordinary materials soon will be made available to the textile industry.

Mr. Campney informed the Commons today that the British Government has asked for test samples of cloth made under the new method developed by Defence Department scientists.

He said it will mean both lighter and stronger clothing for the armed forces. It also could be applied to canvas, upholstery and other heavy fabrics. It combined the tensile strength of synthetic fibres with the qualities of natural fibres.

Across Canada: The Canadian Club of Toronto will make a "distinguished Canadian" award to commemorate Sir Winston Churchill's birthday, it was announced yesterday by club President Hall Linton. The plan is to award a medal and certificate yearly to "a Canadian of national prominence who has made an outstanding contribution toward the growth, reputation or culture of the nation." Other Canadian Clubs, now numbering 93 across the country, will be invited to submit to the selection jury names of nominees for the award, the Globe and Mail reported. . . . The recovery movement now underway will persist for several months and gross national product for 1955 will reach a record high of close to \$25 billion, Mr. R. B. MacPherson, economist, last night told the annual meeting of the Institute of Internal Auditors in Montreal, according to the Gazette.

*Miss/Smith*

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Vol. 6, No. 58

Wednesday, March 23, 1955.

Mr. Pearson On Korean Armistice: Ottawa, March 22 (CP) -- The Canadian Government will support "any reasonable proposal" to enforce the limitation of arms in Communist North Korea under the Korean armistice, Mr. Pearson said today.

He was commenting in the Commons on reports of a United States proposal to repudiate the clauses of the armistice prohibiting increases in war potential in either North or South Korea. The U.S. suggestion was made in the light of a reported Communist military buildup in the country.

Mr. Pearson said Canada has "sympathy" with efforts of the U.S. and South Korean Governments to correct the situation.

"We will support any reasonable proposal to see the armistice agreement is observed or that at least it does not operate so preponderantly in favour of the North Korean Government."

Mr. Pearson was asked by Mr. Stanley Knowles whether Canada will support the reported stand of the United Kingdom Government in opposing the U.S. suggestion.

Budget Day April 5: Ottawa, March 22 (CP) -- Canadians will know the night of April 5 how their federal tax bill shapes up for the coming year.

Finance Minister Harris announced today in the Commons he plans to deliver his 1955-56 budget at 8 o'clock EST that evening.

Test Aircraft Destroyed In \$5,000,000 Malton Fire: Malton, March 22 (Globe & Mail) -- A \$5,000,000 fire roared through a Department of Transport hangar at Malton Airport today, destroying four specially equipped test aircraft and thousands of dollars in valuable experimental instruments and ground handling equipment.

Officials of Avro Canada Ltd., which leased the hangar, said the fire would put some phases of its test programme behind at least six months.

More than 100 firemen battled the blaze, fanned by 60 mph winds which threatened to sweep flames onto hangars on both sides of the burning hangar owned by the Toronto Flying Club and the Department of Transport.

Prime Minister Scelba's Visit: (Press Release No. 23, March 22) -- The Department of External Affairs announced on March 22 that His Excellency Mario Scelba, Prime Minister of Italy and President of the Council of Ministers, will arrive in Montreal, Thursday evening, March 24, for a three-day visit to Canada. The Prime Minister will be accompanied by Madame Scelba and by the Italian Foreign Minister, His Excellency Gaetano Martino, and Madame Martino and a party of senior officials.

Mr. Scelba will receive an honorary doctorate of laws from the University of Montreal. He will attend a reception in his honour by McGill University and, prior to departure for Ottawa, will meet the members of the Italian community.

(over)

Mr. Scelba will meet with members of the NATO Parliamentary Committee in Ottawa and the Italian Foreign Minister, Mr. Martino, will give a talk on Saturday afternoon at the University Club to members of the Canadian Institute of International Affairs.

Would Virtually Abolish Penitentiary Whippings: Ottawa, March 22 (CP) -- Virtual abolition of corporal punishment was recommended today by the Federal Commissioner of Penitentiaries before a joint Parliamentary Committee.

Maj.-Gen. R. B. Gibson said Parliament should abolish whipping as part of court sentences for various crimes, but should retain it as a last resort to ensure discipline in penitentiaries.

Prisoners who repeatedly broke penitentiary rules, attacked fellow prisoners or guards, rioted or destroyed Government property in prisons should be punished with the lash.

Across Canada: A violent storm swept southern Ontario from one end to the other Tuesday. It left behind damage running into the millions. Gusts of up to 71 miles an hour destroyed property, ruined crops, imperilled seamen and stalled traffic. The heaviest damage was concentrated in an arc running from Windsor to Ottawa, according to The Globe and Mail report. . . . Agriculture Minister Gardiner indicated that Prairie farmers hit by last year's crop losses have received about \$14,000,000 of a total of more than \$20,000,000 due under the Prairie Farm Assistance Act. He said cheques are being issued at the rate of about \$1,500,000 a week. At March 11 payments totalling \$13,287,852 had been made to 54,470 farmers in 1,896 townships, he added. "Something over \$20,000,000" will be paid for 1954 crop losses under the Act, he said. . . . The principle of extending the voting franchise in federal elections to servicemen's wives living abroad was approved yesterday by the Commons Standing Committee on elections and privileges. At the same time, the Committee rejected a proposal to extend the franchise to federal civil servants serving outside Canada.

*Two Minutes*

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Vol. 6, No. 59

Thursday, March 24, 1955.

U.S. Proposed Curb On Oil Imports Protested: Ottawa, March 23 (CP) -- The Minister of Trade and Commerce, Mr. Howe, said today Canada has protested to the United States Government against a proposed step to restrict imports of Canadian crude oil. Mr. Howe read to the House of Commons the protest note delivered to the U.S. State Department in Washington March 8 by Mr. Heeney, Canadian Ambassador to the U.S.

"The Canadian Government is greatly concerned about legislation being considered in the United States to restrict imports of crude oil," the note said. "Legislation of this kind would have unfortunate and damaging effects to which the Canadian Government wishes to draw attention."

Both economic and strategic factors point to the desirability of increasing pipeline and refinery capacity to enable Canadian crude to find markets in the U.S., it said.

"From the point of view of strategic considerations, it should be borne in mind that western Canadian oil fields are internal to the North American continent. Nothing could be more discouraging to exploration for oil and development of this strategic industry in western Canada than the adoption by the United States of a restrictive import policy."

The note said it might be difficult for anyone outside the U.S. to question a decision that U.S. defence interests required that imports of crude from overseas countries should be limited to the proportion they bore in 1954 to American domestic production.

"This thesis based on defence interests would certainly not be valid, however, if applied to imports from Canada. The Pacific Northwest is at present served by pipelines from Canada, the existing alternative being to transport crude to that area by tanker, whether from United States sources or from overseas.

"Tanker ships and ports are so much more vulnerable in wartime than overland transport that the Canadian Government would be unable to understand any decision by the United States to restrict imports from Canada for reasons of defence."

The note said Canada doubts that the U.S. oil industry would gain any additional markets by restricting Canadian imports. A great deal would be lost, however, "if both countries were to develop their respective oil industries along purely national lines."

Mr. Howe, replying to Opposition questions after he read the statement, said there has been no formal reply from Washington. . . .

Wider Divorce Grounds Bill Defeated In Senate: Ottawa, March 23 (CP) -- The Senate today defeated by a vote of 37 to 20 a bill which would have widened the grounds for divorce in Canadian courts.

The measure, introduced in the Senate a month ago by Senator Walter Aseltine (PC-Saskatchewan), would have added cruelty, desertion for three years and incurable insanity as grounds for divorce.

The vote saw two of the seven Progressive Conservative members oppose the bill - Senator Arthur Marcotte, Saskatchewan, and Senator Felix Quinn, Nova Scotia.

The four of the Senate's five women Senators present when the vote was taken split. Senators Mariana Jodoin (L-Quebec) and Muriel Ferguson (L-New Brunswick) voted against the bill while Senators Nancy Hodges (L-British Columbia) and Cairine Wilson (L-Ontario) supported it.

All but one of the Senators from Quebec voted against the bill.

Canada-U.S. Seaway Talks: Ottawa, March 23 (CP) -- Canadian and United States federal agencies concerned with the navigation end of the St. Lawrence Seaway will meet in Washington Friday, it was announced today.

The agencies are Canada's St. Lawrence Seaway Authority and the U.S. St. Lawrence Seaway Development Corporation.

Authority President Lionel Chevrier said the meeting, one of a periodic series, will deal with these topics:

1. The setting of tolls for seaway shipping.
2. Progress of the work and Canada-U.S. co-ordination on construction.
3. Engineering data on locks and other works.
4. Arrangements for ground-breaking ceremonies to be held in early summer at Cornwall, Ont., and at Massena, N.Y.

Mr. Chevrier will head a five-man Canadian group going to Washington.

Multi-Million Dollar Electrical Plant: Montreal, March 23, (CP) -- The head of one of the largest electrical manufacturing firms in the Commonwealth said yesterday his Company will soon build a multi-million-dollar plant in Canada.

Mr. Leslie Gamage, Managing Director of the British Electric Co., Ltd., said establishment of the new plant will enable his Company to earn dollars for Britain. He did not say where the plant will be located.

"As a Commonwealth concern, we are not doing our job properly unless we include Canada in our orbit," he said, "and it is impossible to do justice to the Canadian market unless we are here."

Across Canada: The Russians are supplying Canada with more weather information than Canada gives the Soviet, Northern Affairs Minister Lesage said. He told the Commons Estimates Committee there is a "very good exchange" between Canada and Russian Arctic weather stations. "We get more than we give," he added, because Russia has 200 weather stations in the north compared to some nine for Canada. . . . The four aircraft and some of the test equipment destroyed in a fire at a hangar at the Avro Aircraft Plant at Malton, Ont., were owned by the federal Government. Mr. Howe informed the Commons that under Government practice no insurance was carried on the Crown-owned planes and equipment. . . . The Labrador-New Quebec iron range is rapidly moving towards an objective of shipping 10,000,000 tons of high-grade iron ore annually. As facilities to handle this amount should be completed before the end of this year, the target could be reached in 1956, the Globe & Mail reported. . . . A small number of Globemaster C-124 transport aircraft of the USAF Tactical Air Command, headquarters at Langley Air Force Base, Va., are operating out of RCAF Station Edmonton during March, April and May, flying equipment to points in the Canadian Arctic for the Distant Early Warning Line being built there, it was announced by RCAF Headquarters.



Miss Hamilton

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Vol. 6, No. 60

Friday, March 25, 1955.

Mr. Pearson On Formosan Situation: Ottawa, March 24 (CP) -- Mr. Pearson said today Canada would not become involved in a war between the Chinese Nationalists and Communists over the Chinese off-shore islands -- if that war could be kept local.

He told the Commons:

"I want to reaffirm my view that we could not stand aloof from a major war which threatened the very existence of the people of the United States.

"But I must add in all frankness that I do not consider a conflict between two Chinese governments for possession of these Chinese coastal islands, Quemoy or the Matsus, to be such a situation, or one requiring any Canadian intervention in support of the Chinese Nationalist regime. That view has already been made known more than once to our friends in Washington.

"What I fear most in this matter is that even limited intervention, defensive in purpose, by the United States might have a chain reaction with unforeseen consequences which would cause the conflict to spread far beyond the locality where it began, and even across the ocean.

"If a little war were to spread like this it would become literally a little war before the last."

Mr. Pearson led off an external affairs debate in a 75-minute speech.

He also indicated disagreement with the U.S. view that Quemoy and the Matsus are important to the defence of Formosa. He said: "... Many ... doubt that the Communists have in mind an invasion of the coastal islands of Quemoy and Matsu as a prelude to or part of an attack on Formosa.

"In any event, it would be tragic if widespread hostilities, or indeed hostilities of any kind, were to develop over the possession of these two islands which are in effect part of the Chinese mainland and the strategic role of which would seem to be more important in the defence of that mainland against attack than in offensive action against Formosa."

A little later he added:

"Although the basic issues between the free world and the Communist world are clear enough, we have here a dispute in which the clarity is not, to say the least, obvious. . . .

"In a situation so complex it is not surprising that there are doubts and divisions of opinion among the governments and the peoples of the non-Communist world. But it would be a sorry development if we were allowed to split, to seriously weaken, our peace coalition." . . . .

Mr. Diefenbaker said there is general Canadian support for the recent Toronto speech by Mr. Pearson in which he said it would be unthinkable for Canada to remain neutral in any major war threatening the existence of the United States.

He said Mr. Pearson today "watered down," in the face of criticism, the stand he had taken in the Toronto speech. . . .

Mr. Coldwell's Views: Ottawa, March 24 (CP) -- CCF Leader Coldwell said today Canada should beware of being dragged into a war by United States foreign policy in the Far East.

(over)

He also attacked the Chinese Nationalist Government of Chiang Kai-shek as a "moral leper" supported by the U.S. and said that if that support results in major war Canada could be involved.

"It is about time that this Government and this House spoke out against that drift to war through those (U.S.) policies," Mr. Coldwell said in a Commons foreign policy debate". . . .

Canada And Indo-China Truce Commission: Ottawa, March 24 (CP) -- Canada may pull out of the Indo-China Truce Commission before the election scheduled for Viet Nam in July, 1956, Mr. Pearson indicated today.

He told the Commons that Canada as a member of the International Truce Supervisory Commission with India and Poland, will probably be asked to supervise the Viet Nam election. The election would take place in both Communist North Viet Nam and non-Communist South Viet Nam to choose a government for the combined states.

Mr. Pearson said the conditions for such an election would have to be satisfactorily and clearly defined before Canada would take on a supervisory job.

To Build First Atomic Power Plant: Ottawa, March 24 (CP) -- Mr. Howe announced today that Canada's first atomic power plant to produce electricity will be built jointly by the Government and the Ontario Hydro-Electric Power Commission at a cost of about \$15,000,000.

He told the Commons that the experimental plant will be built in Ontario on a site to be chosen by Ontario Hydro and Atomic Energy of Canada, Ltd., which operates the Chalk River, Ont., atomic project. The cost would be about \$5,000,000 for Ontario Hydro and \$10,000,000 for the Crown company.

Mr. Howe said the contract for construction of the reactor will be awarded to the Canadian General Electric Co. It was expected that construction would be completed by mid-1958.

AECL would be responsible for providing nuclear information for construction of the plant and the building of the reactor itself. Ontario Hydro would pay for the building, necessary conventional equipment and the site.

Under the arrangement, Ontario Hydro would purchase steam from AECL at an agreed price. The power created by the steam would be fed into Ontario Hydro's existing electrical system.

Across Canada: Tom Patterson, founder and director of the Stratford Festival, said Wednesday a Canadian theatrical company will make a two-month tour of the United States this fall. He said the Canadian Players, an outgrowth of the Stratford Group, will make a swing through the New England States, the South and the mid-West, C.P. reported from Washington. . . . Mr. L.M. Ritchie of Saint John has been appointed to the Exchequer Court of Canada. He is expected to take his place on the Exchequer bench in about a month, C.P. reported from Ottawa. . . . Ontario's huge Hydro conversion programme, now nearing the halfway mark so far has cost \$181,017,155, Mr. George H. Challies, Ontario Hydro vice-chairman reported to the Legislature.

*Mrs. Hamilton*

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Vol. 6, No. 61

Monday, March 28, 1955.

Agree Effective Controls Basis of Arms Limitation: Ottawa, March 27 (CP) -- Canada and Italy agree there must be effective controls to guarantee any general limitation of world armaments.

A joint communique issued today before the departure of Premier Mario Scelba of Italy, said that position was agreed on during "frank and friendly conversations" between Mr. Scelba and Mr. St. Laurent and Foreign Ministers of the two countries, Mr. Gaetano Martino and Mr. L.B. Pearson.

It said the talks examined the question of East-West relations both in Europe and the Far East and added:

"As for the problem of armaments, it was agreed that its solution has to be found in the general limitation of armaments guaranteed by an effective control accepted by all concerned."

Premier Scelba and his party flew on to Washington today after a three-day visit to Canada.

Disarmament was the major topic of Mr. Scelba's public statements here and in Montreal, where on Friday he suggested an international disarmament conference. He and Mr. Martino elaborated on the subject at a press conference here Saturday and there were indications the Italian leader will discuss possibilities for a conference when he meets U.S. officials.

Mr. Martino said an East-West disarmament conference should be held even if the current disarmament talks in London fail. Canada, Britain, the United States, France and Russia form a United Nations committee which has been discussing disarmament at London since late February.

Today's joint communique on talks between the Italian and Canadian leaders indicated a variety of subjects were discussed.

On East-West relations generally, it said, "the Ministers agreed that efforts should be continued to achieve a reduction of tension by seeking solutions to the problems still outstanding."

Talks also touched on Italian immigration to Canada.

Last year 23,780 Italians entered Canada as immigrants in a total of 154,227 arrivals, the third-largest national group after immigrants from the United Kingdom and Germany.

The Ministers were satisfied with the situation, the announcement said, "and they look forward to the continuation of the policies which have permitted these results."

Sir Archibald Nye on Wartime Co-operation: Montreal, March 26 (Gazette) -- Lt.-Gen. Sir Archibald Nye, who read the "Uncle Joe" correspondence among the Big Three leaders prior to the Yalta conference, said yesterday "the Russians were never really trustworthy allies."

As vice-chief of the Imperial General Staff, Sir Archibald had access to the top command notes that were exchanged among Britain, the United States and Russia.

"The whole history of the wartime allies was deplorable," he said. "But co-operation between the United Kingdom and the United States was wonderful. We had trouble with the Russians."

(over)

Sir Archibald said the release of the transcript of the Yalta talks has tended to highlight the off-hand remarks made by the leaders of the wartime Big Three.

"It was inevitable," he said, "that wartime differences should be accentuated in any post-mortems.

While Sir Archibald said genuine wartime co-operation with the Russians was virtually non-existent, the Second World War set a new precedent in Commonwealth nations working together.

"The co-operation, born of war, has carried over into the peace," he said.

"As United Kingdom High Commissioner in Ottawa, I am in a position to say that relations among the U.K. and other Commonwealth countries have never been better."

February Deficit: Ottawa, March 25 (CP) -- The Government ran into a \$19,919,000 deficit in its February budgetary accounts, squeezing the 11-month surplus to one-third of what it was a year ago.

Expenditures in February were lower by \$2,800,000 than a year earlier but revenues fell by about \$46,000,000 as collections from corporation income tax, import duties and the sales tax continued to decline, Finance Minister Harris reported today in his monthly treasury statement.

It will be the last statement made public before he brings down his 1955-56 budget on April 5. Today's statement added strength to reports that he will report a deficit for the full fiscal year ending March 31, the first since the Second World War.

The surplus for the first 11 months of the current year is down to \$103,211,000 from \$310,914,000 a year ago. Unpaid bills pile up at the year's end and in 1953-54, the Government reported a final surplus of only \$46,000,000.

Unofficial estimates are that Mr. Harris will show a deficit possibly of \$100,000,000 in 1954-55.

The Government's revenues during February dropped to \$305,132,000 from \$351,277,000 a year ago, bringing the 11-month total to \$3,669,000,000 compared with \$3,876,000,000.

Collections on personal income taxes continued strong, totalling \$85,129,000 in February, up from \$78,084,000 last year and \$1,102,932,000 for the 11 months, virtually unchanged from a year ago.

Old Age Security Fund Deficit: Ottawa, March 25 (CP) -- Operations of the federal old age security fund during February piled up the largest monthly deficit since July, 1952.

Pension payments of \$29,600,000 were \$9,500,000 in excess of revenue from the taxes earmarked to support the fund, Mr. Harris reported today in his monthly Treasury statement.

Urges Appointment to Senate of Full-Blooded Indian: Ottawa March 25 (CP) -- Appointment of a full-blooded Indian to the Senate was suggested in the Commons today by Mr. John Diefenbaker.

Discussing supplementary estimates of the Citizenship Department, he said the Indians should have a tribesman as a mouthpiece in Parliament.

Tribes in the West were concerned over activities of federal commissions set up within the last two years to determine qualifications for membership in tribal bands.

Across Canada: The worst blizzard of the winter swept eastern Canada over the week-end, disrupting transportation in and out of Ottawa and Montreal and necessitating the closing of many schools. . . . Premier Duplessis announced at his weekly press conference that he will personally attend the Dominion - provincial conference scheduled for Ottawa April 26. . . . The Canadian Rugby Union on March 26 named Vancouver as the site for the Grey Cup final November 26 and dropped the Ontario Rugby Football Union from the football cup playoffs.



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Tuesday, March 29, 1955.

U.S. Surpluses and Canadian Trade: Ottawa, March 28 (CP) -- United States disposal of surplus products is displacing Canadian products in certain markets, Trade Minister Howe said today. He added that he does not know what Canada can do about it. The U.S. followed a certain policy and Canada followed its own.

"We protest when we think it is warranted," he said.

Mr. Howe faced a barrage of questions on trade from Opposition members during the daily Commons question period.

Mr. John Diefenbaker started the ball rolling by asking about possible effects on Canadian trade from the launching in the U.S. of a "fire-sale" of \$2,000,000,000 worth of surplus agricultural products.

Mr. Howe said the U.S. has been making package offers to various countries, including the United Kingdom and Germany.

However, he was "happy indeed" that recipient countries were not inclined to upset their usual pattern of trade. He added that the Government intends to look after Canadian interests as well as possible. Despite U.S. offers of surplus wheat, Canada was selling more wheat than the U.S.

In reply to Mr. Drew, Mr. Howe said the Government has received a reply from the U.S. State Department concerning Canada's protest about possible restrictions on imports of crude oil into the U.S. The Government now was seeking the State Department's permission to make public the reply.

Mr. Hees asked whether the Government has protested the proposed U.S. restrictions on imports of lead and zinc. Mr. Howe said "several protests" have been filed in the last year.

Plans To Train the Eskimo For New North: Ottawa, March 28 (CP) -- A long-range programme to help the Eskimo help himself as the far north is developed was outlined today by Northern Affairs Minister Lesage.

He told the Commons estimates committee the plan will be initiated by an \$8,000,000 to \$10,000,000 six-year extension of education facilities in the Northwest Territories starting this summer.

This would be coupled with economic measures to reduce transportation and living costs to permit cheaper exploitation of natural resources.

The educational programme will provide schools and hostels for Eskimo and Indian children. The schools will be operated by the Northern Affairs Department and the government-owned hostels by the Roman Catholic and Anglican Churches.

Mr. Lesage said Eskimos and Indians will be trained for the day when skilled and semi-skilled jobs will be abundant in the north. The training was required by the natives because a steady increase in their population and a lack of markets for furs made it increasingly difficult for them to rely entirely on wildlife resources. . . .

(over)

Mr. Martin Heralds Real Human Advance: Ottawa, March 28 (CP) -- Health Minister Martin predicted today that communist armies and ideas will not long delay the irresistible forward movement of humanity.

The years ahead, he said, will be exciting ones, full of tremendous possibilities for those countries that are progressive in their ideas, free and sincerely concerned in the welfare of the world's people.

"For the first time in human history we are within reach of satisfying man's material needs, while respecting human rights and aspirations," he said in a speech before the National Liberal Federation Advisory Council meeting.

C.N.R. Forecasts 1955 Surplus: Ottawa, March 28 (CP) -- The publicly-owned CNR, which has just reported a \$28,758,000 deficit for 1954, today presented Parliament with an estimate of a \$500,000 surplus for this year.

The company in its annual budget indicated an expense-slashing programme that would cut operating costs by about \$34,500,000 against a forecast drop of \$5,600,000 in its operating revenues.

The budget was tabled today in the Commons by Mr. Leopold Langlois, Parliamentary Assistant to Transport Minister Marler, and will be scrutinized by the Commons railway committee later this week. . . .

Canadian Baritone Wins Metropolitan Award: New York, March 28 (CP) -- The Metropolitan Opera tonight announced winners of its 16th annual auditions of the air -- a Canadian baritone, a New York Soprano and an Oklahoma tenor.

The Canadian is baritone Louis Quilico of Montreal, a \$2,000 award.

Across Canada: Four bulky documents containing details of the proposed amendments to the General Agreement on Tariffs and Trade, were tabled yesterday in the Commons by Trade Minister Howe. . . . The Toronto Stock Exchange chalked up its fifth heaviest volume on record yesterday when trading totalled 10,590,000 shares. The figure was well above last Friday's 10,080,000 and was the heaviest in more than two years. Fast dealings in lower-priced mining issues again kept the market boiling. . . . Works Minister Winters said yesterday he and Premier Duplessis recently had an informal discussion on the possibility of Quebec joining the trans-Canada highway agreement. However, he gave no indication of the outcome of the discussion in answering questions in the Commons. . . . Proxy voting in federal elections was rejected by the Commons committee studying revision of the Canada Election Act. A motion proposing an amendment permitting proxy voting, made by Mr. Andrew E. Robinson (P.C.--Bruce) was defeated 7 to 4 by a show of hands. . . . Mink has become king of Canadian fur farms, replacing fox which was the top prewar fur. D.B.S. reported that at the beginning of 1954 the number of foxes on Canadian farms dropped sharply, while the number of mink increased to take the lead in population and value. . . . Coal production in Canada declined again in February to 1,276,000 tons against 1,376,000 in February, 1954.



# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 6, No. 63

Wednesday, March 30, 1955.

Quemoy, Matsu Islands Situation: Ottawa, March 29 (CP) -- Mr. Pearson said today he has no information from any official quarter that any Chinese communist attack against Quemoy and Matsu is imminent. He added that in the present situation such an attack "always remains a dangerous possibility."

Mr. Pearson was asked by Mr. Diefenbaker about press reports in the United States that a communist attack on the Nationalist-held islands off the Chinese mainland may come in mid-April. Mr. Pearson also repeated that if there is such an attack, it would not require the intervention of Canada.

Division Ends Eight-Day Unemployment Debate: Ottawa, March 29 (CP) -- The Commons voted tonight to defeat two opposition motions of non-confidence in the Government on the unemployment issue. In a straight party division, a Progressive Conservative non-confidence motion was defeated 131 to 71 and a CCF motion 130 to 71. The votes ended eight days of on-and-off debate on unemployment which began March 1.

The Conservative motion -- technically one of non-confidence -- was worded in general terms urging action to meet the problem of unemployment.

The CCF motion demanded immediate Government acceptance of responsibility for all able-bodied unemployed and implementation of a long-term programme of public investment and economic development.

All three opposition groups, joined by Mr. Paul Gagnon (Ind-Chicoutimi) voted against the Liberal majority.

Denies Russia Ahead in Opening Arctic: Ottawa, March 29 (CP) -- Canada has no lessons to learn from the Russians on how to develop the north country, Northern Affairs Minister Lesage said today.

He made the statement to the Commons estimates committee after Mr. Ross Thatcher read extracts from the Soviet news bulletin, issued in Ottawa by the Russian Embassy, describing growth of the Russian town of Norilsk on the Taimir peninsula in Siberia.

The information might be propaganda Mr. Thatcher said, but it indicated the Russians were developing their north country and Canada might be able to learn something from them.

The bulletin stated that Norilsk in 15 years had developed from a hunting and fishing village to a thriving community with factories. It had electric lights, paved streets, 14 schools, a television station, modern homes and 400 doctors and nurses.

Mr. Lesage said that if Mr. Thatcher made a reasonable alteration of the figures in the Soviet news bulletin he would have exactly what the Government is doing at Aklavik, N.W.T.

"We are building a new town in the Arctic," he said. "We are putting in modern sewers, water facilities, sidewalks, homes, roads, hospitals and schools. . . ."

(over)

Canada's Share of World Wheat Sales: Ottawa, March 30 (CP) -- Trade Minister Howe said he has no reason to believe Canada won't sell the same percentage of wheat in world markets as last year.

Replying in the Commons to Mr. Hazen Argue (CCF - Assiniboia), he said Canada last year sold 42 per cent of the world's wheat. In the first six months of this crop year, the percentage was 36.1 per cent.

He added that the two figures are not comparable. Canadian wheat shipments were seasonal and most Canadian ports were closed from about December 10 until April. Heavy wheat shipments were booked for the opening of the St. Lawrence shipping season. Mr. Argue said the percentages given by Mr. Howe are comparable.

Helped Finance \$28,000,000 Worth of Exports: Ottawa, March 29 (CP) -- The Government helped finance \$28,200,000 worth of exports last year -- mostly wheat -- by direct Federal Treasury payment guarantees.

This was disclosed in the annual report of the Crown-owned Export Credits Insurance Corp. tabled in the Commons today. Officials said the federally-guaranteed exports went to Brazil, Venezuela, Israel and Communist Yugoslavia.

The corporation was set up in 1945 to help exporters compete for foreign markets by insuring them against possible payment loss. Last year total goods insured rose by 40 per cent to \$36,304,000 from \$25,579,000 in 1953.

Mr. Gordon Defends CN Labour Policy: Ottawa, March 29 (CP) -- CNR President Donald Gordon today defended his company's labour policies before the Commons Railway Committee.

Mr. Gordon, making his yearly report to the committee, said:

The CNR has been slower than the competing CPR and comparable United States lines in laying off employees because of a decline in rail business.

It is terminating March 31 an agreement for track work with a labour-supplying firm which has come under fire from unions.

It intends to accept a conciliation board report awarding pay increases to locomotive firemen and enginemen costing about \$1,300,000 a year.

The CNR now is negotiating on 51 separate union contracts throughout its \$3,000,000,000 empire and granting of these union demands would cost about \$15,350,000 a year.

Of the CNR's 1954 layoffs -- which have been discussed in Parliament -- Mr. Gordon said the publicly-owned company laid off 7,871 persons last year, six per cent of total personnel.

That compared with 8,139 by the smaller CPR, whose total was eight per cent of its staff. . . .

Across Canada: Big-time American gamblers would move into Canada if the Canadian Government legalized gambling in this country, a prominent United States crime investigator, Mr. Virgil W. Peterson, Operating Director of the Chicago Crime Commission, told the Commons-Senate Committee on corporal and capital punishment and lotteries, yesterday. . . . Trading on the Toronto stock market yesterday was the third heaviest in history. Volume totalled 12,156,000 shares, surpassed only by January 28 and February 20, 1953, when 12,264,000 and 12,398,000 were exchanged. The session was the third straight for volumes greater than 10,000,000. Lower-priced mining issues again were most active and many had sharp climbs. . . . The Government has decided to build a new three-story office building to house the Agriculture Department's 600-man head office staff. The Works Department announced the structure, to cost about \$2,000,000, will be built on the 1,200-acre Central Experimental Farm on Ottawa's west side. It is to be completed by 1958. . . . Canada's whole sale price index increased 0.8 per cent during February to 217.4 from 215.7 in January, DBS reported.



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Vol. 6, No. 64

Thursday, March 31, 1955.

\$3,872,940,000 Spent On Arms Build-Up to Date: Ottawa, March 30 (CP) -- The Government embarked on an arms-production "stretch-out" policy in 1954, increasing orders for weapons and equipment but extending the time of delivery to reduce actual expenditures by almost 17 per cent.

Production Minister Howe estimated in his annual report tabled in the House of Commons today that this policy reduced expenditures in the calendar year 1954 by about \$200,000,000 to \$1,099,200,000. This brought spending on military goods since the start of the 1951 arms build-up to \$3,872,940,000.

While expenditures declined, the flow of Defence Production orders increased last year by 50 per cent to \$1,221,378,000 from \$818,836,000 in 1953 as contracts for aircraft tripled. This boosted total orders placed since 1951 to \$4,674,081,000.

Some of the orders placed are subject to change and reduction. Officials said in many cases the time of delivery has been extended but gave no details.

Mr. Howe said in his report that during the year the initial build-up of the country's defence potential was largely completed and emphasis was shifted to the scheduling of production to meet a continuing high level of defence procurement. Most of the decline in spending, he added, took place in the fields of aircraft production and defence construction.

During the year there were these other developments:

1. The number of employees in the department was reduced to 1,509 from 1,631 in 1953 and the number of \$1-a-year men borrowed from industry for government defence production work trimmed to 23 from 51.
2. Development work continued on a powerful armament system that will make the Canadian CF-100 jet fighter "one of the most heavily armed fighters in existence."
3. Production of the Second World War Harvard trainer for the RCAF was terminated.
4. New electronic devices were developed and produced and deliveries and installations for the first line of the continental northern radar system were completed. . . .

Mr. St. Laurent Sees Economic Resurgence: Ottawa, March 30 (CP) -- Prime Minister St. Laurent said tonight that the recent upswing in the U.S. economy may indicate another period of full steam ahead in Canada. He said unemployment and other current problems represent temporary adjustments in Canada's basically-sound economic machine.

In a brief reference to the international situation, the Prime Minister said the world remains on a precipice despite the increasing strength of the free world. He spoke at a banquet of the National Liberal Federation. . . .

Mr. St. Laurent said it is true that in the last  $1\frac{1}{2}$  years there has been a slowing down in some sections of the rapid economic expansion which followed the Second World War. However, there already were significant signs of resurgence. The industrial production index for each of the first nine months of 1954 was below the same months of 1953, but the index for October, November and December was higher than that of the previous year.

(over)

While exports were lower in the first 10 months of 1954 this trend was reversed in the last two months of last year.

Mr. St. Laurent said that housing starts in the last three months of 1954 rose about 29 per cent above the 1953 level. . . .

Export Ban On Selkirk Wheat: Ottawa, March 30 (CP) -- The Government's export ban on Selkirk wheat seed will be enforced until at least next July, Federal officials said today.

The Canadian-created, rust-resistant seed has caused tremendous stir and demand among U.S. farmers. They're ready to bid up to triple the Canadian price for supplies. U.S. customs officials at one point report the biggest smuggling wave from Canada in more than 20 years.

But officials here said there will be no relaxation on the embargo until next July -- well after seeding time -- when they are sure Canadian farmers have had first crack at all available Canadian supplies.

Altogether, the Government, farmers and breeders produced about 3,000,000 bushels of Selkirk seed last year. The Government had about 200,000 bushels and disposed of all except a small quantity, perhaps 10,000 or 15,000 bushels.

\$35,000,000 Sioux Lookout Pulp Mill: Toronto, March 31 (Globe) -- A new \$35,000,000 to \$50,000,000 pulp and paper industry for the Sioux Lookout area of Northwest Ontario was announced last night in the Legislature by Lands and Forests Minister Mapledoram as part of a provincial programme of developing output of Ontario forests industries.

Under arrangements completed with the Anglo-Newfoundland Development Company, the Rothermere-controlled organization producing newsprint in Quebec for Rothermere newspapers in Great Britain, that company is launching a survey under an 18-month license.

During that time, Mr. Mapledoram said, it is expected the company will launch construction of the mill. . . .

Entering Buyers Market In Housing, Appraiser Says: Toronto, March 30 (CP) -- Canada's house-building industry is entering a buyer's market, speakers at the 12th annual National House Builders Association convention here agreed.

Mr. A.C. Duncan, Governor of the residential appraisers society said:

"We are definitely in a buyer's market . . . supply, particularly in the Toronto area, appears to have caught up with demand, at least among many types of housing."

Works Minister Winters said:

"Perhaps in some areas we are now entering the stage where the buyer no longer signs up for a hole in the ground."

Across Canada: The Stratford Shakespearian Festival announced plans to spend thousands of dollars on a public relations campaign designed to woo goodwill in French Canada. Festival officials said they want to gain French-Canadian support of the Festival as a national venture. . . . The Advisory Council of the National Liberal Federation recommended that the Government appoint a commission to consider bringing Canadian radio and television broadcasting under an independent regulatory tribunal. . . . Trading continued to speed along at the fastest pace in more than two years at the stock market Wednesday. By 1 p.m., 6,632,000 shares were traded, the heaviest volume up to this time since January 20, 1953. . . . A low-cost chemical to prevent blood clots after serious injuries has been developed by the Maritime regional laboratory of the National Research Council at Halifax, N.R.C. announced Wednesday.

Miss Hamilton



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Vol. 6, No. 65

Friday, April 1, 1955.

Invitation to Parliamentarians To Visit Russia: Ottawa, March 31 (CP) -- Mr. Pearson said tonight Russia has invited Canada to send a group of Parliamentarians to Russia.

He said on the CBC TV programme Press Conference that the invitation came about in a strange way, but he declined to elaborate, saying he plans to speak on it first in the Commons.

Asked by one of four newspapermen on the panel whether he would be willing to go to Moscow, Mr. Pearson said he would go farther if he thought his trip would be useful in the interests of peace.

Russia suggested some time ago that Parliamentarians from various countries speak in each other's Parliaments. . . .

CNR Doing Better Financially, Says Mr. Gordon: Ottawa, March 31 (CP) -- The CNR now is doing better financially than at the same time last year President Donald Gordon said today.

Mr. Gordon told the Commons railway committee the publicly-owned corporation's operating revenues are about the same as a year ago, but an expense-slashing programme makes its net position better.

Last year the CNR had a deficit of \$28,700,000. This year it has budgeted for a \$500,000 surplus and Mr. Gordon described the 1955 forecast of income accounts as "realistic."

For the future, he said, he expects that increased use of diesel locomotives and other economies will make the CNR a paying proposition in normal years.

"I expect," he said, "that on a long-term basis the CNR will be able to make provision for its requirements and that deficits will be eliminated." Big factor in the "requirements" is some \$30,000,000 in annual debit interest.

Mr. Gordon said forecasts of the general 1955 economic outlook for Canada indicate the CNR should get about as much revenue as it did last year. . . .

CBC Radio Commentators: Ottawa, March 31 (CP) -- The CBC's choice of radio commentators on its regular Sunday "Capital Report" programme was criticized today in the Commons broadcasting committee.

Mr. Donald Fleming (PC - Toronto Eglinton) accused the CBC of improper balance in the choice of commentators. Mr. A.D. Dunton, Chairman of the CBC Board of Governors, maintained experience has shown that opinion expressed on the programme is balanced.

Mr. Fleming said Mr. Matthew Halton in London and Mr. Douglas LaChance in Paris, have a "71-per-cent monopoly" of European reporting on the programme.

As to Ottawa commentators on the 27-minute programme, Mr. Fleming said the table shows three of 11 commentators in the last two years contributed 63 of the 106 reports. . . .

(over)

New Criminal Code Effective Today: Ottawa, March 31 (CP) -- A new Criminal Code, the result of more than five years' study, comes into effect tomorrow.

The new code replaces a hodge-podge of criminal law that was first enacted in 1892 and to which section after section was added to almost every Parliamentary session since then.

When the massive revision started in 1949, there were more than 1,100 sections, many couched in obscure, archaic and ambiguous language. Some sections duplicated provisions in other statutes.

All that, Parliamentarians and lawyers believe, has been eliminated. The new code, with 750 sections, is simpler than the old and worded in clear language. . . .

Mr. St. Laurent On Regulation of Radio, TV: Ottawa, March 31 (CP) -- Mr. St. Laurent today said the appointment of an independent body to regulate radio and television broadcasting in Canada is neither desirable nor necessary.

He made the statement in the Commons after Opposition members asked him to comment on a resolution approved yesterday by the advisory council of the National Liberal Federation urging the Government to appoint a commission to consider such a move.

Mr. John Diefenbaker asked Mr. St. Laurent whether he considers the appointment of an independent commission desirable or necessary.

"My personal opinion is that it is not desirable or necessary," the Prime Minister said.

Would Extend Time Between Nominations and Voting: Ottawa, March 31 (CP) -- A one-week extension of the period between official nominations and voting in federal elections will be recommended to Parliament by the Commons Committee on Elections.

The committee today approved the suggestion of Mr. Castonguay, chief electoral officer, that filing of nomination papers by candidates take place three weeks before election day instead of the present two weeks. . . .

\$5,390,000 Aid To Universities Last Year: Ottawa, March 31 (CP) -- Canadian universities received federal financial aid of \$5,390,000 in the fiscal year which ended today.

A return tabled today in the Commons said the contributions by provinces were: Newfoundland \$199,000; Prince Edward Island \$52,500; Nova Scotia \$336,500; New Brunswick \$273,500; Ontario \$2,523,000; Manitoba \$414,000; Saskatchewan \$439,000; Alberta \$519,500; British Columbia \$633,000. . . .

Across Canada: The 4,000-foot Canso Causeway linking Cape Breton Island with the Nova Scotia mainland will be formally opened August 13. Transport Minister Marler announced the date in the Commons and said it will be a "fitting climax" to Nova Scotia's tourist season. . . . The A.V. Roe aircraft plant at Malton, Ontario, faced with reduced Government orders for CF-100 jet planes, will require "considerable time" before it can start production of a new jet model, the Commons was told yesterday. A joint statement by Defence Production Minister Howe and Labour Minister Gregg, read by Mr. Gregg, said the company was given notice well in advance of the reduction of CF-100 orders so that workers to be laid off would have adequate notice. . . . The Ontario Legislature was prorogued yesterday.

Miss Hamilton



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Vol. 6, No. 66

Monday, April 4, 1955.

Invitation to Parliamentarians To Visit Russia: Ottawa, April 1 (Globe & Mail) --

Mr. Pearson today told MP's of an invitation they had received to visit Russia. The invitation was conveyed in a declaration of the Supreme Soviet, made on February 9, and transmitted by the Russian Government to the Canadian Embassy in Moscow three days later. In the House of Commons, Mr. Pearson quoted the relevant paragraph of the declaration:

"The Supreme Soviet of the USSR considers that the establishment of direct links between Parliaments, the exchange of Parliamentary Delegations and speeches by Parliamentary Delegations of one country in the Parliament of another will correspond to the desire of the people for the development of friendly relations and for cooperation."

Mr. Pearson said that this paragraph of the declaration was preceded by "strong and grossly misleading attacks on the policies of this and allied Governments." Having regard to this background to the invitation, he said, "There is need for us, I think, to be cautious, but not necessarily to turn a deaf ear to the suggestion which has been advanced."

The declaration and the Soviet note of February 12 enclosing it had been transmitted to the Speakers of the Senate and the Commons for the information of MP's, he said, Consideration was now being given as to how "this matter can best be brought to the attention of those directly concerned."

Must Continue Paying For Freedom, Says Mr. Pearson: Ottawa, April 3 (CP) --

Canada's contribution in men and money to the North Atlantic Treaty Organization, says Mr. Pearson, is a price that must be paid for freedom.

Monday is the sixth anniversary of the signing of the NATO alliance, and Mr. Pearson, in a statement in the monthly bulletin of the External Affairs Department, says:

"It is good at this time to remind ourselves what NATO has meant for the security of our land, for the solidarity of the Atlantic Community of Nations and for the peace of the world.

"With our (13) partners in NATO we have built forces designed to make war unprofitable to any aggressor, we have developed invaluable habits of inter-governmental consultation and cooperation, and we have strengthened Canadian defences against the increasing dangers of direct attack.

"We have accomplished much, but these are tasks that are never done once and for all. If we would remain free we must pay the price of never-ending vigilance until peace and security are firmly established on a basis of international co-operation and good will." . . .

External Affairs Debate: Ottawa, April 1 (CP) -- Mr. Drew warned tonight Germany

should be watched closely so that it does not attempt reunification of West and East Germany by force.

He said in a House of Commons external affairs debate that Allied staff officers should be continually assigned to the new German army so there is no redeployment of troops without the West being aware of what is going on.

(over)

He said German rearmament is a bold and necessary step and described French ratification of the Paris Agreements as a great and challenging act of friendship.

Mr. Howard Green, Progressive Conservative member for Vancouver Quadra, demanded that Canada play a more active part in defence in the Pacific area.

He charged the Government with "failing to give the Canadian people leadership in facing the Pacific problem."

Mr. Green reiterated his stand that Canada should become a member of defence groupings in the Pacific area.

"Today the greatest threat to civilization is in the Pacific," he said. There had been continuous armed aggression by Communists in the North Pacific area since the Korean war began in June, 1950. Yet there was no "protective fence" in the Pacific equivalent to the North Atlantic Alliance.

He proposed that Canada work for and advocate formation of a protective grouping of Pacific countries similar to NATO. Such a group would give Canada a voice in decisions made in the Far East, instead of being, as now, bound by the decisions of others.

On the question of Formosa, Mr. Green said Canada should recognize that the Nationalist-held island is part of its first line of defence, a line stretching from the Aleutians through Japan, Formosa and the Philippines to Australia and New Zealand. . . .

New \$10,000,000 Steel Industry for West Coast: Vancouver, April 1 (CP) -- Representatives of a group of British and European companies today announced plan for a major steel industry in the lower Pacific Coast area employing approximately 4,000 persons and representing a \$10,000,000 investment.

The giant project, to rival the fabulous Annacis Island factory project now under way near New Westminster, B.C., was announced by Dr. William K. Waller.

The plant, components of which would be brought from Europe and assembled here by British engineers, would produce 50,000 tons of steel a year.

Dr. Waller also announced plans to establish a cement industry in B.C., and \$3,000,000 worth of other construction projects. . . .

Across Canada: The Government has not decided to order a study of the possible effect on genetics of radiation caused by hydrogen bomb tests, Mr. St. Laurent said. He told the Commons he has read a number of published reports on the subject, adding the matter is giving "serious concern" to those who feel they have the knowledge that would enable them to reach a "well-based opinion," C.P. reported. . . . Premier Duplessis has announced a \$600,000 grant to the University of Montreal's Institute of Microbiology for new laboratories and improvements and a \$800,000 grant to Laval Hospital at Ste. Foy, Quebec, for tuberculosis patients. Mr. Duplessis said during his press conference his Government plans to spend in excess of \$60,000,000 on health services during the fiscal year, according to C.P. from Quebec. . . . Completion of the first major job in building the St. Lawrence Seaway is six weeks behind schedule because of mud, ice and high water. The largest of two coffer dams being constructed near Cornwall was scheduled to be completed April 1. . . . Toronto had the warmest April 1 on record -- a high of 68 degrees.



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Vol. 6, No. 67

Tuesday, April 5, 1955.

**Deficit of \$148,251,000 First For Canada In Nine Years: Ottawa, April 4 (CP) --**

A budget deficit of \$148,251,000 for the 1954-55 fiscal year was estimated today by the federal Government in the wake of a slowdown in the Canadian economy. The fiscal year ended last March 31.

A White Paper tabled in the House of Commons by Finance Minister Harris as a prelude to the tax-setting budget for 1955-56 Tuesday night reported a drop of \$431,000,000 last year in the value of gross production of goods and services.

The 90-page White Paper indicated the economic slump was partly responsible for the deficit, the first after eight straight surpluses.

Budget revenues dropped by \$289,000,000 to an estimated \$4,107,136,000; expenditures by \$95,000,000 to \$4,255,387,000.

The deficit compared with a surplus of \$45,798,000 in 1953-54 and a forecast of \$4,000,000 last Spring by Mr. Abbott in his final budget.

Mr. Abbott's forecast that 1954-55 revenues would total \$4,464,000,000 was short by about \$357,000,000. His prediction, however, was based on expectations that the record 1953 gross national product of \$24,416,000,000 would hold through 1954. Instead the national product, on which tax revenues mainly rely, fell to \$23,985,000,000.

The 1954-55 revenues of \$4,107,136,000 compared with a record high of \$4,396,320,000 in 1953-54. Expenditures of \$4,255,387,000 in 1954-55 compared with the previous year's \$4,350,522,000 -- a figure topped only in some years of the Second World War.

The budget deficit does not include several forms of non-budget transactions including loans and investments on which there was a net credit of \$196,000,000. Setting that against the deficit, the Government estimated it had about \$48,000,000 to reduce federal debt in the hands of the public. This debt was cut by \$202,000,000 through letting cash balances decline by \$154,000,000.

The net national debt, however, was increased by the amount of the budget deficit and rose to \$11,264,000,000 last March 31.

A major outlay of \$353,000,000 for the \$40 monthly pensions to all persons 70 and over was not included in budget accounts. In 1954-55 the income into that account from earmarked portions of income and sales taxes did not cover pension payments and there was a deficit of \$62,000,000 covered by a special Treasury loan. In the last two years the deficit has totalled \$108,000,000.

With business feeling last year's economic pinch, corporation tax revenues, excluding \$46,000,000 for the old age pension fund, dropped to \$1,008,000,000 from \$1,191,200,000 the previous year.

Revenue from personal income taxes also declined slightly. This item became the largest factor in federal revenues. Personal taxes, not including about \$101,000,000 earmarked for the old age pension fund, declined to \$1,176,000,000 from \$1,187,700,000.

(over)

Most other categories of tax revenues were lower during the year. Defence expenditures fell by \$156,900,000 to \$1,696,900,000 but remained the biggest item of spending -- 40 per cent of total outlays as against 42.6 per cent the previous year.

The Government's annual economic review, included in the White Paper, said the gross national product fell two per cent in 1954 after a series of large gains in the three preceding years.

Net farm income in the 1954 calendar year dropped by 30 per cent, corporation profits by seven per cent. Consumer spending, bolstered by record labour income and higher borrowings, rose to an all time high.

Labour income rose to \$11,900,000,000 from \$11,661,000,000. But net farm income, affected mainly by prairie crop losses, declined by \$535,000,000 to \$1,114,000,000 -- the third successive annual drop.

Aid For Unemployed Being Increased: Ottawa, April 4 (CP) -- Broad changes in unemployment insurance -- including raised ceilings on benefit payments and simplified procedures -- were proposed today by the Government.

Labour Minister Gregg introduced in the House of Commons a resolution preliminary to a bill overhauling the unemployment insurance act and said the legislation will include these provisions:

1. Top benefit payments for those out of work will be \$30 a week for married persons and \$23 for single unemployed, compared with present ceilings of \$24 and \$17.10.
2. Those earning up to \$57 a week will participate in the higher benefits.
3. Workers will be credited with more benefit days for the time they work.
4. Increases in the winter benefits approved by Parliament in January as an emergency measure will be written permanently into the Insurance Act.

North Atlantic Council to Visit Canada: Ottawa, April 4, (CP) -- The 14-country North Atlantic Council will visit Canada next month for the first time. The Defence Department announced today the Council's permanent representatives, headed by Vice-Chairman Lord Ismay, will tour Canada's Air Defence Command at St. Hubert, Quebec, May 22-23.

The Council administers policy set by the Governments of the North Atlantic Treaty Organization. It will come to Canada after a visit to the Norfolk, Va., headquarters of the Supreme Allied Atlantic Command.

It has visited various European headquarters and this will be its first trip to the North American commands, the Department said.

Across Canada: There has been a "slight though appreciable" increase in atomic radiation throughout the world as a result of nuclear weapon tests, Health Minister Martin said yesterday, according to C.P. "However", he added, "the best scientific evidence available indicates that it is most unlikely that any significant genetic effect would result from the increased radioactivity that has occurred." . . . Mr. J. Harvey Perry, director of the Canadian Tax Foundation, said today Canadians should face the fact that high taxation is here to stay. He told the Canadian Club the only hope for lower taxes was a long period of guaranteed world peace. . . . The aircraft carrier Magnificent sailed April 12 for the first of a series of operational and training exercises that will take her to the Caribbean, Bermuda and the United Kingdom. . . . Representatives from Western Canadian symphony orchestras will hold their first regional conference in Winnipeg on April 14 and 15. The meeting is co-sponsored by the Winnipeg Symphony and the American Symphony Orchestra League, an international, non-profit association of orchestras. . . .



*Mary Hamilton*

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Vol. 6, No. 68

Wednesday, April 6, 1955.

**Budget In Brief:** Ottawa, April 5 (CP) -- Principal points in Finance Minister Harris' Budget Speech tonight:

Personal income tax reduced by average 10 per cent, effective July 1; reductions 12 to 13 per cent for 85 per cent of taxpayers.

Half of personal income tax cut applies on 1955 income; full in 1956.

Special 15 per cent excise tax on new automobiles reduced to 10 per cent, effective immediately.

Special 10 per cent excise tax on tires and tubes repealed immediately.

Current taxes on liquor, beer, wines, cigars, tobacco, soft drinks and candies unchanged.

No change in current 10 per cent sales tax and 15 per cent excise tax on television and radio sets.

Corporation tax on large company incomes reduced to 45 per cent from 47, effective January 1, 1955; small company (under \$20,000 income) tax unchanged.

Incentive tax concessions for oil, gas and mining industries, now temporary, made permanent.

Tax cuts total \$148,000,000 for the current 1955-56 fiscal year or an estimated \$207,000,000 for a full year.

Government forecasts \$160,000,000 budget deficit in 1955-56.

Budget revenue forecast at \$4,202,000,000; expenditure, \$4,362,000,000.

Government to set up Royal Commission to survey Canada's economic prospects.

Minor exemptions to general sales tax provided, totalling about \$1,000,000 a year, effective immediately.

Tariff of 7½ per cent imposed for first time on polyethylene resins, widely used in plastic industry, effective immediately.

Tariff board to inquire into tariffs on primary iron and steel and potatoes.

Canadian civilians, abroad for six months or more, may bring back household and personal effects duty-free as "settlers' effects." Similar provisions exist for soldiers and Government employees.

No change in old age security tax -- two per cent sales tax, corporation tax and income tax.

Earlier estimated 1954-55 budget deficit of \$148,251,000 revised to \$194,000,000.

**Canada To Work For Freer World Trade:** Ottawa, April 5 (CP) -- Finance Minister Harris tonight said a new surge of tariff protectionist sentiment exists in the United States and that Canada will work for freer world trade.

In his first budget speech to Parliament, he credited the U.S. Administration with resisting trade-choking proposals but said efforts have been disappointing.

He asked the U.S. to continue earlier leadership in lowering barriers against free trade throughout the world. He added:

(over)

"It is of the utmost importance for the future of international economic cooperation that the U.S. should continue to give positive direction in leadership in reducing barriers to the free flow of world trade."

From the strictly Canadian standpoint, he emphasized that Canada's economic welfare -- apart from links with world trade generally -- hinges to some extent on the U.S. economy. He described recent improvement in U.S. economic activity as "heartening" for Canada and other countries.

Mr. Harris, in the background part of his budget speech before getting down to tax and tariff changes, also reported a 1954-55 budget deficit of \$148,251,000, the Canadian Government's first in nine years.

The deficit was based on estimated revenues of \$4,107,136,000 and expenditures of \$4,255,367,000 for the fiscal year that ended last March 31. It compared with a surplus of \$45,798,000 for the 1953-54 fiscal year.

Much of the fiscal part of the budget speech reviewed what was covered in the White Paper Mr. Harris tabled in the Commons yesterday.

Summarizing the fiscal picture, Mr. Harris also said:

1. Despite improvements in the world situation, the free nations cannot afford to relax from building up their defences.
2. Canada intends to join other countries in a general renewal of tariff concessions under the revised 34-country General Agreement on Tariffs and Trade.
3. The Government has decided not to increase the tariff on British woollens, despite representations from Canadian industry.
4. The Government cannot correct competitive troubles of Canadian industry as against world competition, but resourceful efforts by management and labour should be able to do this.
5. Canada's exports are likely to expand.
6. National production -- which fell off last year -- should expand this year by five or six per cent to about \$25,250,000,000, a better-than-normal rate of growth. . . .

He paid tribute to U.S. efforts in post-war years to restore stability, expand production and increase international trade.

In these efforts "no nation has played a more constructive role than the United States," he said.

"As every member of this House is aware the success that has already been recorded is due largely to generous and far-sighted American policies.

"In the last 12 months, however, while there was no basic change in American policies, there was a disappointing lack of progress toward actual reduction in trade barriers and there were disconcerting signs of a revival of protectionist feeling in response to the increase in competitive conditions.

While Canada welcomes resistance by the U.S. Administration to moves that would not help trade, that resistance had not been uniformly successful.

"It must be recognized," Mr. Harris said, "that actions taken or even implied by the Government of the United States may weaken support for liberal commercial policies and may impose upon those of us who are firm supporters of such policies a greater burden in defending them in our own countries.

"One country cannot attempt to get the maximum benefit at the cost of the minimum adjustments without creating a desire in other countries to achieve the same results. There must be a reasonable give and take in any durable trade relationships. . . ."

Canada should continue to play her part in promoting that objective. It was clearly in Canada's interest to buy more from abroad so other countries could buy more from Canada. . . .

In dealing with the relationship of the U.S. economy to that of Canada, Mr. Harris said Canadian production and employment last year were adversely affected by a U.S. recession.

"Our economic relations with the U.S. are too significant for Canada to remain unaffected when the American economy is going through a period of readjustment," he said. "Fortunately, those conditions are beginning to disappear."

Of external trade Mr. Harris said that in the last four months there has been an encouraging reversal of a previous downward trend.



*Miss Hamilton*

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Vol. 6, No. 69

Thursday, April 7, 1955.

**Royal Commission On Economic Potentialities:** Ottawa, April 6 (CP) -- Mr. Graham Towers, former governor of the Bank of Canada, may head the biggest investigation in history into the Canadian economy. He left the bank last year after 20 years service.

Federal authorities indicated today the Government may consider appointing Mr. Towers as chairman of the proposed Royal Commission to examine Canada's internal productive potentialities and the possibilities for export markets.

Decision to establish the commission was announced by Mr. Harris in his Budget Speech last night. The Government has not completed details of the investigation but it is understood the commission may include as many as five members, each a prominent economist.

Mr. Justice Douglas Abbott of the Supreme Court of Canada, former Finance Minister, has been mentioned as a possible commission chairman.

Dr. W.A. Mackintosh, Principal of Queen's University and one of Canada's best-known economists, has been suggested as a possible commission member. He has participated in economic inquiries in the past and has acted as an adviser to the Government.

The commission will sit for many months and travel across the country, holding regional hearings open to the public. The idea behind it is to concentrate the country's attention on its economic problems and its possibilities 25 and 50 years from now.

**External Affairs Debate:** Ottawa, April 6 (Globe & Mail) -- Canada should have protested to Washington against the recent publication of the Yalta papers, Mr. George Hees (PC, Toronto-Broadview) declared today in the Commons.

Publication of these papers, said Mr. Hees, "together with the pressure to have the Tehran and Potsdam papers published as well, has made future high level secret diplomacy almost impossible and I believe that our chances of avoiding a world war have decreased accordingly."

Entering the House debate on external affairs, Mr. Hees said he felt sure that the professional diplomatists of the U.S. State Department recognized that effective diplomacy could only be carried on in private and with a knowledge that the record of the discussions would remain secret. . . .

The House of Commons adjourned Wednesday for its 12-day Easter recess.

**Exports Jump At Beginning Of Year:** Ottawa, April 6 (CP) -- Canada exported 7.2 per cent more goods during February and 12.5 per cent more during the first two months of the year than in the corresponding periods last year.

The Bureau of Statistics reported today that February exports rose to \$296,700,000 from \$274,700,000. Exports for the two-month period rose to \$602,400,000 from \$535,400,000.

(over)

Alleges U.S. Gangsters Operating Here: Ottawa, April 6 (Montreal Gazette) --

A charge that the Immigration Department had remained "quiescent" and had taken no action to rid Canada of a group of alien U.S. gangsters operating a \$5,000,000-a-week bookmaking racket, was made in the House of Commons today by Mr. W.M. Hamilton (PC-Montreal-NDG). . . . Immigration Minister Pickersgill, describing the charges as an "anthology of hearsay" said that when the matter had been raised in February, he had disclosed that the R.C.M.P. and his own officials were investigating similar reports.

Educational Television: Toronto, April 6 (CP) -- Educational television can make a definite contribution in Canadian schools but further experiments are needed, a CBC report said tonight.

"In general," said the summary of a nation-wide experiment conducted last November, "the results of this experiment bear out those of similar experiments in Britain and the U.S.

"They indicate that television programmes, jointly planned and executed by teachers and broadcasters, have a definite contribution to make as a teaching aid. However, further experiments will be required to clarify the precise nature and extent of this contribution."

Nation-wide showings of the November school telecasts required co-operation of 11 privately owned stations and five CBC stations. About 200 schools from coast to coast evaluated the series.

Across Canada: The Supreme Court of Canada on Wednesday held a section of the British Columbia Evidence Act is ultra vires of the provincial legislature. Chief Justice Patrick Kerwin said the section declared ultra vires is that compelling witnesses to answer all questions at legal proceedings instituted under provincial law. . . . Canada deported 262 persons in 1954 the House of Commons was informed in a tabled return. . . . Canada's one remaining infantry battalion in Korea, the 2nd Battalion, Queen's Own Rifles, was scheduled to sail for home yesterday, the army announced. . . . Research at the University of Toronto has been awarded three health grants by the federal Government, Mr. Martin announced. . . . Canadian National Railway yesterday announced construction of a new 13-story office building as part of Montreal's Central Station development.



*Miss Hamilton*

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Vol. 6, No. 70

Tuesday, April 12, 1955

CCF Expels Trotskyists: Toronto, April 9 (CP) -- Fourteen persons have been ousted from the Ontario CCF Party, on the grounds they were members of a Communist organization.

Cancellation of the CCF memberships of the 14 was approved yesterday by delegates attending the 21st annual convention of the Ontario CCF.

The party's provincial council charged that those expelled were members of the Canadian section of the Fourth (Trotskyist) International, "in effect another political party with aims quite contrary to the CCF."

Such membership automatically cancels membership in the CCF, the council ruled, and its action was confirmed at a four-hour closed meeting.

Details were issued later by CCF Provincial Leader Donald C. MacDonald, provincial President Eamon Park and provincial secretary Ken Bryden.

They said a 15th person accused of belonging to the Trotskyists was reinstated because of inconclusive evidence.

Six Awards for CBC: Columbus, Ohio, April 11 (CP) -- The Canadian Broadcasting Corporation won six first-place awards in the 19th American exhibition of educational radio and television programs, it was announced today.

CBC won a first-place TV award for the program "Let's Take a Look." It also won honorable mentions for two TV programs, "Press Conference," and "Summer Festival."

In radio, CBC won first-place awards for: "Summer Fallow," "Stage 55," "What's In Your Mind," "Sounds Fun," "Pioneer Settlements," and "Men Behind the News."

Minister Claims Jobs Available: Victoria, April 11 (CP) -- Despite Canada's heavy unemployment figures, if the average worker is willing to take any type of employment "right now" it is not hard to get established, Immigration Minister John Pickersgill said today.

He was commenting in an interview on criticism of the Federal Government's immigration policy which has brought in immigrants while sections of Canada's labor force were without work.

While there has been a good deal of unemployment, there is "still flexibility," in the situation, and many of those without work do not remain that way long, he said.

There was little "direct relationship" between the employment level and immigration, as the Immigration Department does not encourage immigration in occupations now at a high unemployment level throughout the country.

Salk Statement Expected: Ottawa, April 10 (CP) -- Dr. G.D.W. Cameron, Federal Deputy Health Minister, has been invited to Ann Arbor, Mich., to hear the decision on the Salk polio vaccine tests..... As soon as he gets the decision, he plans to telephone it to Health Minister Martin who will be waiting at Windsor, Ont.

A statement on the future use of the vaccine in Canada is expected to follow from Mr. Martin.

(over)

Spring Floods Receding: Winnipeg, April 11 (CP) -- Manitoba's flood forecasting committee said today provincial tributaries of the Red River which have flooded thousands of acres of farm lands in the last few days appear to have reached their peak and a crest 18 feet above average winter ice level is expected on the Red River itself at Winnipeg.

This compares with a 30.3-foot crest in a disastrous 1950 flood. It is well below the level of Winnipeg's diking system.

Laval West, Que., April 10 (CP) -- Residents of this water-logged town near Montreal breathed easier today as flood waters dropped four inches and authorities reported the danger of further flooding apparently passed for the present.

The swollen Thousand Islands River--three feet above flood level--spilled Friday night, surrounding some 100 homes and forcing residents in some areas to get around by boat.

Acting Mayor B. Turcotte said today about 10 streets are still under water.

Laval is 20 miles northeast of Montreal. About 500 persons were affected by the flood.

Across Canada: Dom Odule Sylvain, abbot of the Benedictine Monastery of St. Benoit du Lac, has announced that free food and lodging will be given to volunteers who help the monks build their church.... It was announced recently that the University of British Columbia would begin a new research programme on the treatment of leukemia..... Kenneth Forbes of Toronto has been commissioned to paint the official portrait of the Honourable Wishart McLeod Robertson, Speaker of the Senate, which will be hung in the Parliament Buildings after Senator Robertson finishes his term of office begun in 1953..... A 60-year-old tradition by which the mayoralty of Sherbrooke, P.Q., has alternated between French and English speaking citizens may be abandoned this year owing to the lack of an English candidate..... A 38-year-old B.C. prospector, Bill Deziak, is the first person known to have shot the treacherous Hell's Gate rapids on the Fraser River about 85 miles northeast of Vancouver. Hockey: Stanley Cup Playoffs - Sunday, Detroit 5 Montreal 1; Saturday, Montreal 5 Detroit 3.



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Vol. 6, No. 71

Wednesday, April 13, 1955.

**Mass Salk Injections Planned:** Ottawa, April 12 (CP) -- Perhaps 1,000,000 Canadian youngsters may be freed from the terror of polio this year. And countless more will walk without fear of crippling and killing disease in the years ahead.

Provinces geared for free mass injections of the Salk polio vaccine in the wake of the Ann Arbour announcement that the medical wonder is safe, effective and potent. . . .

Mr. Martin, a victim of polio in his boyhood, said Ottawa will continue to put up one-half the cost of all vaccine purchased by the provinces in the 1955-56 fiscal year, just as it did the latter part of 1954-55.

Federal health authorities estimated that perhaps enough vaccine to inoculate 1,000,000 Canadian youngsters may be produced by next July when the polio season begins rising to the August peak.

Canada's main vaccine producer is the University of Toronto's Connaught Laboratories, which turned out 90 per cent of the virus for the vaccine used in the 1954 trials. . . .

**First Atomic Power Station:** (CP) -- Canada's first atomic power station may be built at or near the site of the Ontario Hydro-Electric Power Commission's biggest hydro-electric installation on the Ottawa river.

An informed Government source says the experimental reactor, expected to produce 20,000 kilowatts of electric power, likely will be located in the vicinity of the Des Joachims plant, about 145 miles northwest of Ottawa.

The power station is on the Ontario-Quebec boundary in the Ottawa river adjacent to the small Quebec village of Des Joachims. It is 38 miles directly upstream from Pembroke, and some 35 miles by road from Chalk River, site of Canada's atomic energy plant.

The electricity-producing atomic reactor will be built jointly by Atomic Energy of Canada Limited, which operates the Chalk River plant, Ontario Hydro and the Canadian General Electric Company at a cost of between \$13,000,000 and \$15,000,000.

**Canso Causeway Nears Completion:** Port Hastings, N.S. April 12 (CP) -- A 308-foot bridge was swung across the locks of the Canso Causeway Monday, completing another link in the \$22,000,000 project. The bridge was pushed into place without a hitch and thus the connection between Cape Breton Island and the 7,000-foot causeway from the Nova Scotia mainland was taken out of the "temporary" state. Official opening of the causeway is set for August 13.

**Lake Navigation Season Opens:** Sault Ste. Marie, April 12 (CP) -- The 1955 navigation season officially opened today with the passage of the Enders M. Voorhees through the Soo locks, bound for Two Harbors, Minn., for a cargo of iron ore.

(over)

The passage of the Voorhees launched the observance of the 100th anniversary of the locks and was welcomed by a delegation of 125 marine and civic officials. Capt. W.T. Simonds was presented with a plaque signifying that his was the first boat of the centennial year. The chief engineer was presented a box of cigars and cigars were given to the crew. . . .

The icebreaker Mackinaw also locked up into Whitefish Bay today to clear a path through the ice for the Voorhees. . . .

Ice Jams St. John's Harbour: St. John's, Nfld., April 12 (CP) -- Ice poured through the narrow St. John's Harbour entrance today, plugging the port, tying up shipping and jamming at least five ships outside.

Fanned by easterly winds, the harbour filled shortly after the Transport Department pulled all buoys to safety. Veteran port officials say it is the worst ice jam in recent history.

As far as the eye can see from Cabot Tower at the harbour entrance, there is a solid mass of ice. The huge pan is blocking off the entire area around St. John's.

Four Spanish trawlers are reported to be jammed near the Bay Bulls area of the southern shore and a coastal vessel, the Sid and Sam, is jammed near Kings Cove. She was trying to reach Bonavista Bay.

H.B.C. Annual Report: Winnipeg, April 12 (CP) -- The Hudson's Bay Company had a net trading profit in the year ended January 31 of \$4,827,000 compared with \$3,699,000 in the preceding year. This was after taxes of \$4,589,000 compared with \$4,872,000.

Sales were \$159,762,000 compared with \$155,234,000, the annual report shows. Sales of fur on consignment were \$55,325,000, up \$15,000,000.

Across Canada: A survey of Alberta, British Columbia and Northwest Territories coalfields is on this year's programme of the Federal Geological Survey, the Honourable George Prudham, Minister of Mines and Technical Surveys, said on Sunday. . . .

The Honourable Clare Mapledoram, Ontario Minister of Lands and Forests, stated on Monday that Ontario had room for two or three more paper mills and that the Government would continue to encourage the location of new forest industries in the province. . . . Professor Earle F. Ziegler, head of the physical education department of the University of Western Ontario, said on Monday that Canadian universities should bring their athletics assistance programmes "into the open". . . .

The New Brunswick Fish and Game Protective Association's Moncton branch announced on Tuesday that it plans to teach teen-agers how to handle fire-arms before ignorance can turn them into woodland killers. . . .

Montreal Canadians won the sixth game of the Stanley Cup finals defeating Detroit Red Wings by 6-3 in Montreal last night, evening the games 3-3.

The final and deciding game will be played in Detroit on Thursday night.



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Vol. 6, No. 72

Thursday, April 14, 1955.

Canada May Finance New Colombo Projects: Ottawa, April 13 (CP) -- Canada may decide soon on financing a new batch of economic projects in the free countries of South Asia.

Nik Cavell, Canadian Colombo Plan Administrator, has returned from a four-month, 40,000-mile trek through the area with a bagful of proposals for Canadian Government consideration.

The white-haired, 60-year-old Asian expert said in an interview today he could disclose no details until he has discussed the proposals with a federal policy committee. But he said they are basically of the same kind that Canada already is financing in the underdeveloped countries: Power projects and irrigation dams, factories and farm aids to boost food production. . . .

New Plans for Trans-Canada Pipe Lines: Ottawa, April 13 (CP) -- Turned down on federal aid, Trans-Canada Pipe Lines Ltd. has sharply revised its plans for piping Alberta natural gas eastward in the hope of getting started this year with only private financing. Informants said today the company now is looking to sending gas into Winnipeg and the United States midwest this year, simultaneously building up an Eastern Canadian market with U.S. gas and later undertaking the expensive Winnipeg-Toronto leg of its \$350,000,000 project north of the Great Lakes. . . .

Labour Party May Favour Wheat Pact: Winnipeg, April 13 (CP) -- British Labour leader Clement Attlee said today his party would favour Britain's re-entry into the International Wheat Agreement, but only under certain conditions.

At a press conference Mr. Attlee hinted that one condition for joining in the agreement might be that countries which sell wheat to Britain should buy more from Britain. Britain, which joined the IWA in 1949, remained outside of a renewal of the pact in 1953 after a difference over maximum prices.

CPA Tokyo Airlift Ends: Ottawa, April 13 (CP) -- Canadian Pacific Airlines' airlift contract to Tokyo has been suspended, the Defence Department said today. The airlift was used from the fall of 1950 to help supply Canadian forces serving in Korea. The one remaining Canadian infantry unit in Korea -- the 2nd Battalion, Queen's Own Rifles -- sailed for home last week.

An RCAF squadron also participated in the airlift until last June. Value of CPA's airlift contract in the 1953-54 fiscal year was \$7,109,039.

Supports Selective Immigration: Victoria, April 13 (CP) -- The best way to increase the population of Canada is "by the cradle," Immigration Minister Pickersgill told a Liberal meeting here. "I don't believe any immigrant . . . no matter where he comes from, or how good he is . . . is as good as another Canadian baby," he said. But, said Mr. Pickersgill, Canadian mothers will not have enough Canadian babies to increase the population as much "as most of us feel it should be" boosted. Selective immigration was the answer.

(over)

Price Support Proposed: Washington, April 13 (CP) -- Proposals by Canadian agriculture for a new price support programme in Canada drew interest at today's closing session of a two-day meeting of North American farm leaders. Discussion centred around a plan by the Canadian Federation of Agriculture for price props for all major crops ranging from 65 to 85 per cent of so-called parity. The proposal was recently placed before the Canadian Cabinet at Ottawa by a CFA delegation.

The Canadians said they were not seeking an "incentive" price support programme, such as exists in the United States, but one that would prevent losses by farmers. The U.S. programme, by guaranteeing Government purchase of farm surpluses if they fail to move at prices equal to the Government's 90 per cent support, acts as an incentive to all-out production. American delegates expressed admiration for the operations of the Canadian Wheat Board.

Opposes CBC Control: Vancouver, April 13 (CP) -- Dr. Marcus Long of Toronto, one of Canada's top education authorities, said today he believes the Canadian Broadcasting Corporation is defeating its own aim of achieving a high level of entertainment by its control over radio and television.

Dr. Long, professor of philosophy at the University of Toronto, said in an interview here he favours an independent regulatory commission for radio and television in this country.

Mr. Long said under present controls, private stations are "getting away with murder because the CBC is afraid to enforce its own regulations; afraid that it might look like political pressure. An independent regulatory board could do the job without suspicion."

New Tank-Killer Demonstrated: Ottawa, April 13 (CP) -- The Canadian Army today demonstrated the punching power and accuracy of its new tank-killing weapon for infantrymen, the Heller. . . . Soldiers trained on the weapon scored three bulls-eyes in as many tries from the same distance, tearing holes through three inches of steel plate. The Army claims there is no equal to the Heller anywhere in the world. It has been in production for a year.

Present at the demonstration, held at the vehicle experimental and proving establishment just east of the capital, was Earl Buy, 39, of St. Catharines, Ontario, and Quebec City, the man with the brains behind the Heller, first weapon ever designed, developed and manufactured in Canada.

Quebec Seaway Attitude Changes: Toronto, April 13 (CP) -- Dr. Pierre Camu of Montreal said today there has been a substantial swing of French-Canadian public opinion away from its traditional opposition to the St. Lawrence Seaway project.

Addressing the Ontario Geography Teachers' Association, Dr. Camu traced the swing away from the strong opposition that faced the Seaway in the 1920s and 1930s. The change began in 1951 when Quebec began to reassess the effect on its economy, he said. The swing has been mainly to a neutral position.

King Estate Site of Festival: Ottawa, April 13 (CP) -- The verandah of the late Prime Minister Mackenzie King's summer home at nearby Kingsmere will become an open air stage for drama and music next summer. The Kingsmere Festival of the Arts has planned for its first season, July 15-August 20, a series of six plays, five one-hour concerts and informal ballet and art classes. . . .

Across Canada: An article in the USSR "Illustrated News" by Leonid Kogan, violinist with a troupe of Soviet artists who visited Canada last year, distributed in Ottawa yesterday by the Soviet Embassy, contains an invitation to Canadian artists to tour theatres and concert halls in the Soviet Union. . . . Alex Derby, director of examinations of the Saskatchewan Education Department, revealed yesterday that the department had found it necessary to jack up the marks of all students writing the Grade 12 literature examination last year in order to avoid a 42 per cent failure. . . .



*Miss Hamilton*

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Vol. 6, No. 73.

Friday, April 15, 1955.

Unanimity Essential to National Health Plan: Ottawa, April 14 (CP) -- Health Minister Martin said tonight the unanimous consent of all provinces must first be obtained before the federal Government can introduce a contributory national health insurance plan.

He said an amendment to the constitution would be required, and at the moment he knows of several provinces that might not be willing to agree to such an amendment.

Mr. Martin touched on the health insurance issue while being interviewed on the CBC television programme "Press Conference."

He said that the federal Government still is committed and wants to bring in a country-wide contributory health insurance plan, but this could not be done until all provinces give their consent.

The question of setting up a contributory scheme had been canvassed at least five times in the Dominion Council of Health, a federal-provincial organization which meets twice a year.

Government to Control Salk Outlets: Ottawa, April 14 (CP) -- Health Minister Martin said today effective safeguards have been taken to prevent bootlegging in Canada of Salk polio vaccine.

He indicated also that there will be no exports from Canada of the polio preventive until Canada's needs are met.

"No time will be lost in getting sufficient production ready," he said in an interview. "But naturally we are anxious to get Canadian children vaccinated first. Any supplies that remain we will share with the world."

Currently, Canada's only major producer is the University of Toronto's Connaught Laboratories. Another supplier, the University of Montreal's Institute of Microbiology, is expected to start mass production next September.

In addition, Canada expects to get some stocks from two U.S. commercial drug companies licensed to seal the vaccine in Canada.

Salk Syringe Shortage Denied: Ottawa, April 14 (CP) -- Federal health authorities said today they have no knowledge of any shortage of needles and syringes required to inoculate children with Salk polio vaccine. Ottawa's Mayor Charlotte Whitton said yesterday there is a shortage and that the Defence Department was "sitting" on tens of thousands of needles and syringes "all across Canada."

RCAF Needs New Light Bomber: Ottawa, April 14 (CP) -- The RCAF is considering a replacement for its Mitchell light bomber, it was learned today.

Officials said it hasn't reached the point where the Defence Department has a definite plane in mind as a successor. There are a number of American, British or French planes it might choose from.

(over)

The RCAF has long wanted a replacement for the Mitchell but the Tactical Air Force, which comprises two auxiliary squadrons at Saskatoon and Edmonton, doesn't rank high on the priority list of Canada's armed forces.

It is understood that at one time, at least, the RCAF wanted British Canberra jet bombers for its Tactical Air Force. . . .

Canadians to Study Cosmic Rays: Ottawa, April 14 (CP) -- Canadian scientists soon may know more about one of outer space's biggest mysteries -- cosmic rays.

The National Research Council announced today that a new research programme will be launched this month into the phenomena with information obtained during the last year from the Arctic to the Antarctic.

Data on the activities of cosmic rays over the southern area of the earth was gathered by Dr. K.B. Fenton, 29, a graduate student at NRC from Australia's University of Tasmania. He made his studies aboard the United States icebreaker Atka on a five-month cruise from Boston to the Antarctic.

The Council said the Atka now has returned to Boston. Dr. Fenton will arrive in Ottawa this weekend with the equipment he used to make the studies.

The equipment also was used last year by Dr. D.C. Rose, head of the cosmic rays branch of the NRC Division of Physics, to study the activities of the rays over the northern half of the earth.

He made his observations on the maiden voyage of the Royal Canadian Navy's Arctic patrol ship HMCS Labrador.

Calls on Canadians to Cultivate Criticism: Ottawa, April 14 (CP) -- The director of Stratford's Shakespearean Festival said today Canadians must cultivate "serious criticism" if they want the festival to develop into high-standard legitimate theatre.

Tyrone Guthrie, British stage director who has guided the Stratford Festival since its inception three years ago, told the Canadian Club that serious audience appreciation is at least 50-per-cent responsible for the standard of productions.

Death of Canon Heeney: Ottawa, April 14 (CP) -- Canon W.B. Heeney, father of Canada's Ambassador to the United States, Arnold D.P. Heeney, died at his home today. He was 83. A retired Anglican clergyman, he was former pastor of St. Luke's Church at Winnipeg.

Across Canada: Premier Duplessis of Quebec stated recently that the three new mental hospitals, announced some months ago, to be constructed at Trois Rivieres, Sherbrooke and Joliette, will add 4,500 beds to the province's mental hospital facilities. . . . Residents along the Chaudiere River near Beauceville, Quebec, watched anxiously yesterday as blocks of ice, lodged in a solid mass, pushed swirling waters over the river's banks and through the streets and homes of this Beauce County town. . . . The Ontario Association of French Teaching has protested against the use of "bad French" on CBC radio and television programmes, special objection being taken to "Un homme et son péché" and "La famille Plouffe". . . . Detroit Red Wings last night defeated Montreal Canadiens in Detroit 3 to 1 to retain the Stanley Cup.



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Vol. 6, No. 74

Monday, April 18, 1955.

**Urges Recognition of Red China:** Vancouver, April 17 (CP) -- British Labour Leader Clement Attlee started his party's May 26 election campaign Saturday night 6,000 miles from home with a major policy speech on foreign affairs.

In a public address to an audience of 3,000 here, the former British Prime Minister warned of war and said that the world must learn to live with the Communists.

He indicated that in the event of another world war there "will be no victory for anyone but only defeat and ruination."

He also called for United Nations recognition of Communist China.

The Nationalist Government of Chiang Kai-shek is "corrupt," he said, and Formosa should be put under a "trusteeship" and after a period the people of the island should decide what they want to do themselves. He warned that force will not bring about a change in government in China.

He said the Chinese Communist Government was not "democratic" but had done a great deal of good work. An attack on China would drive it into the "arms of Russia."

**International Forum Claimed Indispensable:** Ottawa, April 17 (CP) -- Sir Pierson Dixon, Britain's permanent representative to the United Nations, said Saturday the UN must be maintained and supported as a necessary and valuable instrument in world affairs.

Addressing a joint meeting of the English Speaking Union and the United Nations Association, Sir Pierson said the world needs such a forum where estranged nations of East and West can meet.

"There is considerable value in continuing talks in a period of cold war, no matter how embittered and acrid the talking becomes," he said,

"Through the UN East and West can at least meet and the shocks of the cold war can be absorbed."

**Toronto-Montreal Pipeline Planned:** Calgary, April 17 (CP) -- Trans-Canada Pipeline plans to build this year a natural gas pipeline from Toronto to Montreal to serve markets in the intermediate area and Montreal.

N.E. Tanner, Trans-Canada president, indicated in a telephone interview that his company has not abandoned plans to extend into the Ottawa area this fall.

But he added, extension to Ottawa might depend upon whether the market is built up sufficiently beforehand.

Trans-Canada plans a 370-mile-long, 24-inch-diameter line from Toronto to Montreal to be built this year at an estimated cost of \$29,000,000.

(over)

Big Colliery Shuts Down: Sydney, N.S. April 17 (CP) -- The Dominion Steel and Coal Corporation announced Saturday it is closing permanently one of its biggest Glace Bay collieries because there is no market for its close to 400,000 tons of coal a year. No. 1-B will shut down for good May 31, the first of Dosco's major producers to be taken out of service since oil and other fuels began chipping away at coal's traditional markets more than a year ago.

The shutdown will put 725 miners out of work. Informants said it was "extremely doubtful" if they could be absorbed in other Cape Breton mines and all were expected to begin filing unemployment benefit claims June 1.

Effort to End Grain-Handlers' Strike Continues: Port Arthur, Ont. April 17 (CP) -- Federal mediator Eric G. Taylor of Toronto met with terminal operators and union representatives today in an effort to end a strike of 1,200 grain handlers that is threatening to tie up the major part of Canada's grain trade.

Mr. Taylor, appointed federal mediator in the dispute between the operators and Local 650 of the Brotherhood of Railway and Steamship Clerks (AFL-TLC), flew here from Toronto Saturday night and immediately scheduled meetings to seek an end to the strike. The walkout began yesterday following a union membership meeting.

Salk for 5,000 Windsor Pupils: Windsor, April 17 (CP) -- Mass inoculation of Windsor school children with the Salk anti-polio vaccine will begin Monday, MOH Dr. John Howie said. The inoculation programme will be in full swing by mid-week.

Pupils of Grades 1 and 2 will receive their first shots up to April 25. On April 26, Grade 3 pupils will begin receiving inoculations. About 5,600 pupils will be inoculated.

Charges Trotskyites Among Parliamentary CCF: Toronto, April 17 (CP) -- Finance Minister Harris said there are Trotskyites among the CCF members of Parliament. He did not mention any names in his remarks, made at the annual meeting of the Toronto and Yorks Liberal Association. He said the recent expulsion by the Ontario CCF of 14 persons considered to have Communist leaning should not be looked upon as an unusual happening. He suggested some CCF members of Parliament might be expelled on similar grounds.

He spoke less than a day after a report to the annual convention of the British Columbia and Yukon section of the CCF, in session in Vancouver, charged that a "Trotskyist" group cost the party the 1952 provincial general election in British Columbia.

Across Canada: It was announced recently that the annual meeting of the Canadian Welfare Council would be held in Windsor, Ontario, May 5-7, to discuss immigrant welfare, family desertion, juvenile delinquency and other social problems. . . . The number of "repeat criminals" could be reduced in Canada if convicts were given a fair chance to become useful citizens after their release from prison, J.A. Edmison, Q.C., of Montreal stated on Saturday in Windsor. . . . Ontario CCF leader Donald C. MacDonald charged Saturday night in Welland, Ontario, that government mismanagement had brought the province's timber resources within 17 years of extinction. . . . The biggest fight ever against cancer in Canada was promised in Vancouver Sunday by R.B. Buckerfield, national president of the Canadian Cancer Society. . . . The Chaudiere River is back between its banks after its annual rampage through the streets of the little textile town of Beauceville in Beauce County, Quebec.

*Mrs. Hamilton*

## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 6, No. 75

Tuesday, April 19, 1955.

Probe of Armed Services Theft: Ottawa, April 18 (CP) -- The Defence Department said today that aside from petty thefts there are 11 investigations in progress concerning thefts in the armed services.

In a return tabled in the Commons, the department said the investigations are taking place in various parts of the country.

They include the inquiry into theft of stores, including hand tools from No. 11 Works Company, Royal Canadian Engineers, in the Vancouver area.

The large-scale thefts from No. 11 Works Company were disclosed March 18 by Brig. George Kitching, commander of the army's British Columbia area. They are believed to date back to 1945 and involve civilians as well as military personnel.

Recruit at Seven Islands: Seven Islands, Que. April 18 (CP) -- Two army recruiting officers today began investigating the possibility of enlisting some of the 500 jobless workers in the area.

The officers arrived at this iron ore centre today and said they planned to offer the unemployed men a chance to join the army, if they are qualified.

The Iron Ore Company of Canada, main source of employment in the area, reported it received 200 applications for jobs this afternoon. Company officials said, however, that they had already hired 300 men, enough for the summer.

Progress Toward TLC-CCL Merger: Ottawa, April 18 (CP) -- Heads of Canada's two largest labour congresses, negotiating for a merger of their 1,000,000 members, said today renewed talks are going well.

"We made progress -- things are going very well," said Claude Jodoin and A.R. Mosher after a day of discussion by a unity committee trying to draft a constitution for the single body expected within a year to replace the Trades and Labour Congress of Canada and the Canadian Congress of Labour.

Mr. Jodoin heads the 600,000-member TLC, and Mr. Mosher is founder and president of the CCL, which has close to 400,000 members.

Return Shows Number of Immigrants Deported: Ottawa, April 18 (CP) -- The Immigration Department deported 572 immigrants in the three years 1952-54, the Commons was informed today. Criminal activities and mental illness were the main reasons given. In a return tabled for Harry O. White (PC-Middlesex East) the department also reported that deportation orders against another 1,310 immigrants were not carried out.

Crown Sues N.S. Lieutenant-Governor: Ottawa, April 18 (CP) -- The Crown is suing the Queen's representative in Nova Scotia.

The suit concerns a piece of land expropriated in building the Canso Causeway, linking Cape Breton Island and the Nova Scotia mainland.

The Government has asked the Exchequer Court to rule that \$5,505 is a fair price for the property, a rocky hill overlooking the Strait of Canso at Auld's Cove.

(over)

Alistair Fraser, lieutenant-governor of Nova Scotia, wants \$5,500,000 for the land which was used as a stone quarry. It provided the hundreds of tons of rock needed to build the causeway.

The Government says that it expropriated the land in 1952 "for the purpose of a public work," and offered Mr. Fraser \$5,505, which he refused to accept.

Mr. Fraser, in his statement of defence, denies that he was offered the \$5,505. He states that \$5,500,000 is nearer the real value of the property because of its vast stone resources, which could have been sold to various construction projects.

Says Canadians Should Eat More Fish: Winnipeg, April 18 (CP) -- Canadians' eating habits are causing concern to Hon. James Sinclair.

Mr. Sinclair, federal Minister of Fisheries, said at a press conference today his department and the Canadian fishing industry wish Canadians would eat more fish.

If they would, Canada's \$200,000,000-a-year fishing industry would be in better health, and at the same time Canada's general state of public health might be improved.

At present, he said, Canadians are eating 14 pounds a person per year, with the high in the Maritimes and on the West Coast and with the Prairies at the bottom.

Seek De-Icer for Copters: Ottawa, April 18 (CP) -- The National Research Council, trying to make helicopters safe for winter search and rescue work, has launched a long-range programme to develop equipment which will enable the 'copters to shed ice.

Success of the project also will speed the day when a more economical helicopter can be used year-round on scheduled flights for transport of mail, passengers and freight.

De-icing equipment is not installed on RCAF helicopters used for search and rescue or freight operations or on machines used by commercial aircraft companies. The reason is that the present type equipment is too heavy and would almost eliminate the aircraft's ability to carry anything else.

Finnish Woman to Judge Drama Festival: Ottawa, April 18 (CP) -- Gerda Wrede, a leading theatrical director in Finland, today was named the first woman adjudicator of the Dominion Drama Festival finals.

Eight theatrical groups which won regional festivals across Canada will compete in the Regina final, May 9 to 14, for a number of trophies and cash awards totalling \$1,000.

Not Fully Quoted, Pickersgill Claims: Winnipeg, April 18 (CP) -- Immigration Minister Pickersgill stepped off the Dominion of Canada car at the Canadian Pacific Railway station here Saturday and said the whole thing is all "very silly". The Canadian-born Minister was referring to the reaction to his "baby-versus-immigrant" statement in Victoria last week.

In an interview here during a short stopover, Mr. Pickersgill said he would not go so far as to say he was misquoted. He just was not quoted fully.

At Toronto, George Hees, president of the National Conservative Association termed the Minister's statement "a masterpiece of arrogance and stupidity".

Yesterday in Parliament: Mr. Coldwell challenged Finance Minister Harris to name CCF Members he had had in mind when he stated in a recent Toronto speech that the parliamentary group of the party might well be purged of Trotskyites. Transport Minister Marler argued that provincial governments should assist municipalities lacking sufficient funds to eliminate dangerous level crossings. . . . A bill was passed subjecting Canada's forest of TV and radio aerials to certain standards of construction and erection.



*Mrs. Hamilton*

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Vol. 6, No. 76

Wednesday, April 20, 1955.

Opposition Scorn Budget: Ottawa, April 19 (CP) -- The Opposition today ripped into Finance Minister Harris' budget. Both J.M. Macdonnell, Progressive Conservative financial critic, and CCF Leader Coldwell charged in the Commons that it does nothing to relieve the tax burden on the lowest - income groups.

Solon Low, Social Credit leader, said the budget is a mild hypodermic filled with milk and not a shot in the arm for the Canadian economy.

The Progressive Conservatives and the CCF moved non-confidence motions in the Government.

Mr. Macdonnell's motion said the budget has "failed":

1. To give effective stimulus to Canadian enterprise to create employment and opportunity.
2. To reduce taxation affecting those on low incomes and allowances.
3. To curb the Government's extravagance and inefficiency.
4. To recognize the serious position of farmers and other producers.

In his non-confidence motion, Mr. Coldwell added a fifth point:

5. To provide assistance to the provincial governments to enable them to plan their financing to relieve Canadians of the crushing load of heavy municipal taxation. . . .

Won't Relinquish Quebec Income-Tax: Quebec, April 19 (CP) -- Premier Duplessis will not hear of a federal-provincial taxation agreement for Quebec based on arrangement involving federal subsidies in place of provincial direct taxation rights.

In an interview today, only a few days before Canada's 10 premiers are to meet in Ottawa with Prime Minister St. Laurent in a preliminary conference April 26, the Quebec Premier said there can be no question of Quebec suspending its income tax or any other direct tax in return for grants from Ottawa.

Mr. Duplessis, outspoken Premier of the only Canadian province to reject such a subsidies arrangement with the federal Government, said the right to tax is as much a part of responsible government as the right to make laws or administer them.

"It is indispensable," he said.

The preliminary conference in Ottawa is designed to clear the way for a full-dress federal-provincial conference to be held later, possibly next autumn. . . .

Hits Quebec Tax Treaty: Ottawa, April 19 (CP) -- CCF Leader Coldwell said today the income tax "concession" to Quebec sets a dangerous precedent in Canada's tax structure.

"To my mind the new law which is to come into effect this year introduces into the Canadian tax structure the dangerous precedent whereby federal income tax may vary and differ from province to province," he told the Commons during the budget debate.

CCF'er Counterattacks Critics: Ottawa, April 19 (CP) -- Colin Cameron, outspoken CCF member of Parliament, today denied he is a Trotskyite and said anyone imputing such a suggestion of him is "an unmitigated liar, an unprincipled scoundrel and a contemptible coward."

(over)

At the same time he criticized Finance Minister Harris for not immediately correcting a news report in which Mr. Harris was reported as saying there were Trotskyites among CCF members of Parliament.

The member for Nanaimo, B.C., speaking in the Commons on a question of personal privilege, said Mr. Harris had permitted the reported statement "to wend its slanderous trail back and forth across this country" for nearly 48 hours before attempting to correct it in the Commons yesterday.

Basic Agreement on Labour Merger: Ottawa, April 19 (CP) -- Merger talks between two big labour congresses today reached agreement on all basic principles of amalgamation.

After a two-day meeting, officers of the Trades and Labour Congress of Canada and the Canadian Congress of Labour said the unification of their approximately 1,000,000 members should be consummated by early 1956.

Pilot's Case for Reconsideration: Ottawa, April 19 (CP) -- The case of Trans-Canada Air Lines Captain T.N.D. Ramsay, blamed for "negligence" in the crash of a TCA airliner near Toronto's Malton Airport last December, will be "reconsidered" next June, a Transport Department spokesman said today.

He then will face either cancellation of his licence, a further suspension period or restoration of his flying ticket. . . .

A departmental board of inquiry blamed his "negligence" for the crack-up. But his case was discussed in the Commons after the Canadian Air Lines Pilot Association protested that Capt. Ramsay's alleged negligence had been due to fatigue because of overly long hours of flying, a charge that was denied by Government spokesmen.

Immigrant Unemployed Stranded in Boom Town: Seven Islands, Que., April 19 (CP) -- Canada has become a frozen and frightening outpost of civilization to almost 600 European immigrants in this town 300 miles northeast of Montreal.

The immigrants, including Italians, Greeks and Portuguese have crowded into this St. Lawrence River town in an unsuccessful search for work.

Provincial Election Rumours: Toronto, April 18 (CP) -- Persistent rumours that Premier Frost plans to hold a general election in June were strengthened tonight when it was reported the government has ordered 60,000 ballots for the armed forces.

Although the Premier has said he has not given thought to an election, Queen's Park observers feel he will announce the date at London April 30 when he speaks at the annual convention of the Western Ontario Progressive Conservative Association.

Charlottetown, April 19 (CP) -- Political observers freely predicted today that Canada's island provinces of Newfoundland and Prince Edward Island will hold general elections some time this year.

Late May was the popular choice of speculators in Charlottetown while in St. John's predictors were content to ride with the forecast that an election would be held in 1955.

Yesterday in Parliament: Mr. Pearson told the House that, although Canada had been pressing the United States "almost daily" for a written answer to its note of March 8 protesting proposed U.S. legislation to restrict crude oil imports, no such reply had yet been received. . . . Prime Minister St. Laurent and Mr. Pearson have been invited to attend the centennial celebration at Bement, Illinois, of the famous Lincoln-Douglas debates on slavery. . . . Acting Trade Minister Winters stated, in reply to a question, that Canadian wheat export sales are higher now than at the same time last year.

Across Canada: The 100,000-member Canadian and Catholic Confederation of Labour will hold its annual convention next September 11-18 in Quebec City, Secretary Roy announced yesterday. . . . J.P. Donihee, 41, of Cornwall, Ontario, has been named divisional administrative officer for the St. Lawrence Seaway Authority.

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Thursday, April 21, 1955.

**Salk for 1,500,000 by July:** Ottawa, April 20 (CP) -- Canada's production programme for Salk polio vaccine is aimed at providing enough to immunize 1,500,000 persons by July 1.

Health Minister Martin, announcing the figure in the Commons today, said it still will not meet the vaccine needs of the entire country.

His estimate of enough vaccine by July 1 "for possibly 1,500,000 individuals" was a big increase from earlier predictions of 1,000,000 persons immunized by the start of the summer polio season. It would represent about 30 per cent of Canada's population of more than 5,000,000 children under 16.

"The vaccine will be available in Canada in greater quantities during the next two or three months than will be the case anywhere on this continent," Mr. Martin said.

He said all provinces except three will use an immunization method of giving two shots -- a system which calls for a third booster shot seven months or more afterwards. Nova Scotia, Alberta and British Columbia would follow the 1954 system of three-shot immunization.

**Lakehead Grain Strike Ends:** Port Arthur, April 20 (CP) -- About 1,200 Lakehead grain handlers returned to work today, ending a five-day strike that had tied up 75,000,000 bushels of grain in elevators here and in Fort William and had prevented the unloading of more than 5,000 railway cars carrying grain from the prairies.

At a meeting earlier today members of Local 650, Brotherhood of Railway and Steamship Clerks (AFL-TUC), voted to accept a three-year contract granting them 12 cents an hour in wage increases plus additional fringe benefits.

**CMA Calls for Tax and Costs Cuts:** St. John's, Nfld., April 20 (CP) -- J.A. Calder, president of the Canadian Manufacturers' Association, today called on the federal Government to lower taxes by cutting governmental costs.

He said that in five years from 1948 to 1953, government spending rose to 18.1 per cent of the gross national product from 11.5 per cent. The speech was read to the CMA's Atlantic Division annual meeting by President John C. Whitelaw after Mr. Calder was summoned to Montreal by the sudden death of a brother.

"It has been admitted by federal taxing ministers that since the Second World War ended, the Canadian tax structure has not had what might be termed a salutary effect on the economy," he said.

**MPs' Transportation Privileges:** Ottawa, April 20 (CP) -- CCF Leader Coldwell today accused the Canadian Pacific Railway of attempting to infringe the rights of Members of Parliament to free railway transportation.

Commons Members applauded as Mr. Coldwell suggested that a letter from N.R. Crump, CPR vice-president, be ignored.

(over)

The object of his criticism was a letter to the Commons Clerk, Leon Raymond. Copies had been distributed to all Members.

Mr. Crump's letter referred to the fast new transcontinental train service starting April 24. It said the demand for passenger space likely will exceed space available on the new trains.

It noted that Members of the Commons and Senate have statutory privileges to free railway transportation but asked that Members be advised of the necessity for ensuring that as far as possible the new trains be used for revenue passengers.

Mr. Coldwell said the request involves the privileges of all Members of Parliament.

Eighth Scout Jamboree at Niagara: Niagara-on-the-Lake, April 20 (CP) -- Some 10,000 teen-age Boy Scouts, far from their homes in every continent and speaking more than a score of languages, will camp for 10 days here this summer in the Eighth World Scout Jamboree.

Preparations for their care require something more than such massive items as 300,000 meals, daily trips three miles to swim and a staff of 29 doctors, dentists and nurses.

Extras like a staff of translators, a chaplain service to minister to many faiths and a sign-language type of directional signs are being planned to meet the special problems of the international gathering of boys and leaders, meeting in North America for the first time.

Yesterday in Parliament: Transport Minister Marler stated that 264 Canadian National Railway employees had lost their jobs through the closing of a repair shop at Leaside, Ontario, and changes in shop operations at Brockville and Winnipeg. . . . David Croll (Liberal, Toronto-Spadina), speaking in the Budget debate, urged a careful examination of labour's demand for a guaranteed annual wage, saying that nothing could be settled by ignoring this "problem" or by calling it names. . . . Revenue Minister McCann promised to reply to a CCF charge that the Government had made a suspicious "deal" with the Aluminum Company of Canada, the Gatineau Power Company, Saguenay Power Limited and the Bell Telephone Company in connection with tax remissions. . . . In reply to a question by Stanley Knowles (CCF-Winnipeg North Centre), who pointed out that a select committee of the Ontario Legislature would study the effect of U.S. atomic explosions on the air over Ontario, the Prime Minister said the Government would consider whether a special Commons committee should be set up to inquire into radioactive "fallout" in Canada.

Across Canada: Donald C. MacDonald, Ontario CCF party leader, told a meeting last night that investigation of the spread between consumer and producer costs of meat had been indefinitely shelved by the Ontario Government. . . . George Stewart, senior partner in the publishing firm of McClelland and Stewart, Toronto, died yesterday at the age of 79. . . . Thomas Moncion, a merchant of Hull, Quebec, defeated Mayor Alexis Caron by a narrow 99 votes in the city's two-man mayoralty contest. . . . When the civic limousine broke down on the way to Uplands Airport yesterday, Ottawa's Mayor Charlotte Whitton showed skill as a hitch-hiker by thumbing a ride from motorist Harold Dowler, who got her to the field in time to catch her plane. . . . It was announced yesterday that federal swine breeders had developed a new Canadian bacon hog, a shapely white animal that promises reduced feeding costs and increased profits. . . . The Socony Vacuum Oil Company of Canada has paid a record \$442,952 to a small Alberta band of Cree Indians for oil exploration rights on their reserve. . . . Five rare whooping cranes, in company with a large number of sandhill cranes, were seen recently in a field near Lang, 45 miles southeast of Regina, Saskatchewan, by Fred Bard, director of the provincial museum.



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Vol. 6, No. 78

Friday, April 22, 1955.

**Canada Not Automatically Involved in U.S. War:** Ottawa, April 21 (CP) -- Canada will not automatically support the United States in any war in China or anywhere else, External Affairs Minister Pearson told an applauding Commons tonight. Canadian support of the U.S. would depend on its NATO and United Nations commitments.

"Anything I have said (previously) does not mean and should not be interpreted to mean that whenever the U.S. is at war we are bound to participate,"

Mr. Pearson said as he wound up an external affairs debate.

He reiterated, however, that if a "small" war spread to engulf the world it would be impossible for Canada to remain aloof. If war spread to this continent the entire defence system would come into play. Mr. Pearson scored CCF claims that the U.S. now considers it has Canada "in the bag."

It remained the right and the duty of the Canadian Government to warn and dissuade the U.S. on any policy it considered unwise and "I hope we will discharge that duty on the appropriate occasions."

Mr. Pearson said the CCF had presented an unfair and unbalanced picture of U.S. policies. He was "distressed" at the analysis of the purpose of U.S. policy given earlier by Stanley Knowles (CCF-Winnipeg North Centre).

**U.S. Troops in Canadian North:** Ottawa, April 21 (CP) -- Suppose the United States finds itself in a war, even localized, with Communist China -- what would a neutral Canada do about American troops in this country? Intern them?

That question was posed in the Commons today by Alistair Stewart (CCF-Winnipeg North). He got a fast reply from the next speaker, veteran newspaper columnist Elmore Philpott (L-Vancouver South). He said:

"... If the United States got into a war, and Canada did not, the uniformed forces stationed in Canada or in any other part of the North Atlantic Treaty Organization area would have every legal right to remain there and to operate there."... He was completely opposed to suggestions that Canada, with heavy commitments in Europe and perhaps not enough Canadians for its own defence, should agree to the stationing of a large percentage of United States forces in this country's northland.

"I believe that Canada should be defended by Canadians," he said.

"... We should take over the major responsibility for defending the north of Canada... We should take whatever steps are necessary to see that the major job of defending the North American frontier is discharged by Canadians with Canadian principles and Canadian policies in mind."

If Canada did not have enough armed forces to discharge all its obligations, it would be better "at the proper time", to transfer some Canadians now serving in Europe to sentry duty in the north.

**Commonwealth Not "Third Force":** Ottawa, April 21 (CP) -- The concept of the Commonwealth as a "third force" counterbalancing the United States and Russia is dangerous, External Affairs Minister Pearson said tonight.

He told the Commons such a concept would mean the Commonwealth coming between the U.S. and NATO powers and the Soviet bloc. It would be better, he said, to stick to two blocs -- the forces of peace and those who threaten peace...

Mr. Pearson referred to an earlier external affairs speech by Wallace Nesbitt (PC-Oxford) who said the Commonwealth should be strengthened, possibly through formation of a central secretariat and Commonwealth defence force.

(over)





*Mitchell*

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Vol. 6, No. 79

Monday, April 25, 1955.

**Mr. Dickey Defends Raw Material Exports:** Ottawa, April 22 (CP) -- A Government spokesman today denied an opposition claim that Canadians are too much hewers of wood and drawers of water for the factories of other countries.

Mr. John Dickey, Parliamentary Assistant to Mr. Howe, said Canada would find itself in trouble if it banned exports of raw material in favour of developing industries at home.

The member for Halifax spoke in the House of Commons budget debate to reply to speeches by Progressive Conservative members critical of the amount of raw materials exported.

He said a sound programme of development of natural resources cannot be built on the narrow basis of insisting on complete manufacture in Canada of all raw materials.

For its population, Canada was the greatest trading country in the world. Yet few people realized that two-thirds of its export trade was in manufactured and partly processed goods. Eighty-five per cent of raw materials exports consisted of food and animal and vegetable products, most of which had to be sold in their natural state.

If Canada insisted on full processing of raw materials, it would lose markets and overseas buyers would turn to other sources of supply. Other countries exporting raw materials might retaliate by following suit and Canadian industries would suffer, since Canada imported more industrial raw materials than it sold.

To create a steel industry to process Canada's expected annual output of 25,000,000 tons of iron ore would cost \$5,000,000,000.

"Without assured markets for steel, I doubt if the necessary capital could be found."

**To Discuss Distribution of Salk Vaccine:** Ottawa, April 24 (CP) -- Distribution in Canada of Salk polio vaccine is expected to be discussed tomorrow when the Deputy Health Ministers of all provinces meet federal Health Minister Martin and his officials.

Health Ministers of at least four provinces also will be present for the meeting, the regular semi-annual gathering of the Dominion Council on Health.

Topics to be discussed have not been made known but a federal official said that distribution of the polio vaccine almost certainly will be a major topic. The provinces are distributing the vaccine under a federal-provincial agreement to share production costs.

Mr. Martin informed the House of Commons last week that he expects enough vaccine by July 1 to inoculate 1,500,000 persons.

**Canada's Share of World Wheat Market:** Toronto, April 25 (Globe & Mail) -- Canada's share of an expanding world wheat market has dropped in the face of rising exports from her competitors, particularly the United States, the Canadian Press says in a current survey.

Shipments from all major exporters -- Canada, U.S., Australia and Argentina -- rose to 435,200,000 bushels in the first seven months of the current crop year, an increase of 47,600,000 bushels over last year, Bureau of Statistics figures show. The current crop year opened August 1, 1954.

In that period, Canada's shipments totalled 152,000,000 bushels, still the leading exporter in volume and virtually unchanged from a year ago.

But in those seven months the total world market expanded and thus Canada's share of total shipments dropped to about 35 per cent from more than 40 per cent last year.

Stratford Shakespearian Festival: Stratford, Ont., April 24 (CP) -- A total of  $3\frac{1}{2}$ -tons of canvas which makes up the giant theatre tent was pulled into shape Saturday for the opening June 27 of the Stratford Shakespearian Festival.

Dr. Tyrone Guthrie, festival director, raised the blue and yellow festival flag presented in 1953 by England's Stratford Memorial Theatre Company and dedicated the festival to the "Glory of God, to the memory of William Shakespeare and finally. . . . To the glory of the citizens of Stratford."

Work started Friday when the cement amphitheatre was swept out. Twenty-five workmen erected the 29,000 square feet of canvas.

Mr. Duplessis On Ottawa Conference: Quebec, April 22 (CP) -- Premier Duplessis said today he hopes preliminary federal-provincial talks in Ottawa next Tuesday will centre on the main issue of taxation and not "be sidetracked."

"I would like a clear discussion of clear matters and avoid confusion that would arise if a multiplicity of questions were discussed at the preliminary conference," he said.

The Quebec Premier added that he is not going to Ottawa to fight but to co-operate.

Across Canada: Premier Duplessis Friday announced the appointment of a Quebec City lawyer and two Montreal investment experts as members of the new Quebec Securities Commission which starts functioning officially May 2. Mr. Maurice Desy, for 18 years manager at Quebec of the General Trust Company, was appointed to the post of commission chairman. Mr. Adolphe Routhier, Q.C., Montreal securities registrar, and Mr. Joseph L. Bolton, Montreal investment manager at the Bank of Montreal, were appointed to fill the two posts of commissioner. . . . "The Canadian," the Canadian Pacific Railway's all stainless steel scenic dome train left Montreal Sunday amid pageantry and fanfare as it set out to establish a new transcontinental record for railway passenger service to Vancouver from Montreal and Toronto. . . . Powell River Co., Ltd., announces it plans to spend about \$20,000,000 to install a ninth newsprint machine at its Powell River plant, 90 miles north of Vancouver. . . . Dr. Peter Millman, 49, Toronto-born authority on meteors, will be awarded the J. Lawrence Smith Medal at the 92nd annual meeting of the National Academy of Sciences in Washington Monday, it was reported from Washington.



# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 6, No. 80

Tuesday, April 26, 1955.

**Mr. St. Laurent On Dominion Provincial Conference:** Ottawa, April 25, (Globe and Mail) -- Prime Minister St. Laurent announced today in the House of Commons that he intends to initiate a discussion of unemployment relief at the Dominion-Provincial Conference which opens here tomorrow.

"I hope we can face this situation as a humanitarian problem that concerns all of us as Canadian citizens," Mr. St. Laurent said, "and work out some arrangement whereby the needy will be dealt with by one authority and the burden of having done so will then be borne in a manner that will provide for efficient and provident administration."

The Prime Minister's announcement was greeted by loud and prolonged applause from his supporters. . . .

The Conference opens at 10:45 a.m. tomorrow in the Centre Block of the Parliament Buildings. The first two provincial premiers to arrive for the meeting, Mr. Bennett of British Columbia and Mr. Douglas of Saskatchewan, both expressed a desire for some agreement on unemployment relief.

**Canada - U.S. Fisheries Convention Approved:** Ottawa, April 25 (CP) -- A government bill to ratify a 10-year Canada-United States Convention for preservation of Great Lakes fisheries was given second reading tonight in the House of Commons.

After being approved in principle, the legislation was referred to the committee on marine and fisheries for detailed study. It was supported by all groups in the House.

The Convention, signed at Washington last September 10, is aimed at eradication of the eel-like lamprey, a parasite which has seriously depleted trout and whitefish stocks in the lakes.

**Mr. Sinclair Appeals to U.S. on Trade:** New Orleans, La., April 25 (CP) -- Fisheries Minister Sinclair today appealed to the United States to support policies which will extend and enlarge world trade.

Addressing the annual convention of the National Institute of Fisheries, he reviewed cooperation between Canada and the U.S. in the fishing industry.

The two countries were one another's best customers but there was a substantial balance in favour of the U.S. -- averaging about \$500,000,000 a year.

"Foreign trade is of much more importance to Canada than the United States. The 160,000,000 Americans consume about 95 per cent of their total production, leaving only five per cent for foreign trade.

"The 16,000,000 Canadians can consume only about 80 per cent of their production, so must find foreign markets for 20 per cent.

"Since we are so dependent on foreign trade we are always aware of demands for tariff increases, which will result in strangling such trade. Our manufacturers ask us for increased tariff protection against your manufacturers, but so far we have resisted this pressure and have not increased any tariffs since our present administration came to power in 1935.

(over)

- 2 -

"We hope that your nation as the leader in world trade, will continue to support policies which will extend and enlarge world trade."

Quebec Hydro Considers Sale of Montreal Division: Ottawa, April 25 (CP) --

Premier Duplessis of Quebec said tonight the Quebec Hydro-electric Commission is "seriously considering" sale of its Montreal gas manufacturing and sales division to a company to bring in United States natural gas to the metropolis.

The \$30,000,000 transaction would turn over the Montreal division to a new company to be formed by principals of Trans-Canada Pipe Lines Ltd., now planning to bring Alberta gas into Eastern Canada and to import U.S. gas until Alberta fuel reaches the east.

Mr. Duplessis made the announcement in an interview after his arrival in the capital for the federal-provincial conference opening tomorrow.

He said officials of Trans-Canada Pipe Lines Ltd., which has been trying to work out a \$350,000,000 project to bring Alberta gas to Eastern Canada, visited him in Quebec City recently and outlined a project to bring gas to Montreal.

This, other sources said, involved Trans-Canada purchase of gas from the Tennessee Gas Transmission System of the U.S. and piping it to Montreal through a line to be built this year between Toronto and Montreal.

Across Canada: The 400,000-member Canadian Congress of Labour said yesterday that Canada's unemployment situation has become "alarming" and appealed to the Government to extend supplementary insurance benefits for the jobless until May 31. . . . Mr. Walter Seymour Allward, who designed Canada's national war memorial on Vimy Ridge, toiling 14 years to create what has been called the noblest memorial in all Europe, died in Toronto Sunday at 78. . . . There has been a "marked upward trend" in starting salaries of university graduates in Canada since 1946, the Labour Department announced April 25. The rise was greatest for electrical engineers -- 81.8 per cent -- and smallest for agricultural graduates, 54.8 per cent. Biggest increases occurred in 1951 and 1952. Since then, the increases have been "moderate."

*Miss Hamilton*

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Vol. 6, No. 81

Wednesday, April 27, 1955.

Proposes Sliding Scale of Jobless Aid: Ottawa, April 26 (Globe & Mail) -- Prime Minister St. Laurent today put forward a plan for federal contributions to unemployment relief geared to monthly increases in the number of jobless in any province.

The Prime Minister suggested that the federal and provincial Governments agree forthwith on what might be regarded as basically the number of unemployed people in each province.

In any month when the total exceeded this minimum level the federal Government would provide a share of the cost of relief for the excess number.

He suggested that the federal contribution start, at say, 30 per cent of this excess cost. Then when the number of jobless increased beyond a higher number, the federal contribution would rise to 40 per cent on the second excess portion. It would rise to 50 per cent on the excess over a third higher floor.

Opening the first phase of a federal-provincial conference on fiscal relations, Mr. St. Laurent reviewed the federal position. He said that no substantial reduction in defence expenditures could be foreseen in the next four or five years. In the present fiscal year, these expenditures will take \$1,800,000,000 of a budget of \$4,700,000,000.

While it might be possible to work out a more flexible formula for the federal-provincial tax rental agreements, he said, the federal Government could not consider any general increase in the scale of payments to the provinces justified.

Mr. St. Laurent said that the federal proposals of the 1945-46 federal-provincial conference were no longer suitable as a 1955 agenda.

Among these was a health insurance proposal. He agreed that Ottawa had implemented this only "as far as the planning stage." Thus in advance he threw cold water on the plans suggested later by Mr. Frost, of Ontario, and other provincial premiers for federal participation in health insurance.

The main burden of meeting the needs of the unemployed was unemployment insurance, Mr. St. Laurent said. During the past 12 months, the federal contribution to this insurance had been \$60,000,000 and benefits paid out had been \$257,000,000.

It was recognized that there would also be some jobless who were not entitled to insurance benefits but normally their number was relatively small.

Canada Potential War Target: Ottawa, April 26 (CP) -- Mr. St. Laurent said today the Government can't foresee any substantial reduction in defence spending in the next four or five years.

"We still feel that only by being united, strong, ready and vigilant can the Western alliance deter aggression in vital areas and remain safe," he told the federal-provincial conference.

"This ready strength is very expensive and must be kept up-to-date in the face of most relentless competition in the science and arts of war."

Canada has spent about \$6,700,000,000 on defence since 1951 and will spend about another \$1,700,000,000 in the 1955-56 fiscal year.

(over)

"If a major war commences we cannot but expect at its very beginning -- that is, in the first few hours -- heavy attacks on North America with large nuclear weapons," he said. "These attacks would likely take place on Canadian targets as well as on those in the United States.

"The potential damage to Canadians and to the material fabric of our country, in such event, is so enormous that we must approach the whole problem of war and defence in the most deadly seriousness.

"The United States and Canada in partnership are having to establish defensive works and forces strong enough to convince a potential enemy that he cannot by a sudden knock-out blow destroy our nations and the power to retaliate in overwhelming strength. Indeed, upon this now depends the security of all Western nations."

Canadians At A-Bomb Test: Camp Desert Rock, Nev., April 26 (CP) -- Canadian servicemen huddled in tents whipped by 50-mile-an-hour gales today to receive their final briefing for the big atomic explosion scheduled at dawn tomorrow.

For the first time women -- more than 100 of them -- are participating in an atomic test, including seven who will crouch in trenches only two miles from the big blast.

Thousands of Canadian television viewers will be able to obtain a ring-side view of the big atomic explosion scheduled here for dawn Wednesday.

Sir Lyman Duff Dead: Ottawa, April 26 (CP) -- Canada lost one of the greatest legal minds of its history today with the death of Sir Lyman Duff who served as Chief Justice for 11 years and was instrumental in making the Supreme Court the highest in the land.

Sir Lyman was 90. His death in hospital where he had been confined for some two months, was not unexpected.

In all, he was a member of the Supreme Court of Canada for 38 years, serving as Chief Justice from 1932 to January, 1944, when he retired after the Government twice extended his term beyond the normal retirement age of 75.

Across Canada: Mr. Jean Francois Pouliot, Temiscouata, told the House of Commons that a railway as large as the CNR cannot be properly managed by one man. He spoke on a government resolution proposing consolidation into a single act of all statutes respecting the CNR. Mr. Pouliot said he is opposed to the CNR President also being chairman of the railway's Board of Directors. . . . Ten new branches of the Bank of Nova Scotia, plus a \$2,000,000 addition to the main branch, will be built in the metropolitan area of Vancouver this year, President H.L. Erman said in Vancouver. . . . Quebec recently completed refinancing of Quebec Province debentures totalling \$29,525,000, redeemable in 1957 and 1959, Premier Duplessis announced.



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Vol. 6, No. 82

Thursday, April 28, 1955.

Federal-Provincial Conference Communique: Ottawa, April 27 (CP) -- Text of a communique issued today at the end of the two-day federal-provincial conference:

At the conclusion of the preliminary meeting held at Ottawa on April 26 and 27, 1955, it was announced that federal and provincial representatives had agreed that the main conference would open in Ottawa on Monday, October 3.

It was also agreed that the following items would constitute the agenda for the October meeting:

1. Federal-provincial fiscal relations.
2. Public investment and natural resources development.
3. The desirability of establishing a federal-provincial continuing committee.
4. Health and welfare services.
5. The timing and scope of such other special conferences as may be desired.

The meeting discussed the question of federal participation in meeting costs of relief to unemployed persons not in receipt of unemployment insurance benefits.

It was agreed that this matter should not wait for the October meeting, but should be referred immediately to a committee of federal-provincial officials who would collate the essential facts, examine certain technical problems and report back to a meeting of federal-provincial ministers as early as possible.

The conference appointed a committee of representatives from each province to meet under the chairmanship of the federal Deputy Minister of Finance (Mr. K.W. Taylor), to conduct the preparation of statistical and technical material for the October meeting.

National Health Insurance Study: Ottawa, April 27 (CP) -- Federal and provincial leaders today agreed to take up the question of launching a national health insurance scheme when they hold their main 1955 conference here October 3.

Premier Frost of Ontario, who had urged other premiers to take quick action on a study scheme, later expressed satisfaction with the agreement and said he hopes it will lead to progress on this long-standing issue.

The subject is to be discussed under the general heading of health and welfare services, one of the five items placed on the agenda by the chieftains of the 11 governments for their fall session. . . .

International River Waters Bill: Ottawa, April 27 (CP) -- British Columbia today accused the federal Government of attempting to invade the province's rights.

A dispute between the two Governments over a proposed deal between the province and a U.S. corporation to export water for development into power in the U.S. got down to first principles before the Commons External Affairs Committee.

Attorney-General Robert Bonner of B.C., accompanied by Lands Minister R.E. Sommers, took two hours to read a bulky brief to the committee, which will start discussion on it tomorrow.

Mr. Bonner attacked on several grounds a Government bill, already approved in principle by the House of Commons, giving the federal Government tighter control over international river waters. It would require even provincial Governments to obtain federal licenses before building dams on such rivers.

19,076 Veterans Await Farm Settlement: Ottawa, April 27 (CP) -- There are 19,076 veterans still waiting to be settled on farms under the Veterans Land Act.

Brig. T.J. Rutherford, Director of Soldier Settlement for the Veterans' Affairs Department, gave this information to the House of Commons estimates committee today.

He said the Department expects as many as 30,000 more qualified veterans will seek assistance in obtaining land.

Canadians Await Decision on A-Test: Las Vegas, Nev., April 27 (CP) -- A five-day postponement is expected to be ordered for the hardluck Operation Cue unless the big atomic test can be fired by Saturday.

The open shot test, in which Canadian servicemen are participating for the first time, was re-scheduled for dawn Thursday after being postponed less than an hour before zero hour at 5:15 a.m. today. It had originally been scheduled for Tuesday.

Canadian Jet Speeds Blood on Mercy Mission: Edmonton, April 27 (CP) -- Red Cross officials here announced tonight that a military jet plane carrying the rarest type blood to a yet-unborn California child arrived at its destination the Alameda, Calif., Naval Training Station at 4:45 p.m., MST.

The plane, a T-33 jet trainer, was grounded at Calgary but resumed its 1,200-mile flight from Edmonton to Alameda at 2:11 p.m. MST.

The jet sped southward with the rare blood for a Redwood City, Calif., hospital patient, Mrs. Nadine Robertson, who is about to give birth to a child. The blood was obtained from two sisters on the Callihoo Indian Reserve 130 miles west of Edmonton.

Across Canada: A spokesman for Connaught Laboratories, Toronto, major producers of Salk vaccine in Canada, said its vaccine is subjected to rigorous tests before being released to the public. She said samples of each batch of vaccine are tested on monkeys and held for two months before distribution to medical authorities to ensure no chance of error in manufacture, according to a Toronto news despatch. . . . The Commons defeated 129 to 78 a Progressive Conservative attempt to obtain correspondence between the Defence Department and the Auditor-General. . . . An appeal to test the validity of a Montreal bylaw requiring stores to close on six Roman Catholic holy days was started yesterday in the Supreme Court of Canada. Six Montreal stores contend the bylaw and Quebec's Early Closing Act -- the legislation on which it is based -- are unconstitutional. . . . Alderman Leonard A. Kitz, a 39-year-old lawyer and Second World War combat veteran, yesterday was elected as the first Jewish mayor of Halifax.



*Misc Hamilton*

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Vol. 6, No. 83

Friday, April 29, 1955.

Czechoslovakia Agrees to Resume Loan Payments: Ottawa, April 28 (CP) -- Communist Czechoslovakia has agreed to resume payments this year on the \$9,900,000 balance of a post-war loan from Canada.

The loan was made under the Exports Credits Insurance Act, enacted to extend credits to dollar-short countries to buy in Canada. The Government stopped making loans after 1948.

An annual report for 1954-55 fiscal year operations tabled by Finance Minister Harris, said Czechoslovakia defaulted in 1952, but had agreed to resume payments next June 30. It also had paid \$624,375 in interest due since July 1, 1952.

France, Indonesia, The Netherlands and Norway made payments on schedule. France, largest debtor, owed \$192,464,000 March 31.

The Chinese Nationalist Government paid no interest or principle on \$49,426,117 it owes Canada in bonds. It also made no payments on a government-guaranteed bank loan to the Ming Sung Co.

The company received a loan of \$12,750,000 to finance construction of a number of ships in Canada. It defaulted in 1951 and the Canadian Government was asked by the banks to assume the obligation.

Government payments to banks now total \$6,127,103, including \$1,524,434 paid last year. The Government's liability March 31 was \$7,650,000.

Canadian Aid For UN Technical Assistance Plan: Ottawa, April 28 (CP) -- Technical training has been given in Canada to 515 persons from foreign countries since the Second World War under the Colombo Plan, the UN technical assistance plan and other international organizations.

Mr. Pearson gave the information in a reply tabled in the House of Commons for Mr. Stanley Knowles.

He said Canada has contributed \$5,500,000 to the UN technical assistance plan and paid another \$893,159 for Asians instructed in Canada under the Colombo Plan. National Research Council fellowships for 32 Asians had cost \$152,350.

The largest group given technical training -- 247 -- was under the Colombo Plan, including 108 persons from Pakistan and 94 from India. The assistance covered the period January 1, 1951, to January 31, 1955. In the same period, Canada trained 207 persons under the UN technical assistance programme.

The others were taught in this country as part of various programmes including the UN Educational, Scientific and Cultural Organization and the UN Food and Agricultural Organization.

Federal-Provincial Tax Experts at First Session: Ottawa, April 28 (CP) -- The huge job of measuring in detail the extent of unemployment welfare relief required and paid out in cities and town across the country looms before the provinces.

(over)

Federal officials said today the details will have to be gathered before a special body of federal-provincial experts can decide how Prime Minister St. Laurent's formula for providing federal contributions can be fitted in.

It was the first session of the body of experts set up by federal and provincial leaders at their two-day conference which ended yesterday.

South Saskatchewan Irrigation Scheme: Ottawa, April 28 (CP) -- The federal Government has refused to participate -- "at this time" -- in construction of the South Saskatchewan power and irrigation project, Premier Douglas of Saskatchewan said today.

He made the statement in an interview after conferring about an hour with Mr. St. Laurent.

He said the Prime Minister objected to federal help for the multi-million-dollar scheme on the grounds of heavy federal spending for defence and that the federal-provincial conference here October 3 will study public investment.

Canadians Stay For A-Bomb Test: Las Vegas, Nev., April 28 (CP) -- More than 700 disappointed American civil defence observers pulled out of here today after waiting in vain to see the much-postponed atomic open test shot.

The shot, first in which Canadian troops are to participate, was postponed for the fourth time this morning because of inclement weather and tentatively rescheduled for dawn Saturday.

The 61-man tri-service Canadian radiation detection team and a number of high Canadian civil defence officials said they would remain until the shot is fired.

Across Canada: A move by the Canadian Legion to bring all members of the armed forces under unemployment insurance on a contributory basis was set aside today by the House of Commons Committee on Veterans Affairs. . . . British Columbia insisted yesterday before the External Affairs Committee, it fulfilled all its obligations to keep the federal Government informed of negotiations with the Kaiser Corporation of the United States to export B.C. Columbia River water. . . . Transport Minister Marler yesterday refused to ask for CNE reconsideration of its agreement with the Hilton Hotel chain for management of the CNR's Queen Elizabeth Hotel in Montreal. . . . Output of three-quarters of Canada's 16 leading minerals increased in January from the corresponding period last year, the Bureau of Statistics reported. . . . Mr. Bona Arsenault, Bonaventure, in the Commons yesterday, demanded a federal combines investigation throughout Quebec into "odious exploitation" of farmers and settlers through low prices for pulpwood. He said last winter's prices in Gaspé fell so low that a farmer delivering pulpwood from his property was left with between 75 cents and \$2 a day for his labour.



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Vol. 6, No. 84

Monday, May 2, 1955.

Federal Provincial Taxation Talks: Ottawa, April 29 (Globe & Mail) -- Mr. St. Laurent said today that the Government would be embarrassed were it forced to carry out the unemployment and social measures proposed at the 1945 Dominion-Provincial conference.

Pressed in the Commons for a statement respecting this week's federal-provincial agenda talks, the Prime Minister made it plain that the provinces had missed the boat in not accepting the offer made 10 years ago.

The 1945 Green Book proposals were made at a time when today's heavy defense expenditures were not anticipated, Mr. St. Laurent said. The proposals were not accepted. The Government had not withdrawn them; they just did not form the basis of present negotiations. The economic climate had changed.

A number of provinces, particularly Ontario, indicated this week they would have preferred the Green Book formula in which the federal Government proposed total responsibility for unemployment and broad social measures, including health insurance, in return for tax rental agreements, to the formula the Prime Minister now offered.

Mr. Croll on Middle East Problems: Edmonton, May 1 (Globe & Mail) -- Canada should spearhead a movement to bring Israel and the Arab nations to the conference table, and the western powers should withhold aid to either side if one or the other refuses to co-operate in talks leading to a settlement of Middle East tensions.

Mr. David Croll, Liberal MP, from Toronto, made this suggestion here tonight, in the course of an address to the Negev dinner sponsored by the Zionist Organization of Canada.

Warning that the border strife between Israel and Egypt might soon lead to war, Croll said Canada, acting in the role of "honest broker," should grasp the opportunity which presents itself and call upon the western nations to set up such a conference.

Canada House, New York: Toronto, April 30 (Globe & Mail) -- Letters will be sent next week to 65 Canadian companies which maintain offices in New York, offering them rental space in Canada House.

Mr. Ray Lawson, Canadian Consul-General in New York and organizer of the campaign to create a Canadian commercial centre in the heart of that city, visited Toronto yesterday to confer with 18 of the Canadian businessmen who invested \$3,000,000 to make Canada House a reality.

The newly organized Canada House (New York) Ltd. has purchased property at the southwest corner of 5th Ave. and 54th St. in midtown Manhattan, and intends to have rental space available by the end of 1956.

After an all-day session in the Yonge St. offices of the Canada Trust Co., Mr. Lawson reported: "It was a good meeting. We had a full discussion."

The subscribers considered several plans for the property's development, he said. They studied suggestions that the existing building be renovated and that three stories be added, and they inspected a scheme to demolish the existing building to make space for a \$10,000,000, 20-story skyscraper.

"We have already received many applications for space from American firms," Mr. Lawson said. "They outnumber by far the number we have received from Canada. We are most anxious, of course, that most of the tenants be Canadian companies, or American companies doing business in Canada."

For that reason letters would be prepared in his New York offices inviting further inquiries from leading Canadian companies.

Mr. Howe in New Zealand: Auckland, N.Z. (CP). -- Trade Minister Howe visited an enterprise this weekend in which Canadian know-how is developing an industry that will affect Canadian exports to New Zealand.

After touring Kawerau, site of a newsprint factory, which shortly starts production, Mr. Howe commented that it was a wonderful achievement but hoped New Zealand would still look to Canada for some newsprint supplies.

Mr. Howe also inspected drilling sites at Wairakei in the centre of North Island where natural underground steam is being harnessed to produce heavy water and electricity.

Mr. Dunton on TV Costs: Ottawa, April 29 (CP) -- The CBC is studying the possibility of selling more of its television productions in other countries but its TV system can never hope to exist solely on its own revenue, the corporation chief said today.

Mr. A. D. Dunton told the Commons Broadcasting Committee that high cost of TV production in Canada is one reason for this.

But the CBC has hopes, he said. Its productions now were being copied on 60-millimetre kinescope which wasn't perfect as a reproduction medium. Consideration now was being given to copying some CBC TV productions on film to ascertain the costs.

Mr. Dunton said a two-hour TV production of Shakespeare's Hamlet cost \$30,000.

Population 15,482,000: Ottawa, April 29 (CP) -- Canada's population increased to 15,482,000 on March 1, a rise of 72,000 from last Dec. 1. This made a total increase of 399,000 or 2.6 per cent over March 1, 1954, the Bureau of Statistics reported today.

Across Canada: A Montreal lawyer went back 500 years into English history in an effort to show the Supreme Court of Canada that a present-day Montreal bylaw requiring stores to close on six Roman Catholic holy days is unconstitutional. Mr. C.A. Geoffrion, counsel for seven Montreal stores contesting the validity of the bylaw, cited a number of pre- and post-reformation English laws purporting to show that compulsory observance of religious feast days and Sunday were part of the criminal law. . . . A late-season blizzard, carrying a 10-inch snowfall, swept across Newfoundland's Avalon Peninsula Saturday night and Sunday choking highways for the second time in two weeks. Huge Arctic ice rafts which began moving away from Newfoundland's northeast coast last week, were driven against the coast again, crippling shipping before it got organized after the month-long tie-up. . . . Commons-Senate committee will meet behind closed doors Tuesday to discuss evidence it has received from a group of released criminals who were flogged in prison. . . . Premier Frost of Ontario said Sunday night, he is planning to call a provincial general election for early in June. The date was not announced.



Miss Hamilton

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Vol. 6, No. 85

Tuesday, May 3, 1955.

U.S. Senators' Import Action Pleases M.P.'s: Ottawa, May 2 (CP) The Commons today applauded a statement by Mr. Pearson that the United States Senate finance committee has rejected a measure which would have limited American imports of Canadian oil, lead and zinc.

Mr. Pearson said the committee had approved other measures which might have a bearing on Canada-U.S. trade. However, he did not wish to speculate on them until they had been dealt with by the U.S. Senate and House of Representatives.

Mr. Drew suggested Canada ask for clarification from the U.S. on proposals "openly discussed in Washington" for arranged control on the movement of oil.

Mr. Drew said such an arrangement could result from the relationship between Canadian oil companies and their parent companies in the U.S. They could arrange among themselves, outside legislation, to limit imports of Canadian oil into the U.S.

Mr. Pearson said the Government is aware of the difficulties that might arise from such an arrangement. The Government's views on this had been made "quite clear" to the U.S.

European Affairs: Ottawa, May 2 (CP) There is "grave concern" here at the recent turn of events in Europe, informants said today.

The disturbing developments arise from Russia's offer to end the occupation of Austria providing that Austria remains neutral.

Officials here foresee the possibility that Russia now may offer Germany reunification and an end of the Soviet occupation of East Germany if Germany will stay neutral in the cold war.

The danger of this, informants said, is that German reaction to such a proposal would be more favorable than to the present plan of West Germany raising 12 army divisions for Western defence.

The West wants Germany as an armed ally, not as a disarmed--or armed--neutral.

This will be one of the subjects discussed at the NATO meeting of Foreign Ministers in Paris beginning May 9. Mr. Pearson will leave here Friday for the conference.

Mr. Carl Nickle on Oil Taxation: Ottawa, May 2 (CP) An opposition oil expert said today that tax laws involving oil companies discourage Canadian investment in developing new oil and gas wells.

Mr. Carl Nickle (PC - Calgary South) said that under federal policy Canadian investors compete on unequal terms with United States companies in acquiring and developing Western oil and gas resources.

The result, he said, is a disturbing trend to a decline in Canadian participation in that development. The decline had been offset by increased U.S. investment while more Canadian money was going into development of U.S. oil and gas.

Mr. Nickle, director of several oil companies and publisher of the Daily Oil Bulletin, said tax provisions for depletion allowance encourage Canadian oil and gas companies to curtail exploration and depend on producing wells.

Trade Agreement with Portugal: (Press Release No. 29, April 29) -- The Department of External Affairs announced on April 29 that Instruments of Ratification of the Trade Agreement between Canada and Portugal were exchanged by the Charge d'Affaires of Portugal, Mr. G. Caldeira Coelho, and the Secretary of State for External Affairs, Mr. Pearson.

This Agreement, which is the first trade agreement between these two countries, was signed at Lisbon May 28, 1954. It has been provisionally in effect since July 1 of last year. The Agreement provides for the continued exchange of most-favoured-nation treatment with respect to customs duties and related matters.

Canadians Safe In Saigon: Ottawa, May 2 (CP) -- All Canadians in Saigon, South Viet Nam, are well and safe, Mr. Pearson informed the Commons. Replying to Mr. Drew, he said the situation in Saigon, where a vest-pocket civil war broke out last week, seems to be quieting down. There had been no report of any mishap to any Canadians elsewhere in Viet Nam. Some 160 Canadians, mostly soldiers, are serving on the Indo-China International Truce Supervisory Commission. There are a number of other Canadians there, mainly missionaries.

Wants Hockey Commissioner: Ottawa, May 2 (Globe & Mail) -- Appointment of a Canadian hockey commissioner to govern the sport the way baseball and football are controlled in the United States was urged in the Commons today by a Liberal MP.

Dr. Pierre Gauthier (Portneuf) said a commissioner or judge should be appointed by either the federal or provincial Governments "in order that our national game may be protected."

He criticized the exploitation of "human capital" in long seasons most leagues played and charged player exhaustion was responsible for many of the incidents which feature today's game.

RCAF Short on Aircrew Requirements: Ottawa, May 2 (CP) -- The RCAF last year fell short of its aircrew requirements, the Defence Department said today in a Commons return.

The Department said the number of aircrew required in 1954 was "somewhat in excess of 900". Actual enrolment was 885. The Department also said 5,570 persons applied for enlistment as aircrew last year but more than 4,000 were turned down -- 312 for physical disability, 80 for failure to meet the educational standard and 3,729 for other reasons.

Across Canada: Mr. Ross Thatcher, independent Member of Parliament for Moose Jaw, told the House of Commons yesterday that a primary reason for his resignation from the CCF party was that "I personally feel that left wing elements have gained dangerous and unwarranted recognition within the councils of the party," according to the Montreal Gazette report.....The Government announced a by-election for June 20 in a constituency that has remained steadily Social Credit through five general elections. Battle River-Camrose has been unrepresented in the Commons since last Nov. 11 when Robert Fair, its member since 1935, died suddenly..... Premier Frost today announced Thursday, June 9 as the date of the Ontario general election.....Canada's highway program has been at a 10,000-mile-a-year clip for the last five years, the Bureau of Statistics reported. As of March 31 last year, the country's surfaced highways totalled 190,997 miles -- 40,504 miles more than it had in 1949.



# DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

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Vol. 6, No. 86

Wednesday, May 4, 1955.

Mr. Pearson's Viet Nam Statement: Ottawa, May 3 (CP) -- Mr. Pearson today accused the Communists of hampering the work of the International Truce Supervisory Commission in Viet Nam.

But he made it clear that Canada, for the time being at least, will remain on the commission "without condoning or forgetting some of the terrible things that are being done."

Mr. Pearson's 1,000-word statement in the Commons was the first time a Canadian Government member said publicly that the North Viet Nam Communists are fouling up the Commission's work, especially on movement of refugees from North Viet Nam to non-Communist South Viet Nam.

Under the July, 1954, Geneva armistice terms, Viet Nam was split into Communist and non-Communist states until elections are held for the combined state in July, 1956.

Civilians were given until May 18 this year to move from one side of the demarcation line to the other if they wished. Some 700,000 have moved out of North Viet Nam, only a few thousand out of South Viet Nam.

A three-nation commission--Canada, India and Poland--was established to supervise the truce but it has no power to enforce its recommendations.

Replying to Mr. Diefenbaker, Mr. Pearson said a "substantial number" of persons in North Viet Nam will be barred from moving south unless the May 18 cut-off date is extended.

In his statement, he said:

"The Commission can only operate with the effective co-operation of the parties to the agreement and it does not always receive that co-operation, especially in the question of freedom of movement, from the Communist Vietminh government.

"That is the main reason why in this matter the results have to say the least, been disappointing.

"I would not wish anyone to think that our representatives on the international commission for Vietnam are satisfied with the way freedom of movement provisions of the armistice agreement are being carried out. They are not satisfied -- and the Government fully shares their dissatisfaction....

"There have been suggestions in some quarters that Canada might withdraw from the Commission as a gesture of protest about the way the Commission has been prevented from correcting the situation with respect to freedom of movement.

"Such a move, however, would prejudice the fulfillment of the main military provisions of the agreement, thus creating new tensions and possibly jeopardizing the maintenance of peace not only in Vietnam but also in the neighboring countries of Laos and Cambodia.

"Nor would our withdrawal be of any assistance whatsoever to those in North Vietnam who want to leave. Indeed, it might eliminate any remaining hope that their lot might be alleviated.

"We must therefore, I suggest, keep our sense of perspective in this matter; but without condoning or forgetting some of the terrible things that are being done."

Saskatchewan Downpour Imperils Crop: Regina, May 3 (CP) -- Waterlogged Saskatchewan, its wheat fortunes threatened by a late spring, saw the grim spectre of a possible crop failure rise today.

A spring storm lashed the province, drenching nearly all areas and producing some of the worst flooding in Saskatchewan in living memory. Adding to the misery of flooding after a series of heavy rains this spring, the storm caused considerable property damage. Agricultural experts were

both pessimistic and hopeful. They said the key to the province's grain economy rests with the weather in the immediate future -- sunny weather still could produce good crops. No one was certain just how badly the storm and the rains which preceded it will affect crops.

All Southern Saskatchewan was hidden under a thick blanket of rain clouds and dust as the storm blew in from North Dakota. Immediately in its wake was a blizzard which knocked out communications in Southwestern Saskatchewan late today and piled up inches of wet snow.

Flooding in Regina was described as the worst in the city's history as sewers, unable to handle the runoff, backed up into streets and railway subways. A car was nearly buried under water which rose in one subway.

Washouts on the Canadian Pacific Railway main line near Grenfell east of Regina stranded a new train -- the trans-Canada Canadian -- put into operation only last week.

Federal Government officials there said the quiet Qu'Appelle Valley 25 miles northwest of Regina was in flood end to end. The Qu'Appelle River rose three feet during the night at Lumsden in the valley, inundating the east end of the farm town.

Weyburn in Southeastern Saskatchewan experienced the most violent electrical storm in its history. Flood waters 12 inches deep raced through one street and most basements were flooded by noon today.

Snow started to fall in Regina shortly before 6 p.m. MST as the blizzard disturbance moved east.

Thousands of acres of land -- the kind which produces nearly 60 per cent of Canada's wheat -- were under water before the cloudburst.

At Meadow Lake in the northwest, flooding streams were responsible for the death of hundreds of head of cattle. Isolated by flood waters, they died of exposure and starvation. Some ranchers in the area fear it means economic disaster for them.....

C.C.F. non-Confidence Motion Defeated: Ottawa, May 3 (CP) -- A CCF want-of-confidence motion condemning the Government for not relieving the "crushing load" of municipal taxation was defeated tonight in the Commons by a vote of 131 to 65.

The CCF motion was added as a fifth point to a Progressive Conservative want-of-confidence motion proposed by Mr. Macdonnell, when he launched the budget debate April 19.

It said the Government had "failed to provide assistance to the provincial governments to enable them to plan their financing to relieve Canadians of the crushing load of heavy municipal taxation."

Mr. Mitchell's Visit Deferred: Minister of Labour Mr. Gregg, announced at noon May 3, that unforeseen developments in Washington have delayed the visit to Ottawa of Honorable James P. Mitchell, United States Secretary of Labor. The Secretary of Labor expressed great regret that he was forced to postpone his visit. The United States Secretary was to have arrived in Ottawa May 3.

U.S.-Canada Civil Defence Exercise: Ottawa, May 3 (CP) -- Half a dozen or more Canadian cities and some rural areas are expected to participate next month in Alert Two, massive United States-Canadian civil defence exercise to test evacuation procedures under make-believe hydrogen bomb attack.

Civil defence officials here said the cities taking part in the June 15-16 exercise will be announced when plans are final.

Across Canada: Prime Minister St. Laurent will be honored by the Quebec Bar Association Saturday when he celebrates 50 years of law practice C.P. reported from Quebec. Sharing the spotlight with the 72-year old Prime Minister will be Chief Justice Albert Sevigny of Quebec Superior Court, J.N. Francoeur, retired justice of the Quebec Court of Appeals, Mr. Justice Aime Marchand and Mr. Justice J.A. Gagne of Quebec Court of Appeals, Oscar Morin and J.C. Gagne, all admitted to the bar in 1925.....The Board of Transport Commissioners has indicated to the Government another three years' work lies ahead in its job of freight rate equalization.



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Vol. 6, No. 87

Thursday, May 5, 1955.

New C.P.R. President: Montreal, May 5 (Gazette) -- Retirement of a man who has served the company more than 65 years, from messenger boy to company chairman, marked the 74th annual general meeting today of shareholders of the Canadian Pacific Railway.

Expressing great regret, the board of directors acceded to the request of George A. Walker, 75, whose service began only three years after completion in 1886 of the company's trans-continental line.

Mr. Walker, who remains a director, is succeeded in the chairmanship by W.A. Mather, who relinquishes the presidency he has held since March, 1948.

Vice-president N.R. Crump was elected president after six years in the vice-presidency.

Flood Crest Follows Saskatchewan Storm: Regina, May 6 (CP) -- There may be still more damage to add to the inestimable toll caused by Saskatchewan's most vicious spring storm. Several Prairie rivers, near to overflowing under normal spring run-off when the storm broke yesterday, now threaten to spill their extra burden over wheatland dikes.

Some streams, mainly in the eastern half of the province, were rising steadily and dangerously today. Flood crests were expected tonight or tomorrow in areas where farmers were confronted with their fourth straight year of crop failure due to flooding.

Fair weather returned today to disclose thousands of acres of inundated farmland, drowned livestock, abandoned homes.

Urban losses were just as heavy. Communications still were only partially restored to Saskatoon and Prince Albert.

High winds and lightning toppled hundreds of main transmission lines. Saskatchewan Power Corporation officials said such losses alone would go well over \$1,000,000.

Telegraph officials, unable to maintain operations to Alberta and Manitoba at the height of the storm, said that in some districts the situation is desperate.

Rain and snow turned unpaved city streets and municipal roads into quagmires.

Nine inches of wet snow in Saskatoon snapped trees and power poles like matchsticks.

In Regina, railway underpasses were filled with eight feet of water. Flooding was described as the worst in the city's history.

In all, immediate damage and eventual losses in crops may equal the effects of Hurricane Hazel in Ontario last fall.

A drastic cut in wheat acreage appears certain.

Nevada Nuclear Test: Ottawa, May 4 (CP) -- The Canadian Government is anxious to make public as much information as it can concerning radio-active fall-out, Prime Minister St. Laurent said today. He said in the Commons, however, the amount of information it can disclose as the result of the coming nuclear test in Nevada will depend on arrangements made with the United States authorities.

The test is being observed by a team from Canada for the first time. Mr. Stanley Knowles had asked Mr. St. Laurent whether the Government would consider giving a Commons committee any information on radioactive fallout obtained in the test.

Senator Urges Yukon, N.W.T. Join Provinces: Ottawa, May 4 (CP) -- A Western Senator said today Canada should abolish the Yukon and the Northwest Territories as distinct regions and make them part of the Western Provinces.

Senator Walter Aseltine, 68-year-old Progressive Conservative from Rosetown, Sask., suggested in the Senate that these Northern territories, important as they may be, are costing the Federal Government too much money.

Speaking on amendments to raise the indemnities of members of the Yukon and N.W.T. Councils, the lawyer-farmer said it will be a long time before the Northern regions will have enough population to warrant them becoming provinces.

Textile Labor Arbitration: Montreal, May 5 (Gazette) -- Fringe benefits paid by the Dominion Textile Company mills are among the highest in America so far as paid vacations and holidays are concerned, an arbitration board was told here yesterday.

The Board, headed by Judge Achille Pettigrew of Quebec City, is hearing a labor contract dispute involving the company and 5,500 employees in its four mills at Sherbrooke, Magog, Drummondville and Montmorency.

The National Federation of Textile Workers (CCCL), bargaining unit for the employees, is demanding a 10 per cent wage increase whereas the company is asking that the Board order a 5 per cent wage cut so it can meet the pressure of foreign competition.

Living Costs Rise: Ottawa, May 4 (CP)-- Higher prices for foods and rents have pushed living costs up again, ending a steady, four-month decline.

The consumer price index, yardstick for measuring living costs, rose in March by one-tenth of a point to 116.1 from 116, the Bureau of Statistics reported today. It was the first rise in eight months.

Ambassador of Egypt: (Press Release No. 30, May 3) -- The Department of External Affairs announced May 3 that His Excellency El-Husseini El-Khatib presented to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Egypt to Canada. The Secretary of State for External Affairs, Mr. L.B. Pearson, was in attendance on the Governor General on this occasion.

Across Canada: McGill and the city's business community will co-operate in a thorough study of the economic impact of the St. Lawrence Seaway, beginning soon, it was announced yesterday, the Montreal Gazette reported.

The study, expected to continue for well over a year, will be made by 20 to 23 younger business executives, with the assistance of a continuing research director, Dr. J.T. Turner of McGill, and two part-time faculty researchers. A preliminary report is expected by the end of 1955 or early in 1956.....Liquor sales rose in all provinces except New Brunswick in the fiscal year ended March 31, 1954. The Bureau of Statistics says provincial liquor control authorities estimate their sales in the 1953-54 fiscal year rose to \$708,000,000, up \$26,000,000 from the previous year. Ontario led with sales of \$288,404,000 up from \$275,228,000 in the previous year. In second spot was Quebec with \$156,497,000, up from \$155,046,000.



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Vol. 6, No. 88

Friday, May 6, 1955.

Mr. Pearson to North Atlantic Council Meeting: (Press Release No. 31, May 5.)

The Department of External Affairs announced May 5 that the Secretary of State for External Affairs, Mr. L.B. Pearson, will head the Canadian Delegation to the forthcoming Ministerial meeting of the North Atlantic Council which will open in Paris on Monday, May 9.

Mr. Pearson will be accompanied at the meeting by Mr. L.D. Wilgress, Permanent Representative of Canada to the North Atlantic Council, Mr. J.W. Holmes, Assistant Under-Secretary of State for External Affairs, and other officials from his Department. The party from Ottawa is expected to leave for Paris on Friday, May 6.

This meeting will mark the entry into the North Atlantic Treaty Organization of the Federal Republic of Germany and will provide an opportunity for a more comprehensive examination than usual by the Foreign Ministers of the 15 member countries of international political problems of common concern to the alliance.

Indo-China: Ottawa, May 5 (CP) -- No report has reached the Government of Canadian armistice officials in Indo-China suffering personal indignities or violence in carrying out their duties Mr. Pearson said today.

He was replying in the Commons to Mr. Wallace Nesbitt (PC-Oxford), who asked whether adequate steps are being taken to protect Canadian personnel on the three armistice commissions in Viet Nam, Laos and Cambodia.

Mr. Pearson said military commanders in all three areas are required by the armistice agreement to protect members of the Canadian-Indian-Polish Joint Commissions. He knew of no case of personal indignities or violence suffered by Canadians because of inadequate protection.

CBC Plans Public Hearings on TV Code: Ottawa, May 5 (CP) -- The CBC soon will launch public hearings throughout the country aimed at setting up Canada's first television code, Chairman A.D. Dunton announced today.

He told the Commons Committee on Broadcasting that the new regulations will replace a "gentlemen's agreement" now operating in Canadian television.

He has been asked whether the CBC imposed any form of censorship in its programs or over those of private stations.

"In effect," he replied, "there is a gentlemen's agreement that while the pattern is being worked out the general spirit of the regulations governing sound broadcasting will prevail."

Television now was well enough under way in Canada for the CBC "soon to have public hearings throughout the country on setting up a series of television regulations in the spirit of the sound regulations."

Mr. Dunton told the committee the CBC now is recovering from sponsors between 50 and 60 per cent of the full cost of its TV studio productions.

Mr. Coyne on Economic Growth: Montréal, May 6 (Gazette) -- The Governor of the Bank of Canada, J.E. Coyne, last night turned a speculative eye on Canada's economic growth during the next 20 years and saw "what might be called a tendency towards Canadianization of our economy as opposed to Continentalization."

He foresaw a decline in importance, relative to the economy as a whole, of exports and imports, greater consumption within Canada of the country's agricultural and other natural products and a greater development of secondary industry, resulting in a "more balanced national development."

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He looked as well for Canadians to take over "at least some share" of foreign-owned Canadian enterprises, and for a greater measure of autonomy and independence on the part of Canadian management.

Mr. Coyne was addressing a dinner meeting of the Dominion Mortgage and Investment Association.

Sees Keen Competition for Foreign Trade: Ottawa, May 4 (CP) -- Canada faces the keenest competition in history for foreign markets, Opposition Leader Drew said yesterday.

"The outstanding fact with which we are confronted today is that Canada is no longer selling abroad in a sellers' market," he told the Commons in the budget debate.

"The miracle of recovery in Europe is something of significance to every one of us. Out of the ravages of war 300,000,000 people have rebuilt their economy in a way that has not been equalled in the whole history of mankind."

Skeptical about Color TV: Toronto, May 6 (Globe & Mail) -- A senior CBC television executive yesterday told the 40th annual meeting of the Association of Canadian Advertisers that he was skeptical about color television.

Mr. E. L. Bushnell, assistant general manager and television coordinator, said he thought there was more promotion than actuality in color television. He was taking part in a panel discussion on television which followed a luncheon speech by Barry Wood, National Broadcasting Co., executive producer in charge of color television.

Across Canada: Prime Minister St. Laurent promised "sympathetic consideration" to any request by Saskatchewan for help in overcoming the heavy losses of this week's Prairie storms. He informed the Commons he is sure the provincial government will notify Ottawa if it considers the storm damage a national disaster. Any request would receive "the same sympathetic consideration" given other requests for federal funds to alleviate damage losses in previous national disasters. Mr. St. Laurent was replying to a question by Mr. Diefenbaker who termed the flood damage in Saskatchewan a catastrophe.....A spokesman for a leading Canadian textile mill, said in Montreal yesterday it will not be able to continue in business if it is forced to meet wage scales much higher than those in United States mills. Frank Brady, assistant to the secretary of Dominion Textile Company Limited, told an arbitration board that average hourly earnings in the company's mills ranged from \$1.17 to \$1.23 under the incentive plan. These hourly earnings rise to from \$1.30 to \$1.36 when fringe benefits such as insurance, paid holidays and vacations are included.....The Defence Department is considering a return to service of the RCAF's two Comet jetliners after modifications. "If returned to service, the Comets will again be used as simulated high-speed jet bombers to give practice to the continental air defence system," the Department said in a Commons return....



*Mrs. Hamilton*

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Vol. 6, No. 89

Monday, May 9, 1955.

**Flooded Prairie Valley "Disaster Area":** Regina, May 6 (CP) -- Saskatchewan's big civil defence organization went into action today to cope with the Province's flood problem after the Cabinet in an Order-in-Council declared the twisting Qu'Appelle Valley a disaster area.

A few hours earlier the Provincial Government had sent a request to the federal Government to have the entire Province declared a disaster area.

Flooding in many sections was receding quickly today after three days of fine weather. But high water still posed a serious threat in some communities along the Qu'Appelle Valley, stretching from west of Regina to the Manitoba border.

The Order-in-Council empowered civil defence officials and municipal officers to give orders which might have been considered "out of place" under normal conditions. It was a legal technicality more than anything else. . . .

**To Continue Country-Wide Immunization Programme:** Ottawa, May 8 (CP) -- A fast federal survey of the provinces showed Saturday that some 500,000 Canadian children have been inoculated with Salk polio vaccine without a single case of unfavourable reaction.

This record convinced federal and provincial health authorities to make no change in the country-wide immunization programme to protect the youngsters against the crippling and killing disease.

The survey, conducted by long-distance telephone, followed the Washington announcement by the United States Government that it recommended a halt of inoculations in the U.S. pending a Sunday report on the safety of the vaccine.

**P.M. Says French Canada Must Not Shatter "Link":** Quebec, May 6 (CP) -- Mr. St. Laurent said Saturday French-speaking Canadians must remain what they are without severing the providential link that binds them to all Canadians.

Mr. St. Laurent, guest of honour with six other members of the legal profession at a dinner tendered by the Quebec City Bar Association to mark their 50th anniversary as lawyers, said he had tried to make co-operation with all Canadians the keynote of his career.

Some 200 Quebec judges and lawyers gathered for the event. Political allegiances were forgotten. Mr. St. Laurent spoke in French for about 10 minutes.

He said there was only one fault with life. The interval was too short between the time when one is too young and the time when one is too old. . . .

**To Speak On Future Korean Role:** Ottawa, May 8 (CP) -- Canada's future military commitments in Korea are expected to be explained in detail to the Commons early this week.

Defence Minister Campney will disclose whether Canadian forces will continue to be stationed there or whether they will be withdrawn completely.

In reply to questions in the Commons by Mr. Davie Fulton (PC, Kamloops), Mr. Campney said he hoped to make a statement on Canada's future Korean role to the House last week.

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Says Sponsorship Can't Carry Canadian TV: Ottawa, May 6 (CP) -- Chairman A. D. Duntun of the CBC Board of Governors said today commercial sponsorship could not meet the costs of Canadian television production and distribution on a countrywide basis.

In a brisk exchange with Mr. Tom Goode (L-Burnaby-Richmond), he told the Commons Committee on broadcasting:

"It is simply impossible to operate a nationwide TV service using a reasonable amount of Canadian production on a purely commercial basis. All commercial arithmetic is against commercial production of good-quality Canadian programmes, and commercial distribution of it on a national basis."

Unemployment Falling Off: Ottawa, May 6 (CP) -- Unemployment in Canada is falling off at a faster rate than last spring informants said today. Government statistics later this month will show that the unemployment peak - a postwar high - was reached in late March and that since then the number looking for work has declined substantially.

However, available information indicates the jobless still are numerically higher than a year ago, partly because employment has not kept pace with a growth of 100,000 in the labour force.

Dominion Drama Festival: Regina, May 8 (CP) -- A week-long run of theatre featuring the top players in Canada opens here tomorrow night when the curtain goes up on the first play in the Dominion Drama Festival.

The festival has drawn drama enthusiasts from all parts of Canada. The tremendous organizational job required the work of more than 300 drama supporters in Regina for seven months.

Eight teams, winners in regional festivals will compete for honours, including a \$1,500 cash prize.

The festival will be closed Saturday by Governor-General Vicent Massey who will tour Saskatchewan centres this week.

Adjudicator is Mrs. Gerda Wrede, Finnish dramatic producer and critic. She is the first woman adjudicator to be invited to judge a national festival in Canada.

Across Canada: CCF Leader Coldwell, Friday night, in a nation-wide broadcast, pleaded for United Nations action to stop further atomic and hydrogen bomb tests until scientists can determine whether radioactivity from the explosions will endanger future generations, according to Canadian Press report. . . . Union chiefs negotiating for a merger of Canada's two biggest labour congresses are expected to have before them Monday a complete draft of an amalgamation agreement. Some congress officials said during the weekend they hope their joint "unity" committee can adopt an agreement, either as proposed or with changes, in a single day and thus clear one of the few remaining hurdles before the consolidation of some 1,000,000 workers in one body, C.P. reported from Ottawa. . . . Canada's wheat exports rose in the first quarter of 1955 by comparison with the same period last year, DBS reported. Shipments in the first three months of this year were valued at \$80,534,000, up from \$72,973,000. March exports increased to \$33,773,000 from \$20,753,000 in March, 1954.



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Vol. 6, No. 90

Tuesday, May 10, 1955.

Canadian Troops Out Of Korea: Ottawa, May 9 (CP) -- For all practical purposes, Canada has pulled out of Korea. Mr. Campney told the Commons today the 2nd Battalion Queen's Own Rifles, the last infantry battalion to be withdrawn from Korea, will not be replaced.

That leaves some 500 non-combat Canadian soldiers in Korea. They belong to the 3rd Field Ambulance and other auxiliary services.

The Canadian destroyer Sioux also will remain in the Korean theatre. It is based at Sasebo, Japan.

Mr. Campney said Commonwealth countries with forces in Korea - Canada, Britain, Australia and New Zealand - still are discussing deployment of units still there.

The remaining Canadian troops in Korea and Japan are scheduled to come home in the next few months after a year's tour of duty. They may not be replaced.

Mr. Lesage On International Rivers: Vancouver, May 9 (CP) -- Resources Minister Lesage tonight said Canada cannot be expected to export cheap hydro power to the United States on a long-term basis, but this country is willing to discuss a formula on sharing downstream benefits.

In a speech apparently reflecting the latest Federal Cabinet thinking on power potential of international rivers, Mr. Lesage offered an obvious invitation to Washington:

"It seems to me," he said, "that all parties concerned should make known in the near future whether or not they accept the principle of sharing downstream benefits."

"As far as we are concerned in Canada, I have attempted to make our position clear on this. If there is a general agreement on the principle itself, then we will have to discuss how it should be applied."

It might be, he continued, that a general formula could be worked out. If not, then "we should at least try to agree on the factors to be considered and on their relative importance," the Minister told the Pacific Northwest Trade Association.

Merger Of 1,000,000 Workers: Ottawa, May 9 (CP) -- Definite terms for an historic merger of 1,000,000 workers under the name of the Canadian Labour Congress were ratified today by top officers of the country's two largest rival Congresses.

After months of negotiations, the "unity" Committee of the Trades and Labour Congress of Canada and the Canadian Congress of Labour approved all points in a merger agreement to be laid before TLC and CCL conventions for final action.

The agreement as it will be placed before the conventions has been approved unanimously by the Committee, Secretary-treasurers Gordon Cushing of the TLC and Donald MacDonald of the CCL said at the end of the one-day meeting.

The amalgamation document, they said, includes a proposal for a founding convention of the enlarged Congress to be held as early as possible in 1956.

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Floods Rise In Saskatchewan: Regina, May 9 (CP) -- Floods from the soaked plains of Saskatchewan today continued to rise in the headwaters of the Assiniboine River, bringing a warning from the federal Prairie Farm Rehabilitation Department here.

The warning went to Water Resources Board officials in Manitoba where flood waters are headed. Officials of communities along the turbulent stream were told of impending danger.

A crest was expected to head down the Assiniboine from eastern Saskatchewan toward Brandon.

17,627 Immigrants In First Quarter: Ottawa, May 9 (Globe & Mail) -- Immigration to Canada during the first three months of this year ran well below the 1954 level; 17,627 people were admitted to the country, compared to 28,223 in the same three months of 1954. Practically 80 per cent of the new arrivals came from the British Isles, Germany, Italy, The Netherlands and the United States.

As was the case in the comparable period of 1954, the two largest national groups among the immigrants were those from the British Isles and from Italy. British newcomers numbered 4,356.

Almost half the 17,627 entries were not regarded as potential members of the labour force, that is, they were the wives, children or elderly dependents of immigrants or of people already settled here. Of the 9,194 classed as workers, 2867 or 31 per cent expressed an intention of seeking work either as farm hands or as domestic servants.

Lord Mountbatten To Visit Ottawa: Ottawa, May 9 (CP) -- Lord Louis Mountbatten, Britain's new First Sea Lord, plans to visit Ottawa in October, the United Kingdom Information Office said today.

Admiral Mountbatten will meet Canadian Government leaders and confer with the Chiefs of Staff and top RCN officers. He may visit the United States about the same time.

Canadians To Tokyo Commerce Congress: Montreal, May 10 (Gazette) -- More than 50 Canadians leave for Tokyo, May 11, to attend the world's premier business gathering - the Congress of the International Chamber of Commerce.

They will be part of a gathering of some 1,000 business people from more than 30 countries who in a week of sessions - May 15-21 - will try to establish policies and practices which will smooth the operations of international commerce.

Across Canada: Canada's climate, and related conditions, have caused most of the unemployment in Canada since the war said Mr. W. W. Goforth of Gilbert Jackson & Associates, Toronto, in giving a talk on Seasonal Employment in Canada to the seminar in industrial relations underway this week at Queen's University, the Globe and Mail reported. . . . Execution of condemned persons by hanging, the gas chamber and the electric chair will be explained to a Parliamentary Committee this week at two closed sessions. The possible use of drugs as a method of executing murderers also will be studied by the Commons-Senate Committee on capital and corporal punishment and lotteries. One of Canada's two official hangmen will give evidence. . . . The Quebec Provincial Lands and Forests Department yesterday banned unauthorized travel through certain Quebec forests until November 15. Persons travelling through all forests on crown lands and private forests of more than 2,000 acres will first have to obtain a permit, Department officials said. . . . The Minister of Northern Affairs and Natural Resources, Mr. Lesage, at Vancouver yesterday, described as "premature" a British Columbia proposal to allow the Kaiser Aluminum Corporation to build a storage dam on the Columbia River in B.C., according to C.P.



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Vol. 6, No. 91

Wednesday, May 11, 1955.

Arctic "Drift" Station: Ottawa, May 10 (CP) -- A group of American scientists has again occupied the floating ice island T-3 in the Arctic Ocean.

The Americans invited a Canadian scientist to go along but the offer had to be turned down because no one was available, the Defence Department said.

No Canadian has ever done research work on an Arctic ice island though T-3 itself was discovered in April, 1947, by RCAF Sqdn. Ldr. Keith Greenaway of Woodville, Ont., one of the world's foremost aerial navigators.

The Russians maintain at least two permanent drift stations in the Arctic Ocean. One of these operated for a time last fall in Canadian waters near the North Pole.

Grain Shipments Rise: Montreal, May 11 (Gazette) -- Grain shipments from Montreal perked up slightly this week, offering exporters what amounts to the most encouraging news they've received in some time. Deliveries from the port so far this year stand about 1,300,000 bushels ahead of the same period of 1954.

Trade sources expect the improvement to continue throughout the season. Combined with the local rise in exports is a similar increase through other St. Lawrence River ports.

European countries are purchasing from Canada in greater quantities this year, and paying higher ocean freight rates than have prevailed for a number of seasons, according to exporters. . . .

Mr. Diefenbaker In Budget Debate: Ottawa, May 10 (CP) -- A leading Progressive Conservative said today that the April 5 federal budget gave Canadians only a scratch on the arm instead of an economy-boosting shot in the arm. Mr. John Diefenbaker, Prince Albert, termed the income tax cuts "small, trivial, unimportant."

Mr. Diefenbaker said that corporation taxes taking nearly half of business profits "mean the establishment of a socialistic system under the guise of a financial system."

He proposed removal of sales taxes on household needs and said unemployment could be eased if industries were encouraged to expand through higher income tax deductions for depreciation of new plants and equipment.

Mr. Diefenbaker said recent competition in international trade is bound to be intensified with the establishment of West Germany's sovereignty. Industrial research to meet this competition should be encouraged by permitting all research outlays to be deducted for income tax purposes.

He also termed present succession duty laws obsolete and unjust. Estates of less than \$50,000 went tax-free, while anything over that amount was taxed in its entirety.

A Commons Committee should be established to study changes in the succession duty and also in the income tax law barring self-employed persons from deducting the cost of retirement pension plans from taxable income.

Immediate federal action to provide help to Prairie flood victims was requested by Mr. Diefenbaker. . . .

Federal Provincial Conferences And Parliament: Ottawa, May 10 (CP) -- The Commons tonight heard a warning that federal-provincial conferences may ultimately lead to a decline in Parliament's influence by becoming Canada's 12th Government.

Mr. Gordon Churchill (PC-Winnipeg South Centre) said in the budget debate that the conferences have tended since 1927 to cover fields of public affairs which normally are matters for Commons deliberation.

They had been called to discuss problems which annually come up for debate in the House, problems such as taxation, grants to the provinces, health and welfare, and unemployment.

More Major TV Programmes: Ottawa, May 10 (CP) -- The CBC is planning more major television programmes like the recent two-hour production of Hamlet, Mr. A. D. Dunton today told the Commons Broadcasting Committee. The Chairman of the CBC Board of Governors said such programmes cost about \$30,000, slightly higher than the average \$10,000 - \$12,000 outlay for a one-hour programme.

But, in deciding whether to televise more such programmes, the CBC tried to weigh the value it got for its outlay. The publicly-owned corporation felt that slightly more money spent on a major two-hour effort was just as well spent as on two one-hour programmes.

Mr. Dunton said there is a "good chance" that the CBC will get some sponsorship for major programmes as a result of the Hamlet production. Negotiations already were under way to obtain sponsorship revenue from such productions. . . .

Public reaction to the first television coverage of the opening of Parliament January 7 was almost all favourable, Mr. Dunton said. He told the Committee that the corporation received thousands of letters, practically all favourable.

Ambassador Of Brazil: (Press Release No. 32, May 10) -- The Department of External Affairs announced on May 10 that His Excellency Afranio de Mello Franco presented to His Excellency the Governor General his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Brazil to Canada. The ceremony took place at Government House.

Mr. Mello Franco was born in 1901. He is a career diplomat, having joined the Brazilian Ministry of Foreign Affairs in 1924. He has served in Montevideo, Berne, London, Paris, Santiago, Buenos Aires and Washington, and before his appointment to Canada, was Ambassador to Costa Rica. He has also represented his country at a number of international conferences and has held various posts in the Brazilian Foreign Ministry.

Across Canada: Governor General Massey will leave Ottawa by air Thursday, May 12, for a 10-day tour of Saskatchewan and Manitoba. He will begin his visit at Saskatoon, where he will give the convocation address at the University of Saskatchewan, Friday. . . . Tommy Burns, world heavyweight boxing champion from 1906 to 1908, died in hospital at Vancouver yesterday. He was 74. He came here a few days ago from his home at Coalinga, Calif., to enter a religious order. He collapsed during the morning, apparently from a heart condition, and died a few hours later in the Vancouver General Hospital. . . . Western Manitoba communities along the Assiniboine River braced today for the rush of flood-waters from stricken areas in Saskatchewan that have now crossed the provincial boundary, C.P. reported from Brandon, Man. . . . A five-year, \$2,000,000,000 programme of federal highway building across Canada was proposed in the Commons by Mr. Paul T. Hellyer, Liberal Member for Toronto Davenport. . . . Ernest Augustus Macnutt, C.B.E., LL.D., former Vice-President and Treasurer of the Sun Life Assurance Company of Canada, died yesterday in Montreal.



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Vol. 6, No. 92

Thursday, May 12, 1955.

**Floods Delay Prairie Seeding:** Ottawa, May 11 (CP) -- Vast areas of the prairies have been dried out by high winds and seeding is well under way in most southern areas, the Bureau of Statistics reported today.

But it will be some time, said the Bureau, before much spring work can be accomplished in those areas waterlogged and flooded by last week's torrential rains.

In its second of 1955 telegraphic crop reports, the Bureau said the most seriously affected districts are in east-central and northeastern Saskatchewan.

"In much of the latter area seeding may not be general before June 1. Seeding will also be abnormally late in the Red River Valley and northern areas of Manitoba, over much of the Regina plains, and in western and northeastern parts of Alberta."

**Senate Debates Vacancies:** Ottawa, May 11 (CP) -- A 79-year-old Liberal Senator suggested today that Canada's Senate is being destroyed by a slow process of attrition - the fact 21 vacancies have been allowed to develop in the 102-seat appointed House.

Senator William Euler of Kitchener, Ontario, one-time Trade Minister, said he is not advocating the Senate should not continue as part of Canada's parliamentary system.

"But I do submit," he said, "that if we are to have a Senate at all, it should be fully constituted and not be destroyed by the slow process of attrition."

Senator Euler spoke on his bill to amend the British North America Act to compel the Government to fill all Senate vacancies within six months from the day they occur.

The measure stirred up a lively debate. It won support from Senator John T. Haig, Progressive Conservative Leader, who said the trouble with the Senate is the lack of opposition. There are seven Progressive Conservative Members compared with 74 Liberals.

Senator James King agreed with the principle the Senate should be kept up to strength. But he said the Senate shouldn't tell the Government what to do about Senate vacancies.

**Spanish Minister Here:** (Press Release No. 33, May 11) -- The Department of External Affairs announced on May 11 that the Honourable Rafael Cavestany y de Anduaga, Minister of Agriculture for Spain, accompanied by his wife and daughter and Spanish Government officials, would arrive in Ottawa that evening for a visit of a few days in Canada.

While in Ottawa, Mr. Cavestany, who is the first Spanish Cabinet Minister to visit Canada, will meet various Government officials, particularly in the Departments of Agriculture and Trade and Commerce.

**Low-wage Imports Criticized:** Ottawa, May 11 (CP) -- Competition from imports made in low-wage countries was described in the Commons today as sabotage.

Mr. N. C. Schneider (L-Waterloo North) criticized two types of imports: Rubber-soled canvas shoes from Hong Kong and buttons from Puerto Rico. Both were causing unemployment in industries in his Ontario constituency.

He said rubber-soled canvas shoes from Hong Kong can be sold in Canada at a wholesale price of 89 cents a pair, compared with Canadian production costs of between \$2 and \$2.50.

In 1952, Hong Kong wages were between 45 and 75 cents a day, compared with \$1.40 an hour in the Canadian industry.

"This is not competition," he said. "It is sabotage."

Because of imported buttons, made in Puerto Rico at wages of 30 cents an hour, Canada's button industry had declined.

Says Guided Missiles Needed: Ottawa, May 11 (CP) -- The Canadian Army's Director of Artillery indicates that the Army will adopt guided missiles before long.

Writing in the current issue of the Canadian Army Journal, Col. A.J.B. (Tony) Bailey leaves no doubt that the artillery arm needs surface-to-surface and surface-to-air guided missiles. He says in part:

"Development of surface-to-surface missiles is a natural and logical process in evolution of the Army's traditional artillery. They are an indispensable part of the artillery family of surface weapons. . . .

HMCS Labrador On DEW Line Surveys: Ottawa, May 11 (CP) -- HMCS Labrador, the Navy's arctic patrol vessel, will be used six months this year in connection with construction of the DEW (Distant Early Warning) radar line.

The Navy said today the Labrador, which last year became - on her maiden voyage - the first warship to navigate the Northwest Passage and circle the North American continent, will sail from Halifax May 28 for six months of operations in Canada's northern waters.

The vessel will spend most of her time carrying out survey work off Baffin Island in preparation for the landing of personnel and equipment for construction of the eastern part of the DEW line.

Nine Laborites To Vienna: Nine Canadian labour leaders will attend the annual meeting of the International Confederation of Free Trade Unions at Vienna, May 20-28.

Delegates from the Trades and Labour Congress of Canada will be: Andrew Cooper, Toronto; Bernard Shane, Montreal; Jack Reid, Toronto, and Albert Mayer, Regina.

For the Canadian Congress of Labour: Secretary-Treasurer Donald McDonald, Ottawa; William Mahoney, Toronto; S. M. Hodgson, Vancouver; John Brady, Oshawa, and Eugene Forsey, Ottawa.

Integration Of Martime Power: Ottawa, May 11 (CP) -- Integration of the electrical power facilities of Nova Scotia and New Brunswick has been suggested by a U.S. expert.

Dr. A. G. Christie of Johns Hopkins University makes the proposal as a means of stepping up Maritimes industrial activity in a report for the Dominion Coal Board that has been placed before the Maritimes Governments.

The report, made public here today, advocates a single Nova Scotia-New Brunswick power authority that would pool the electricity available in both Provinces from water power and coal.

Across Canada: The Canadian film, Blinky Blank, produced by Norman MacLaren of Ottawa on May 11 received the Palme d'Or, top prize for short films, at the International Film Festival at Cannes, France, C.P. reported. . . . Flooding in Eastern Saskatchewan was reported under control yesterday, except for the town of Kipling, 90 miles east of Regina. . . . Mr. St. Laurent said yesterday he hopes "real progress" will be made at a meeting in Ottawa with Alberta, Ontario and gas company officials in getting a natural gas pipeline built from Alberta to eastern Canada. . . . Liberals and Progressive Conservatives filed full slates of 30 candidates each as nominations closed yesterday for the May 25 Prince Edward Island general election. There were no CCF or independent candidates, making it a straight two-party fight.

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Vol. 6, No. 93

Friday, May 13, 1955.

Budget Debate Concluded: Ottawa, May 12 (Globe & Mail) -- The budget debate ended in the Commons today with the Conservative want-of-confidence motion defeated 121 to 66.

CCF and Social Credit members voted with the official opposition, four independents with the Government and the motion to go into committee of ways and means passed without a recorded vote.

House Charge Brings Election In Alberta: Edmonton, May 12 (CP) -- Premier E. C. Manning today called a snap Provincial election after the third session of the Alberta Legislature was suddenly dissolved following opposition charges that Government members were sitting in the House illegally. Mr. Manning did not announce an election date. A general election had not been expected until 1957.

The session, adjourned last month and reconvened Tuesday to hear farm-marketing proposals and gas-export discussion, was dissolved by Lt.-Gov. J. J. Bowlen after Attorney-General Lucien Maynard opened the afternoon sitting by outlining the legal "absurdity" of the opposition contentions.

Mr. J. Harper Prowse, Liberal Opposition Leader, charged yesterday that most Government members of the House were sitting illegally in the House because they had violated the Legislative Assembly Act by dealing through the Social Credit Government's treasury branches.

Mr. Manning's statement said, in part:

"The absurdity of the contention is emphasized by the fact that under the legislation in question the public use of treasury branch facilities by any and all citizens of this Province, including members of the Legislature, has been an established and unquestioned practice for the last 17 years. . . ."

Canada Loses Lead In Wheat Sales: Ottawa, May 12 (CP) -- Canada's share of an expanding world wheat market has declined while that of the United States has increased. Thus, the U.S. has recaptured the lead from Canada as the world's top exporter.

In the first eight months of the current crop year which began last August, total exports from the four major shippers - Canada, the U.S., Australia and Argentina - increased by 102,700,000 bushels to 517,500,000 from 414,800,000 a year ago, the Bureau of Statistics reported today.

However, Canada's shipments increased only by 1,800,000 to 172,700,000 while those of the U.S. jumped by 64,200,000 to 189,900,000. The U.S. had led the world in wheat exports in most postwar years but in the first eight months of last year was far behind Canada - 125,700,000 bushels against 170,900,000 for Canada.

Sees Increased Capital Expenditures By Eight Provinces: Ottawa, May 12 (CP) -- The Government expects capital expenditures this year to increase in all but two Provinces - Saskatchewan and Manitoba.

Mr. Howe, in a reply tabled in the Commons today, said total capital outlays are expected to reach \$5,806,700,000, an increase of 5.7 per cent over last year. In 1954, he said, capital expenditures fell 5.9 per cent from the previous year.

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On the basis of anticipated figures for 1955 and preliminary totals for last year, it said forecasts for this year are for declines of 12.4 per cent in Saskatchewan, to \$308,900,000, and of 3.5 per cent in Manitoba, to \$258,500,000.

Largest percentage increases are forecast for New Brunswick, up 27.7 per cent to \$149,500,000, and for Newfoundland, up 23.9 per cent to \$83,000,000.

Gas Chamber Recommended For Canada: Ottawa, May 12 (CP) -- A prominent United States penologist who witnessed more than 150 executions today urged Canada to execute condemned persons in a gas chamber instead of by hanging if the death penalty is to be retained in this country.

Mr. Clinton T. Duffy, former warden of San Quentin Penitentiary, told the Senate-Commons Committee on capital and corporal punishment and lotteries that execution by gas is more humane than hanging or electrocution.

He also urged Canada to abolish corporal punishment, to establish different degrees of murder and to give juries the right to decide whether a convicted murderer should be put to death or jailed for life.

Emily Carr Honoured: Victoria, May 12 (CP) -- Canada has honoured a woman who rose above jibes and ridicule to win an "unassailable place in the story of our culture."

"Emily Carr will be remembered as long as our history," Dr. Ira Dilworth said here when he unveiled a bronze plaque to the memory of the gruff-voiced, iron-willed eccentric, now recognized as one of the country's outstanding authors and painters.

The plaque, mounted on a block of rough stone, was unveiled in front of the house where she was born in 1871.

Flood Crests In Manitoba: Brandon, Man., May 12 (CP) -- The Assiniboine River strained at its banks today as three flood crests rolled eastward through western Manitoba.

The first crest was expected to hit Brandon early tomorrow. The river rose four inches overnight up 14 inches from a low point three days ago, but still slightly below last year's peak.

Officials were confident the city's dikes, raised about 15 inches above normal level, would hold.

Across Canada: Mr. St. Laurent will confer here Monday with three Saskatchewan Government Ministers who will present him with a report on the floods in the Prairie Province. . . . The Fisheries Research Board, in an effort to reduce a shortage of fisheries scientists in Canada, has instituted a scholarship programme similar to that of the National Research Council. . . . The four remaining plays in the Dominion Drama Festival in Regina have two excellent performances to beat, one by a Toronto group, the other by a British Columbia entry. Mrs. Gerda Wrede, adjudicator for the Festival, was able to find only minor faults in the plays. The Country Girl performed Tuesday night by the Toronto Playcraftsmen, and The Crucible, staged last night by the University of British Columbia Players' Club Alumni. . . . The CBC could operate at a profit without assistance from the public funds, but it would mean the sacrifice of the Canadian character of its services. Mr. A. Davidson Dunton, Chairman of the Board of Governors, said yesterday. He told the Commons Committee on radio that a purely commercial operation would mean few if any Canadian programmes and the end of the national network as it is now established.



*Miss Hamilton*

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Vol. 6, No. 94

Monday, May 16, 1955.

Mr. Pearson Quoted On NATO Functions: Paris, May 15 (Reuters) -- Mr. Pearson said in an interview published Saturday by the independent evening newspaper Le Monde that the Atlantic Pact countries have made important progress in political co-operation.

"I have always thought that, if the North Atlantic Treaty Organization is to survive the emergency which gave it birth, it must be much more than a simple military alliance," Mr. Pearson said.

"I mean that as well as being an organization for co-operation on defence it must also be a centre of political, economic and social co-operation."

"The last council meeting during which we were able to exchange what seemed to me to be a wide range of opinions and views furnished us with the proof of the important progress we are making in the field of political co-operation."

Asked for his opinion on the scope of a "summit" four-power meeting, Mr. Pearson replied: "The four-power conference will perhaps only be a preliminary meeting, but it is no less true that this is the way we must begin."

Of Formosa, Mr. Pearson said: "In my opinion any solution to the Formosa problem must be acceptable to the population of Formosa whom one so often forgets to mention when dealing with this question. It must also be based on an agreement between the interested parties and not on force."

To Exploit Vast NWT Lead-Zinc Ore Deposits: Ottawa, May 13 (CP) -- Northern Affairs Minister Lesage indicated today that plans are nearing completion for exploitation in Northern Canada of one of the world's largest lead-zinc ore deposits.

He told the House of Commons during discussion of his Department's estimates that he hopes the Government and Consolidated Mining and Smelting Co. will be able to make arrangements to develop the deposit, located at Pine Point on the south shore of Great Slave Lake in the Northwest Territories.

(The Company estimates the area contains approximately 60,000,000 tons of lead-zinc ore. However, federal mining engineers say the deposit is much bigger. They say the Company has drilled in excess of 500,000 feet to outline the ore body).

"We hope that the Consolidated Mining and Smelting Company soon will see fit to have definite plans for the development and exploitation of this vast ore body," Mr. Lesage said. "We hope that it will be possible to work out with them some kind of understanding under which transportation facilities will be available to take the ore out."

U. of B.C. Players Win Calvert Trophy: Regina, May 15 (CP) -- A moody, awesome play based on the strongest of human emotions, fear and hate, has won top honours in the Dominion Drama Festival for the University of British Columbia Players Club Alumni.

The group was presented with the Calvert Trophy and a \$1,000 cheque today by Governor General Vincent Massey for its performance of *The Crucible*, Arthur Miller's play of the Salem witch hunts of the late 17th century.

Finnish Adjudicator Mrs. Gerda Wrede, said she was hard put to make the selection. She choose The Crucible over eight other entries because of its nearly flawless performance and because it was the most difficult to stage. The play also earned a best-director award for Dorothy Davies.

Frances Tobias of Toronto was named best actress for her portrayal of a drunken actor's wife in The Country Girl, staged by the Toronto Playcraftsmen. Best actor was Chris Wiggins, who played the part of King Magnus in George Bernard Shaw's The Apple Cart, performed Saturday night by Calgary Workshop 14 Associated.

The Toronto Playcraftsmen production also won the Martha Allan Trophy for the best visual presentation and the Festival Plaque for the best presentation in English, irrespective of the Calvert Award winner.

Best supporting players were Helene Loiselle, who played Simoni in Chambres A Louer presented by La Jeune Scene group of Montreal, and Jack Mercer who played Giles Corey in The Crucible. . . .

Saskatchewan Flood Damage Appraisal: Regina, May 15 (CP) -- Saskatchewan is suffering the worst flooding in history, Agriculture Minister Nollet said Saturday in a Bureau of Publications release.

Excessive rainfall in 1953 and 1954, combined with rainfall this spring averaging three of four times normal, was responsible.

The most heavily damaged area stretched from Moosomin to north of Prince Albert, a distance of 290 miles.

Mr. Nollet estimated 15,000 to 20,000 farms involving 3,000,000 to 4,000,000 acres are seriously affected by flooding. About 8,000 or 9,000 farms with about 1,500,000 acres of cultivated land "cannot possibly be sown this year."

But he said that with "better than average weather" the Province could still harvest a good crop.

U.K. Press Chiefs Here To Discuss Newsprint: Montreal, May 16 (Gazette) --

Four of a party of six newspaper representatives from Great Britain have arrived in Montreal to discuss the question of newsprint supplies with Canadian producers.

They are Mr. E. J. Robertson, Chairman of the London Daily Express, and Mr. G. Goyder, Managing Director of the British International Paper Corporation, who arrived here from New York Saturday; Mr. Laurence Scott, Chairman of the Manchester Guardian and Evening News, and Mr. B. J. Tenant, a Director of the British International Paper Corporation, who flew here from London last night.

Other members of the party, expected to arrive at Montreal Airport on Tuesday night, are Hon. Lionel Berry, Deputy Chairman of the Kemsley papers, and Mr. J. B. Morton, Daily Express.

The British newspaper officials hope to return to the U.K. with a plan for increased Canadian newsprint imports.

Across Canada: The army said Friday its summer-training plans for 32,000 regular and militia soldiers will make 1955 "the most active year in numbers for the Canadian army since the days of the Second World War." In 18 camps between Halifax and Esquimalt, B.C., more than 19,000 militia soldiers will undergo training. Camps will be staggered from June to September. . . . The Navy on Sunday marked Battle of the Atlantic Sunday with a memorial service at the National War Memorial. Three companies strong, sailors marched to the memorial. The wreath was placed by retired Rear-Admiral G. L. Stephens. . . . A total of 22 vacancies developed in the Senate Saturday with the death in Quebec City of Senator J. Fernand Fafard, 73. . . . The Department of Lands and Forests said its crews had checked two major fires which burned most of the day in the Lake Superior region.

Miss Hamilton



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Vol. 6, No. 95

Tuesday, May 17, 1955.

Canada's Future Assured, Says Mr. Pearson: London, May 16 (CP) -- If any country in the world has a future it is Canada, Mr. Pearson assured an audience of Canadian expatriates today.

The Canadian Minister, noting that there would be no future for anyone unless the "primary objective" of guarding against the horrors of hydrogen-bomb warfare is achieved, said continuing ease and cordiality of Anglo-Canadian and Commonwealth relationships was never more important than today.

But he told a luncheon meeting of the Canadian Chamber of Commerce in Great Britain, "Canada can look ahead with optimism to the future which is in store for it" and predicted that the country's expansion will continue at an even greater rate than in the past.

Mr. Martin On Peace Hopes: Ottawa, May 16 (CP) -- Russia may be planning far-reaching changes in its foreign policy which will ease world tension, acting External Affairs Minister Martin said today.

He told the House of Commons signing of the Austrian Treaty and world disarmament talks lead to the hope that Russia intends to show a greater willingness to discuss steps to bring about world peace.

The Canadian Government felt that considerable progress could be made at a Big Four meeting.

Mr. Howe On Wheat Situation: Ottawa, May 16 (CP) -- Mr. Howe today announced close-out of the 1953-54 Prairie wheat pool and at the same time warned that the United States' wheat giveaway programmes are beginning to eat into Canada's export markets.

Under the pool close-out, farmers who delivered wheat to the Canadian Wheat Board in the 1953-54 crop year will get an average final payment of 6.384 cents a bushel, with cheques totalling \$25,411,407 going out to producers before the end of May.

The final payment, among the lowest in the post-war era, brought cries from Opposition spokesmen in the House of Commons that it was a disappointment. Mr. John Diefenbaker said it made the day "a Black Monday" in Canadian wheat farming history.

Mr. Howe, in making his report to the House, said the low payment results from a decline in world wheat prices and a heavy burden of storage costs. It brings the total price farmers received for their 1953-54 wheat to \$1.56426 a bushel for No. 1 Northern at the Lakehead and Vancouver, the lowest price in nine years. It compares with \$1.82 in 1952-53. . . .

A succession of bumper crops had jammed the West with huge stocks. A large portion of 1953-54 wheat had to be carried in storage for 21 months. Storage charges averaged 8½ cents a bushel higher than in the previous year. In addition the world demand for wheat fell and prices dropped while competition increased.

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Adding to Canada's troubles was the triple-barrelled U.S. wheat disposal programme under which the U.S. gives some wheat away, and barter and sells other stocks for local currencies. Originally it was designed to push surplus American wheat into non-commercial markets, but now, said Mr. Howe, the U.S. was using the programme to ship to such commercial markets as Israel and Norway, curtailing Canadian sales there.

The Canadian Government and Wheat Board, he said, are fully prepared to meet competition. But the American programme was being pressed to the point where, "in our opinion, they are having a disturbing effect on commercial markets."

Canada has no quarrel with the basic purpose of the American plan, but Mr. Howe doubted whether anything is gained "and certainly much is lost, if surplus disposal programmes are pushed to the point where they disturb normal trading relationships."

Saskatchewan Submits Assistance Plan: Ottawa, May 16 (CP) -- The Saskatchewan Government proposed today that the federal administration contribute 75 per cent of the cost of a \$4,463,000 flood control programme for the water-soaked wheatlands province. Saskatchewan would put up the other 25 per cent.

In addition, it asked for unspecified federal aid in repairing roads, bridges and culverts smashed by unrelenting spring storms and aid in covering the cost of compensating victims who lost homes, jobs and equipment in April-May floods.

The Saskatchewan proposals were placed before a four-man federal Cabinet group by three provincial Ministers: Agriculture Minister Nollet, Welfare Minister Sturdy and Municipal Affairs Minister McIntosh. They met Mr. St. Laurent, Mr. Howe, Mr. Gardiner and Mr. Harris.

Mr. Nollet said the delegation got a "sympathetic hearing" but that Mr. St. Laurent said he needed time to confer with his colleagues before making any decision.

The group asked that Saskatchewan be declared a disaster area for emergency relief. A preliminary survey showed, they said, that at least 25 municipalities were affected seriously by the floods and that 4,760,000 acres of cultivated land was under water.

Death Ray May Rid Great Lakes of Eels: Ottawa, May 16 (CP) -- A death ray that kills by sound may spell doom for sea eels now destroying trout fishing in the Great Lakes, a parliamentary committee was told today.

Dr. W.M. Sprules of the Fisheries Department told the House of Commons fisheries committee that Government engineers have designed an ultrasonic sound-wave projector that may do the trick.

The committee was considering a bill to implement a Canada-U.S. convention signed in Washington last September. It would set up an international Great Lakes fishery commission to study and advise on fishing in the Great Lakes, with special responsibility for ridding them of the eels -- known as marine lamprey.

Ambassador of Portugal: (Press Release No. 34, May 16.) -- His Excellency Dr. Luis Esteves Fernandes on May 16 presented to the Honourable Justice Patrick Kerwin, Deputy Governor General, his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Portugal to Canada.

Across Canada: Mr. Patrick J. Whealan, 30, staff reporter for the Windsor Star, was announced winner of the fifth annual Canadian Associated Nieman Fellowship to study at Harvard. . . . A Montreal scientist has been named recipient of one of 13 fellowships granted by the Damon Runyon Memorial Fund for Cancer Research, Inc. The fellowship, worth \$3,600, goes to Mr. Holde Puchtler of McGill University.

Miss Hamilton



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Wednesday, May 18, 1955.

M.P.'s Urge Sterling Be Accepted For Wheat: Ottawa, May 17, (CP) -- CCF and Social Credit Commons members today proposed boosting Canada's wheat sales by accepting sterling instead of dollars in payment. But Mr. Howe said it is a fantastic idea which the British Government would not accept.

Mr. Hazen Argue (CCF-Assiniboia), speaking in a general debate on the wheat situation, said Canada must fall in line with the United States in selling food surpluses for "soft currencies" -- sterling and other non-dollar currencies to retain this country's share of world wheat markets.

Mr. Victor Quelch (SC-Acadia) urged acceptance of sterling payment for Canadian exports to such countries as the United Kingdom. The sterling could be used to buy goods from the U.K. Mr. Howe replied, in effect, that the world money market just doesn't work that way.

He said there are British currency restrictions on the use of sterling acquired in selling goods to Britain. If it weren't for the restrictions, Canada would have no objections to selling wheat for sterling.

Mr. Howe added that the U.S. disposal programme which Mr. Argue wanted Canada to follow involved selling food surpluses for foreign currencies. The money, however, was left in the purchasing countries for certain developments which were, in fact, give-aways.

Mr. Argue proposed several moves to strengthen agriculture, headed by a programme of full parity prices for farm products -- a system which would match farm prices with the general level of other prices. . . .

\$2,000,000 Pulp and Paper Research Laboratory: Ottawa, May 17 (CP) -- Canada will attempt to catch up with the Scandinavian countries in pulp and paper research with a new federally-financed \$2,000,000 research laboratory on the western outskirts of Montreal.

Plans for the laboratory, to be operated by the Pulp and Paper Research Institute of Canada under a 99-year lease, are underway and officials said today the project may be completed by the end of 1956.

They conceded that though Canada is the world's leading producer and exporter of newsprint, she still is behind such Scandinavian countries as Sweden in pulp and paper research.

Canada's pulp and paper exports last year totalled about \$1,000,000,000 -- roughly 25 per cent of all goods exported.

"The job at the laboratory will be to find out how to squeeze more pulp out of a cord of wood and generally reduce costs in the pulp and paper industry," an official said.

First word of the laboratory came from Resources Minister Lesage in a brief reference in the House of Commons last Friday. Officials today filled in the details.

Author MacLennan On Cultural Future: Halifax, May 17 (CP) -- Author Hugh MacLennan told the graduating class at Dalhousie University today that "to enter a career in Canada now is like stepping out onto the floor of an elevator."

Mr. MacLennan and Toronto businessman Gerald Godsoe were awarded honorary doctorates of laws at the university's convocation.

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Mr. MacLennan said graduates were "not entering a partial colony as I did when I was their age."

"They are already living in a country which has gone a long distance toward disinfecting, if not eradicating, the worst prejudices which for years hindered her growth."

He predicted many would see 40,000,000 Canadians living in cities that had "shed the raw Victorian ugliness which still disfigures so many of them."

"You will see the art, literature, and possibly the music of Canada come of age and be recognized all over the world, because each year that passes, some of the puritan iron melts out of our hearts."

500th Anniversary of Discovery of Grand Banks: St. John's, Nfld., May 17 (CP) -- Forty sleek Portuguese fishing ships, including a spanking new hospital boat, will crowd into this harbour Thursday to combine a goodwill visit with three anniversaries.

The new hospital ship Gil Eames, making her maiden voyage to the Grand Banks and a three-day courtesy visit to St. John's, will be flanked by neat white-hulled fishing vessels marking the 500th anniversary of Portugal's discovery of the Banks, and the 400th anniversary of organized fishing there.

The next day the 4,000 men of the ships will informally parade through the streets of St. John's carrying a 3½-foot statue of Our Lady of Fatima and nine other smaller statues of the Roman Catholic Cathedral. The cathedral is celebrating its 100th anniversary.

\$80,000 Awards Help Canadians Study Overseas: Ottawa, May 17 (CP) -- The Royal Society of Canada today announced winners of Canadian Government overseas awards totalling \$80,000.

The awards, tenable for one year in France and the Netherlands, are financed by blocked Canadian currency in these countries. Since 1952 there have been 92 awards.

Alberta Election June 29: Edmonton, May 17 (CP) -- Premier Manning announced today that the Alberta election will be held Wednesday, June 29.

Across Canada: The Government is considering licensing a new community service for would-be television viewers in "fringe areas," a parliamentary committee was told yesterday. Fringe areas are the outermost reaches of a television transmitter's beam and reception in them is weak. Many parts of Canada get in-different reception from one or more TV stations but good transmission from none. . . . A private member's bill was amended yesterday in the House of Commons to prevent a Canadian pipeline company building main pipelines for transmission. The bill, which later received final approval, incorporates the Westspur Pipe Line Co. of Winnipeg. The legislation gives the company authorization, after approval by the Board of Transport Commissioners, to move gas and oil within Western Canada by pipeline. . . . The forest fire danger rating is increasing in Ontario with high ratings in the Geraldton, Chapleau and Sault Ste. Marie regions, the Lands and Forests Department said yesterday. Ten forest fires were being extinguished yesterday. Nine fires were extinguished in the previous 24 hours. . . . James Cardinal McGuigan, Archbishop of Toronto, was honoured yesterday in Toronto at a luncheon attended by 400 priests of the archdiocese commemorating the 25th anniversary of his consecration as a bishop. The Cardinal's jubilee campaign, a fund with a target of \$3,000,000 for church work in the archdiocese, opened Saturday. . .

GOVERNMENT



OF CANADA

*Miss Hamilton*

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INFORMATION DIVISION  
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OTTAWA - CANADA

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Vol. 6, No. 97

Thursday, May 19, 1955.

Mr. Pearson On Peace Hopes: Ottawa, May 18 (CP) -- Peace hasn't broken out yet, Mr. Pearson cautioned today.

"There is no doubt that recent developments give us ground for satisfaction and some optimism," he told reporters on his return today from Europe.

"But it wouldn't be wise to go overboard with exultation yet. . . . Peace is not assured because Molotov has been throwing kisses from a balcony in Vienna."

This was a reference to the appearance of the Big Four Foreign Ministers, including Mr. V.M. Molotov of Russia, on a palace balcony in Vienna Sunday after signing of the treaty restoring Austria's independence.

Other recent developments in Europe have included agreement for a Big Four meeting "at the summit" and entry of West Germany into the North Atlantic alliance. Mr. Pearson attended the NATO meeting in Paris last week at which Germany became the alliance's 15th member.

"We are out of the trenches now and into the open insofar as diplomatic negotiations are concerned," Mr. Pearson said in an airport interview.

"We seem to be moving. There are opportunities but also problems and probably some danger. . . . There is a danger that we might jump to conclusions that more progress has been made than is the case.

"It would be tempting to relax our (defence) efforts, which in themselves may be largely responsible for the advances that have been made. It would be unwise to jump to any premature conclusion."

Mr. Pearson told reporters there had been the frankest exchange of views among the NATO members, who now had a clearer understanding of American policy in the Far East.

He said he does not know whether Russian agreement to the Austrian treaty signals a softer attitude by the U.S.S.R. in the cold war or whether it is just another Russian cold-war move. However, the Russians had agreed to the treaty on Austria's and the West's terms.

Mr. Howe Hopes for Canada-U.S. Trade Talks: Ottawa, May 18 (CP) -- Canadian and United States Cabinet members may hold a conference on trade matters this year.

Trade Minister Howe told the House of Commons today he hopes such a meeting can be arranged to take place after Parliament and the U.S. Congress adjourn. Parliament is expected to rise about July 1.

Mr. Howe was asked by Mr. Hazen Argue (CCF-Assiniboia) whether a meeting would be arranged in view of concern in Canada that U.S. trade policies "may endanger Canadian markets."

Mr. Howe said it would be difficult to arrange a meeting of Cabinet officials at present but hoped one could be set up after the two legislative bodies finished for the year.

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Representation On Nuclear Explosion: Ottawa, May 18 (CP) -- Canada has made representations to the United States Government about the explosion of a nuclear device in the Western Pacific Ocean.

Health Minister Martin disclosed that a representation had been made but gave no details of it, in reply to CCF Leader Coldwell.

NATO Journalists Tour of Canada: Press Release No. 36, May 18 -- The Department of External Affairs announced on May 18 details of a two-week tour of Canada by a party of twenty journalists from fourteen NATO countries which will begin in Halifax on Friday, May 20.

Eighteen of the correspondents will leave Paris by air early May 19, and will arrive about midnight at HMCS Shearwater, Halifax. Upon arrival in Montreal, after visiting Arvida and Quebec City, they will be joined by two correspondents from the United States. The party will then visit Ottawa, Edmonton, Calgary, Rivers (Manitoba), Winnipeg, Gimli (Manitoba), Centralia (Ontario), Niagara Falls and Toronto, where the tour concludes on June 5.

The tour is sponsored jointly by the Departments of National Defence and External Affairs and is one of a series arranged by the North Atlantic Treaty Organization in member countries. A similar tour to Canada was arranged last year. A number of Canadian journalists also visited other NATO countries last year and tours of NATO countries by Canadian journalists have been arranged for this year.

Across Canada: An entire village costing \$8,000,000 to build and designed to house Saskatchewan's mentally retarded persons was opened officially yesterday by Premier Douglas, Canadian Press reported from Moose Jaw. A miniature city, where a person can attend school, church, obtain training in a trade and take part in all recreational pursuits, the project is a new training school. . . . A measure making a five-fold increase in federal contributions to railway crossing safety was passed by the House of Commons yesterday with Transport Minister Marler cautioning that it will not be the final answer to ending rail crossing accidents. . . . An error by a U.S. civil defence official was responsible for Canada's civil defence system not being alerted about the presence of unidentified planes off the West Coast, Health Minister Martin said yesterday in the House of Commons, C.P. reported. He said that an investigation of the incident of two weeks ago gave no indication there is not the fullest co-operation between U.S. and Canadian civil defence organizations.



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Vol. 6, No. 98

Friday, May 20, 1955.

TV Commission Considered: Ottawa, May 19 (CP) -- Prime Minister St. Laurent said today the Government is contemplating the appointment of a commission to reconsider the entire question of television broadcasting in Canada.

He also told the Commons in reply to a question by Mr. Donald Fleming (PC-Toronto Eglinton) that the Government has not laid down a policy that only one TV station will be permitted to operate in a given area "for all time."

Mr. Fleming asked whether the Government is considering the appointment of a Royal Commission to study television.

Mr. St. Laurent replied that the Government is contemplating the appointment of "a commission."

If the commission is appointed the Government would be following a recommendation made in 1951 by the Massey Commission on Arts, Letters and Sciences.

The commission recommended that the whole subject of television broadcasting in Canada be reconsidered by an independent investigating body not later than three years after the start of regular Canadian television.

Regular TV broadcasting was inaugurated in Toronto and Montreal in the fall of 1952.

It is expected that the commission may be set up later this year.

Mr. Fleming also asked whether the Government is considering the abandonment of its policy of permitting only one TV station to operate in given areas. . . . Mr. St. Laurent said the question is not one which can be answered with a categorical yes or no. It was not the policy of the Government to license only one station for all time. . . .

Labour Asks Higher Scale of Unemployment Insurance: Ottawa, May 19 (CP) --

Labour organizations today sought a higher scale of unemployment insurance benefits and suggested a wide range of other changes in insurance legislation now before Parliament.

The representations were made to the Commons Industrial Relations Committee by the Trades and Labour Congress of Canada, the Canadian Congress of Labour and the Canadian Brotherhood of Railway Employees (CCL).

The Committee is dealing with a bulky Government measure that completely overhauls the 14-year-old Unemployment Insurance Act. Among proposed amendments is a boost to \$30 from \$24 in the maximum weekly benefits for unemployed.

Spokesmen for the two large congresses said this is not enough. The TLC proposed two-thirds of regular earnings as the benefit amount. The CCL suggested not less than 60 per cent.

Asks For Study Of Unemployment Problem: Ottawa, May 19 (CP) -- The Government was urged today to put its Advisory Council on Manpower to work to help solve Canada's unemployment problem.

Mrs. Ellen Fairclough, Progressive Conservative labour spokesman, said in the House of Commons that the Council should be asked to study the entire problem and come up with answers, before next winter's period of high unemployment. . . .

Mrs. Fairclough also demanded a review of federal labour laws.

Armed Forces Costs Before Senate Committee: Ottawa, May 19 (CP) -- Senator Norman Lambert (L-Ontario) suggested today that studies be undertaken to determine the comparative costs of voluntary and compulsory service systems for the Canadian armed forces. . . .

Earlier, Mr. Drury told the Senate Finance Committee, which is looking into the extent of the Civil Service, that wherever possible, civilians are hired by the Defence Department.

The average civilian salary in the Department was \$2,600 a year. Average pay and allowances for a man in uniform doing a comparable job was \$3,600 a year and, if travel expenses were included, the cost was \$4,000.

International Rivers Bill: Ottawa, May 19 (CP) -- Objections by British Columbia against a controversial bill tightening federal control over international rivers were partly met today by the Government.

Resources Minister Lesage told the Commons External Affairs Committee that the Government has agreed to delete from the bill a clause which the B.C. Social Credit Government said invades provincial rights.

However, he said the Government cannot agree to a proposal by B.C. Attorney-General Robert Bonner that the bill be withdrawn or held up pending new discussions with the Provinces. . . .

Across Canada: Dr. H. O. McCurry, retiring Director of the National Gallery of Canada, received tribute last night at a dinner in Ottawa tendered by friends from many parts of Canada and presided over by Mr. C. P. Fell of Toronto, Chairman of the Board of Trustees of the National Gallery. . . . Prime Minister St. Laurent is planning to go to Saskatchewan and Alberta in September to take part in the celebrations marking the 50th anniversary of the two Prairie Provinces' entry into confederation. . . . Construction of a natural gas pipeline from the Peace River area through British Columbia should be started in September, President Frank Mr. McMahon of Westcoast Transmission Company said in Ottawa last night. The Calgary oil-gas executive told a press conference his Company hopes to be delivering gas to Vancouver by the end of 1956 and into the United States Pacific northwest by September, 1957.



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Vol. 6, No. 99

Tuesday, May 24, 1955.

U.S. To Pay \$250,000,000 Cost Of Dew Line: Ottawa, May 20 (CP) -- The United States will pay the full cost - estimated at \$250,000,000 - for construction and operation of the DEW (distant early warning) radar line in the Canadian Arctic. When built, the line will be manned at least in part by American personnel, though Canada retains the right to take it over at any time.

Mr. Pearson today tabled in the House of Commons the text of an agreement between Canada and the U.S. for construction and operation of the line, an integral part of the North American defence network. The line will probably require at least two years to complete. Work on it began this spring.

U.S. operation of the DEW Line would mean the stationing of hundreds of Americans in the Canadian North. There now are estimated to be some 3,000 American servicemen based in Canada, apart from those at three U.S. leased bases in Newfoundland.

The key paragraphs in the agreement are:

"The extent of Canadian participation in the initial operation and manning of the DEW system shall be a matter for later decision by Canada after full consultation with the United States.

"It is understood that, in any event, Canada reserves the right, on reasonable notice, to take over the operation and manning of any or all of the installations. . . .

"The United States is authorized to station personnel at the sites, and to operate the DEW system, in accordance with the principles of command in effect from time to time between the military authorities of the two countries.

"The over-all manning policy as between the employment of military and civilian personnel shall be the subject of consultation and agreement between the two Governments.

"Unless otherwise provided by Canada, the costs of construction and operation of the DEW system shall be the responsibility of the United States, with the exception of Canadian military personnel costs if Canada should man any of the installations. . . .

"The DEW system shall be maintained in operation for a period of 10 years or such shorter period as shall be agreed by both countries in the light of their mutual defence interests. . . .

"Ownership of all removable property brought into Canada or purchased in Canada and placed on the sites, including readily demountable structures, shall remain in the United States."

The agreement sets out in detail a long list of conditions laid down by Canada for construction of the DEW line. Most of them had been disclosed previously.

These conditions cover such things as manufacture of electronic equipment, as far as practicable, in Canada; equal consideration for Canadian and U.S. contractors in awarding contracts; preference to Canadian labour; application of Canadian law; and the protection of the Eskimo population.

The DEW Line is being built along the northern mainland coast. The eastern end will be on Baffin Island. Generally, it will lie along the 70th Parallel. Canada is building and paying for the mid-Canada radar line along the 55th Parallel. Its estimated cost is \$200,000,000.

Canadian and American military and civilian airlines now are lifting material and personnel to the North for the DEW Line construction. Canadian and American ships will carry out a similar task.

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The Canada-U.S. agreement is in the form of an exchange of notes May 5 at Washington, with the U.S. Government advising Canadian Ambassador A.D.P. Heeney it "concur[s] in the conditions" - 21 of them spelled out in about 2,500 words - laid down by the Canadian Government.

In his note, Mr. Heeney said the Canadian Government's participation in the construction phase of the system will consist of "giving assistance to the U.S. authorities in organizing and using Canadian resources, and to helping by making available the facilities of the armed forces and other agencies of the Canadian Government when appropriate."

The Ambassador added:

"The Canadian Government intends to participate effectively in the operation and maintenance phase of the project, the character of such participation to be determined on the basis of studies to be carried out during the construction phase."

Later, Mr. Pearson said arrangements for Canadian participation now are being worked out but will not be completed for some time. Total costs had not been determined.

The conditions laid down by Canada also include:

1. Location and size of all sites will be determined by mutual agreement. Canada will hold the title to all lands, but assures the U.S. free access and occupancy.

The U.S. will carry out the construction but Canada will be kept in touch and may decide to appoint a special commissioner for the project and to assign liaison officers to the construction operations.

Construction plans will be supplied to the Canadian Government on request and Canada will have the right of inspection during construction.

Airstrips built for the DEW system will be used by the U.S. only for the support of the system. The RCAF will have the use of them and so will Canadian civilian planes whenever civilian use does not conflict with military requirements. Ships on Canadian Government business will have the use of any facilities located on tidewater.

Mr. Pearson, speaking after tabling the notes, said the exchange will provide for the U.S. to build the DEW line as rapidly as possible.

NATO Council's Visit: (Press Release No. 35, May 18) -- The Departments of External Affairs and National Defence announced May 18 that the Permanent Representatives to the North Atlantic Council while visiting Montreal on May 22 and 23 would have an opportunity of seeing an important part of the defences of this region of the North Atlantic area, including Air Defence Command at St. Hubert, Quebec.

The Permanent Representatives arrived in the United States May 14 for a tour of the more important defence commands and installations in the Canada-U.S. region of the North Atlantic Treaty area. They have already visited the various European commands and this is the first occasion of a similar visit to North America.

Urges Two-Price Programme For Farm Products: Ottawa, May 23 (CP) -- A parliamentary body was told today that Canada faces prospects of economic disaster unless the Government supports a proposed two-price programme for farm products under which the price of wheat to Canadian millers would rise by 40 cents a bushel.

The 200,000-member Interprovincial Farm Union Council, in a brief before the Commons Agricultural Committee, said Canada's multi-billion-dollar farm economy has been hit by high costs and a plunge in earnings. Unless protective measures were taken quickly, "the consequences are likely to bring disaster both on farmers and those who depend on agricultural prosperity."

Across Canada: More than 100 square miles of bush country was charred ruin Monday as Ontario's biggest forest fire since 1948 continued out of control 50 miles north of Chapleau, Ont. More than 2,400 men were pressed into service during the holiday weekend by the Lands and Forest Department to fight 95 fires burning throughout the Province. They extinguished 15 but 80 were burning late Monday, seven out of control. . . . Mr. Gregg forecast over CBC Friday night that employment in Canada will reach a higher and more satisfactory level. He said the chief cause of current unemployment was economic pressures resulting from the Korean War. They threw the economy of the country out of balance in 1953 and 1954 but there had been increasing signs of economic recovery since last autumn.



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Vol. 6, No. 100

Wednesday, May 25, 1955.

Unemployment Drops Steeply: Ottawa, May 24 (CP) -- Unemployment slumped steeply during April as a March postwar high of jobless was reduced by an early spring.

Government figures released today reported the sharpest spring unemployment drop in three years, with the number of persons with jobs up from a year earlier but unemployment remaining somewhat higher.

Between March 19 and April 23, the Government's Bureau of Statistics estimated, unemployment fell by 18 per cent. This compared with an average of five per cent for the two previous years at this period of the annual pickup in work.

The Bureau, which makes a monthly sampling survey of 30,000 households, calculated that at April 23 there were 327,000 persons out of work and looking for jobs. This was a drop of 74,000 from March 19. It compared with the Bureau's figure of 306,000 for April, 1954.

Meanwhile, the Labour Department reported the number of persons looking for work through National Employment Service dropped by 76,599 between March 17 and April 21. The April 21 figure was 556,314, compared with 632,913 at March 17 and 549,028 in mid-April, 1954.

The Statistics Bureau estimated that in the week ended April 23 there were 5,133,000 persons with jobs, up about 117,000 from a year earlier. There had been an increase of 124,000 in job-holders during the survey month, against an increase of 36,000 during the comparative month of last year.

The Bureau noted that the labour force - the number of civilians available for jobs - numbered 5,450,000 at the end of the survey month. This was up from 5,400,000 a month earlier and from 5,312,000 a year before.

Move To Kill CNR Bill Defeated: Ottawa, May 24 (CP) -- The House of Commons voted 173 to 15 today to defeat an Independent member's attempt to kill a Government bill consolidating various CNR statutes into a single act.

Mr. Ross Thatcher received support only from Social Credit members and two other Independents on his motion to give the measure a six-month hoist - a technical move which in effect would have killed the bill.

Mr. Thatcher's objection, expressed last night, was that the consolidation introduces a new provision which would permit the Government-owned Company to go into the business of trucking when it should stick to rail-roading.

Progressive Conservative and CCF members supported the Liberals in today's vote.

The measure later was given second reading - approval in principle - after Transport Minister Marler said he would amend it to meet one of the main objections: That CNR trucking operations would be outside provincial control.

Trade Talks With Poland: (Press Release No. 37, May 24) -- The Department of External Affairs announced on May 24 that discussions had taken place in Ottawa recently between representatives of the Governments of Canada and Poland concerning customs valuation procedures and general trade matters. These talks were held at the request of the Government of Poland which had expressed its concern at the special valuation procedures which Canadian customs authorities have been applying to certain imports from Poland.

During the consultations arrangements were worked out by agreement between the two Governments which it is hoped will permit satisfactory verification of the values of goods imported from Poland, within the requirements

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of Canadian customs laws.

Representatives of both Governments expressed a desire to increase trade between the two countries.

Mr. George McIvor On Wheat Problems: Ottawa, May 24 (CP) -- The Chairman of the Canadian Wheat Board intimated today that the U.S. is determined to rid itself of wheat surpluses through its giveaway deals and that Canada would only stir up trouble for itself if it tried to compete in that field.

Mr. George McIvor told the Commons Agricultural Committee the U.S. Government is under Congressional pressure to rid the country of food surpluses through sales for local currencies, barter and gifts. It was set on reaching definite objectives. If Canada entered the giveaway field, the U.S. would reach its objectives "by other means."

Canada had protested to Washington that the American schemes were infringing on Canadian export markets, but Mr. McIvor said his complaints have brought "no substantial results of any kind." . . .

National Anthem: Ottawa, May 24 (Globe & Mail) -- In the opinion of Prime Minister St. Laurent, Canada gains nothing from controversies over the designation of a national flag, a national anthem or the like.

Accordingly, he has no intention of bringing in legislation to establish God Save the Queen, O Canada, or any other song as the national anthem, he told the House of Commons today. He added that he did not know of any other nation of the British Commonwealth which had found it necessary to declare any song as its national anthem by law.

As for the allegation that he and his political supporters object to the use of the word Royal, that is absolute nonsense, the Prime Minister said. . . .

Across Canada: A national agency with authority to control all traffic matters across Canada - including uniformity of licensing and road signs, coupled with compulsory education in schools - was the vast plan suggested in Ottawa yesterday at the opening of the first National Highway Safety Conference. . . . The swollen Assiniboine River, which knifed through a dike near Portage la Prairie, Man., during the weekend, widened the breach to 800 feet yesterday, pouring water over hundreds of acres of seeded farmland, forcing a dozen farmers from their homes and threatening the village of Elie. . . . Two Ontario forest fires still burned out of control last night, Department of Lands and Forests officials said. One was in the Chapleau district and the other near Sioux Lookout. . . . Resignation of Ottawa's Finance Commissioner, Mr. A. H. Ritchie, yesterday prompted Mayor Charlotte Whitton to announce she too will quit because of interference from circles in and out of the civic administration.

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Vol. 6, No. 101

Thursday, May 26, 1955.

Mr. Pearson Before External Affairs Committee: Ottawa, May 25 (CP) -- Mr. Pearson said today any Canadian action on Russia's invitation to Western powers for exchange visits of Parliamentarians will have to be taken by Parliament itself.

The Government did not regard the proposal, made Feb. 9 in a statement by the Supreme Soviet, as a true invitation. There had been no followup from Russia.

Mr. Pearson told the Commons External Affairs Committee that the Soviet suggestion was "no normal invitation to dinner." It was at the end of a "most unfriendly document" full of propaganda about peace on Communist terms.

He said he was not suggesting that, if conditions were appropriate, a visit to Russia by Canadian Parliamentarians and vice-versa would not be useful. But it should be remembered that Soviet legislators "are not our brand of Parliamentarians."

Mr. Pearson also ranged over other international subjects under questioning by Committee members.

He said he favours acceptance of all of the 21 pending applications for membership in the United Nations - excluding that of Red China. He did not, however, see any immediate chance of Japan or West Germany getting into the U.N.

Russia, he said, would veto the entry of Japan, since it had not yet signed a peace treaty with the Asian country. If West Germany applied, Russia probably would insist East Germany be admitted as well, something the West could not accept.

Export Trade At Record Peacetime Level: Montreal, May 25 (CP) -- In terms of volume Canadian export trade now is at its highest peacetime level in history, Trade Minister Howe tonight told the Canadian Manufacturers' Association.

In the latest six months for which figures were available - Mr. Howe did not name them - exports in volume were higher than in the corresponding six months of any previous peacetime year. In value terms, exports in the first three months this year were \$100,000,000 ahead of the first quarter of 1954.

"In fact," Mr. Howe said, "we have experienced six months of record exports in a world which we all know is becoming more competitive."

"And exports are higher not only to the United States. . . .but also to the United Kingdom and to other Commonwealth countries. Imports, too, are up proportionately, which is a healthy sign."

At the same time, Mr. Howe warned against restrictions on freer world trade:

"In terms of peace and security, the free world is not strong enough to endure the international bickering and disunity which would accompany the growth of barriers to trade.

"For this reason, I hope that if the United States does consider imposing restrictions upon imports to safeguard its national security, it will not overlook the detrimental effects which such action might have upon those very same interests."

Taking a general look at the world trading situation, Mr. Howe said:

". . . .The world should have learned by now that depressions are not inevitable. Some ups and downs in business will occur, of course - perhaps these are inevitable in a progressive economy and serve a useful purpose in maintaining efficiency - but it seems to be much more reasonable to assume a relatively steady rate of economic growth than to assume a sudden collapse

(over)

from time to time. . . .

"Steady pressure for liberalization of international trade contributes to a steady rate of economic growth. This might seem a self-evident truth. But I regret to say that there are those in all countries who would turn back the clock toward restrictionism whenever the going gets a bit rough. . . .

"Neither Government nor industry can afford to blow hot at one time and cold at another when it comes to the promotion of trade.

"It is my view that the cause of freer international trade has gained many adherents in recent years and is today stronger than ever in the world as a whole. . . .

Floods Damage \$35,000,000: Regina, May 25 (CP) -- Spring floods have cost Saskatchewan almost \$35,000,000 in damages - not including the reduction expected in crop acreage.

The Executive Council said today that physical damage would reach \$7,000,000. In addition, \$4,700,000 was needed for land drainage and \$16,600,000 for land restoration.

Municipal Affairs Minister Mr. L. F. McIntosh reported the flood bill includes \$4,750,361 for damage done to municipal roads, bridges and culverts. Damage to highways and bridges for which the Provincial Highways Department is responsible is estimated at \$1,208,300. . . .

Seeding Progress: Ottawa, May 25 (CP) -- Large segments of the prairies made good progress in seeding last week and their work should be completed by the end of May, DBS reported today. But work still is being seriously delayed by heavy rain and flooding in the northeast and east-central parts of Saskatchewan and in some spots bordering the foothills in Alberta. There may be "considerable areas" not seeded at all this year in low-lying flooded lands in Manitoba and Saskatchewan.

Liberals Returned In P.E.I.: Charlottetown, May 25 (CP) -- Liberals steamrolled to power for the sixth consecutive time in today's Prince Edward Island general election, leaving the Progressive Conservative Opposition at its lowest ebb since 1935.

Premier Matheson led his Liberals at the polls for the first time and swept 27 seats against three for the Progressive Conservatives under Mr. R. R. Bell.

Mr. Bell, in a post-election statement said he felt the defeat called for his resignation as Party Leader. Mr. Bell himself retained his seat, the only one of the six members of his Party in the last House to do so. The defeated included Dr. W.J.P. MacMillan, former Progressive Conservative Premier.

Across Canada: Financial and welfare authorities from the 10 Provinces meet federal officials today to begin the initial phase in developing the St. Laurent formula for federal contributions for the relief of Canada's unemployed. . . . A uniform safety code for all of Canada's highways was proposed yesterday at Ottawa by the first national highway safety conference. It was one of a series of recommendations adopted by the conference dealing with law enforcement, engineering problems and education of the public as to safety. . . . Mrs. Louis St. Laurent, using a bottle of sea-weathered champagne, yesterday christened the ferry Bluenose which will ply between Yarmouth, N.S., and Bar Harbor, Me.



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Vol. 6, No. 102

Friday, May 27, 1955.

Mr. Pearson On Viet Nam Situation: Ottawa, May 26 (CP) -- Canada has informed the Geneva conference powers that it is dissatisfied with handling of the refugee problem in Communist North Viet Nam.

Mr. Pearson said today Canadian members of the Viet Nam Truce Supervisory Commission have filed a separate report to the Commission's third report to the Geneva powers. Britain and Russia are co-chairmen of the Geneva Conference.

Mr. Pearson told the Commons External Affairs Committee that the Canadian submission should not be considered a "minority report." It outlined Canadian "reservations" over handling of the refugee problem.

The Geneva Conference last July arrived at a truce in Indo-china and split Viet Nam, one of three Associated States of Indo-china, into Communist North Viet Nam and non-Communist South Viet Nam.

Under the armistice terms, refugees were given 300 days - the deadline was reached May 18 - to move south or north. It has been estimated that some 700,000 persons left Communist North Viet Nam but that only a few hundred quit South Viet Nam.

Canada, India and Poland comprise the three-nation Truce Supervisory Commission for Viet Nam. Their first two reports to the Geneva Conference, on implementation of the armistice terms were unanimous.

The third report has not yet been made public, though it has reached Britain and Russia.

Mr. Pearson said he understands that North Viet Nam has proposed a one-month extension of the May 18 deadline - after Britain suggested an extension to Russia. He said a 30 or 60-day extension would not necessarily clear up the situation.

Mr. Pearson said the Canadian members of the truce team will do everything possible to see that all persons who want to leave North Viet Nam can do so, whether or not there is a deadline extension.

Claim Postal Rates Subsidize Advertisers: Ottawa, May 26 (CP) -- CCF and Social Credit members of the Commons charged today that low postal rates for magazines are subsidizing advertisers.

Mr. Erhart Regier (CCF-Burnaby-Coquitlam) said in the Commons it is an imposition on those paying the higher letter rate to make them subsidize the advertising of large commercial interests. He said the Post Office Department could reduce the letter rate and still make ends meet by increasing charges for carrying periodicals.

Many of the magazines were "useless trash." There was no reason for loading hundreds of pounds of it on the backs of letter carriers.

Mr. George Hahn (SC-New Westminster), also urged an increase in the second-class postal rate. He said publishers could cover their extra expenses by getting more money from advertisers, who benefitted from low-cost distribution of magazines.

Mr. Hahn said magazines get as good postal service as first-class mail. Postal clerks notified publishers of changes in addresses and mail carriers spent up to half an hour a day of their own time in redirecting magazines to subscribers who had moved.

The two members spoke during opening debate on estimates of the Post Office Department.

(over)

Urge Uniform Motor Vehicle Legislation: Ottawa, May 26 (CP) -- Uniform motor vehicle legislation across the country was urged today at the concluding session of Canada's first National Highway Safety Conference.

The meeting also decided to establish a permanent Canadian Highway Safety Conference and named as its first president Hon. Brooke Claxton, former Defence Minister who now is Canadian head of Metropolitan Life Insurance Co.

Mr. Claxton agreed to serve until about Sept. 1, but said his new job - estimated to pay about \$75,000 a year - will necessitate his resigning around that date.

Defence Display: Ottawa, May 26 (CP) -- A CCF member asked in the Commons whether all weapons on display today in front of the Parliament Buildings are the property of the Canadian Government. Defence Minister Campney informed Mr. H. W. Herridge, Kootenay West, that they are "with the possible exception of the Nike."

The ground-to-air guided missile Nike, on loan from the United States Army, was put on display here with artillery weapons to mark the centennial of the Royal Canadian Artillery.

Austria At Trade Fair: Montreal, May 27 (Gazette) -- For the first time since before Hitler marched into Austria, that country will make a bid for Canadian dollars with exhibits of its products at the 1955 Canadian Trade Fair in Toronto, May 30 to June 10.

The Austrian Trade Delegate in Canada, Dr. Richard E. Hueber, 1507 Crescent Street, said yesterday that Austria's new political freedom has given his country new economic responsibilities.

With the loss of dollar spending following withdrawal of American troops, and the thousands of Austrians who were employed by those occupation forces now out of work, the country must now make its bid for hard currency by entering the Canadian and U.S. trade markets. . . .

Trans-Canada TV: Ottawa, May 26 (CP) -- Canadian engineers are expected to complete this summer the plotting of a coast-to-coast microwave television network.

Mr. H. G. Young of Montreal, General Manager of the Bell Telephone Company's toll system, also told the Commons Broadcasting Committee today that the network is expected to cost \$40,000,000 to \$50,000,000.

He said detailed "path-testing" over most of the 3,800-mile communications skyway has been completed. The Company and the Government previously estimated the network would be operating early in 1958, carrying both television programmes and long-distance telephone calls.

Detailed path-testing, Mr. Young said, has been completed in all areas west of Quebec City, except between Calgary and Medicine Hat, Alta., and between Lethbridge, Alta., and Vancouver, East of Quebec, path-testing now is in progress.

Across Canada: Mr. R. D. Turner, Manitoba Minister of Industry and Commerce, announced that the Province has hired two University of Chicago professors to study economic effects on Manitoba of the construction of the St. Lawrence Seaway. They are: Dr. Harold Mayer of the Department of Geography and Dr. Ezra Solomon of the School of Business. At the outset, they will emphasize preparation of material for Manitoba's submission to a Royal Commission on Coastal Trade, C.P. reported from Winnipeg. . . . Chairman George McIvor of the Canadian Wheat Board yesterday declined to make public the salaries paid to board members and staff on the ground it might "embarrass" the wheat-selling organization. . . . Flood waters from the Assiniboine River, creeping over a stretch of rich farmland 20 miles east of here, yesterday threatened to sweep around a sandbag dike and strike the village of Elie from the north, C.P. reported from Portage La Prairie. . . . Complete nomination reports from all 98 ridings showed early tonight that 314 candidates will contest the June 9 Ontario general election. This is three fewer than the record 317 who ran in the 1948 general election when 90 seats were at stake. It compares with 271 in the 1951 election, according to C.P.



## DAILY AIRMAIL BULLETIN

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Vol. 6, No. 103

Monday, May 30, 1955.

Mr. Pearson On Aid To Underdeveloped Countries: The Secretary of State for External Affairs, Mr. Pearson, in addressing the Conference of United Nations Associations in Canada at Ottawa on May 27, said that Canadians, in reviewing the amount of aid to be made available to the underdeveloped countries, should ask themselves "not only how much Canada should be doing, but how we should be doing it, and why?"

The following is an extract from his speech:

"The genuine desire of Canadians to help others who are less fortunate, the recognition that the more quickly other people's standards of living rise the better off we shall all be, the conviction that economic and social progress are essential to a durable peace, the judgment that the resources of most of these countries are capable of supporting a fuller and richer life, the evident effort which the people of these countries are themselves making to improve their conditions, and the sympathy which we as citizens of a relatively young country feel with those who are trying to establish their own nations on a new and durable basis - all of these seem to me to be more solid and more fundamentally significant reasons for providing assistance.

"Not only should we be sure that we are acting from worthy motives but we should also make certain that our method and manner of providing assistance are calculated to achieve our purposes most fully. As I suggested earlier, we should examine critically both why we are helping and how. Even the most massive amounts of money and vast numbers of technicians, if provided in the wrong way - that is, indiscriminately, extravagantly or without proper regard for the practical problems involved - might accomplish less than our present programmes and might in the process create a less wholesome relationship between the underdeveloped countries and the West." . . .

Sharp Rise In Foreign Trade: Ottawa, May 27 (CP) -- Canada's foreign trade rose sharply in April with exports increasing to \$341,900,000 - a three-year high for the month and a gain of \$43,700,000 from \$298,200,000 a year ago.

This boosted shipments for the first four months of 1955 to \$1,308,300,000, up \$143,900,000 from \$1,164,400,000 in the similar 1954 period, the Bureau of Statistics estimated today.

The flow of imports also swelled, expanding by \$24,400,000 to \$382,900,000 in April, increasing the four-month total to \$1,373,600,000, a gain of \$99,300,000 from last year.

Though Canada purchased more from the world than she sold, her trade deficit was trimmed by the rise in exports, declining by \$9,300,000 to \$41,000,000 in April and by \$44,600,000 in the four months to \$65,300,000.

Major factor in the April exports rise was a big increase in sales to Britain and a lesser expansion of shipments to the United States, Canada also increased her purchases from the U.S., though her imports from Britain declined slightly.

Shipments to Britain rose in April to \$71,800,000 from \$39,400,000 last year, increasing the four-month total to \$255,600,000 from \$175,400,000. Exports to the U.S. rose to \$194,300,000 from \$181,900,000, boosting the January-April total to \$773,800,000 from \$719,000,000.

Imports from Britain eased to \$33,800,000 in April from \$35,300,000 last year, reducing the four-month total to \$119,200,000 from \$123,500,000. Purchases from the U.S., however, rose to \$285,500,000 from \$255,700,000 in April and to \$1,031,200,000 from \$945,800,000 in the four months.

(over)

Commons To Sit Mornings From June 6: Ottawa, May 29 (CP) -- The House of Commons is expected to start meeting morning, afternoon and night June 6 in an effort to wind up the work of Parliament before July 1.

The back of the session now has been broken and the Government hopes that the extra sitting hours will permit prorogation sometime during the last week of June.

Finance Minister Harris, Government Leader in the Commons, gave notice Saturday he will propose morning sittings starting June 6. House Committees which usually meet in the mornings, are expected to finish most of their deliberations next week.

Civil Defence Medical Supply Studies: Ottawa, May 28 -- Qualified pharmacists and deans of schools of pharmacy from coast to coast will meet at the Canadian Civil Defence College at Arnprior May 30 to June 3 to study medical supply problems that would be encountered in an H-Bomb attack, it was stated today by the Honourable Paul Martin, Minister of National Health and Welfare, federal Cabinet Minister responsible for Civil Defence.

Approximately 45 candidates will attend the course and will take part in discussions led by civil defence medical, pharmaceutical and scientific experts, radiation experts from the Canadian Army, Red Cross blood transfusion officers, members of the pharmacy faculties of Canadian universities and authorities on packaging and storage of supplies.

Four Surviving Quints Come Of Age: North Bay, Ont., May 29 (CP) -- The four surviving Dionne quintuplets turned 21 years old Saturday and came into their share of a \$1,000,000 fortune. Annette, Cecile and Yvonne came from Montreal to join their sister, Marie, and their parents, Mr. and Mrs. Oliva Dionne, for the celebration at the family home at nearby Callander.

The parents gave the four sisters a high-fidelity record player as a birthday gift.

Much of the girls' time was given over to legal business in connection with the signing of papers for their applications to the courts in connection with the trust fund their father had administered for them in recent years, pending their coming of age.

The surviving quintuplets, on reaching 21, became eligible to receive one-fifth shares in the Dionne Quintuplet trust fund. The fund totals just under \$1,000,000, so that each girl's share amounts to about \$197,000, plus a share in Emilie's portion, which is to be divided among 14 members of the family.

St. John's, Nfld., Civil Defence Exercise: St. John's, Nfld., May 29 (CP) -- Air raid sirens will scream over this crowded seaport city tomorrow to set off the biggest civil defence exercise ever tackled by a Canadian city.

If all goes well, 50,000 of the city's 70,000 residents will be evacuated in a string of cars, trucks and buses as Canadian and American planes carry out a mock air attack. . . .

Across Canada: Governor General Massey will formally open the 8th World Scout Jamboree at Niagara-on-the-Lake next August 20. . . . Oil deliveries through Canadian pipelines rose 25 per cent to a record 52,403,600 barrels during the first three months of this year from 42,003,000 in the corresponding quarter last year, D.B.S. reported. . . . Canada's production of iron ore has risen nearly five-fold since the end of the Second World War, the Bank of Montreal says in its business review for May. The review says: "As a producer, Canada appears only now to have its foot on the threshold of its own iron age." . . . More than 100 former Ridley College students from Canada and the U.S. came back Saturday to spend a weekend at the old Alma Mater, at St. Catharines, C.P. reports.



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Vol. 6, No. 104

Tuesday, May 31, 1955.

Trades And Labour Congress Demands: Windsor, Ont., May 30 (CP) -- The Trades and Labour Congress of Canada today laid down a long series of demands on governments and "unalterably" opposed a compulsory "no strike" policy.

With Health Minister Martin addressing the annual convention, the 750 delegates first received a resolution calling for a national health plan organized by the federal Government and then deferred action on it.

The Minister himself told the convention it's his view that the initiative on health insurance should come from "the people and the Governments of the various Provinces."

Meanwhile, the convention roved through a wide field of resolutions including these that were adopted:

1. It feels that Governments and employers are adopting a "get tough" policy towards workers and goes on record as "unalterably opposed to a compulsory 'no strike' policy."

2. There should be national and Provincial bodies charged with responsibility for the control of large-scale projects such as cross-country natural gas pipeline and a second trans-Canada highway.

3. The federal Government should get started immediately on the South Saskatchewan River irrigation and power project.

4. The federal Government should be pressed for immediate adoption of a cross-Canada pipeline as a publicly-owned enterprise exclusively financed in Canada and built by Canadian labour.

5. There should be no sub-letting of contracts let out by the federal Government.

6. The aircraft industry should be developed under auspices of the federal Government to stimulate employment.

7. Canadian materials should be used as far as possible in the construction of the St. Lawrence Seaway.

8. The federal Government should try to prevent the U.S. from putting embargoes on Canadian fish products going to that country.

9. The Government should limit or suspend temporarily imports that seriously affect Canadian industry when they are brought in at cut prices.

10. There should be a national fuel policy.

11. The Government should make available to the Provinces large grants for the training of handicapped persons.

12. It also should supply cancer-treating cobalt bombs to health centres.

13. The Government should conduct an investigation into the price of medicine.

International Trade Fair Opening: Toronto, May 30 (CP) -- Dr. Ludwig Erhard, West German Economics Minister, said today free trade and relaxed currency make for a healthy international economy. He was speaking at the opening luncheon of the Canadian International Trade Fair, attended by representatives of the 32 nations exhibiting.

Introducing Dr. Erhard, Mr. Howe praised Germany's rapid economic rebirth. The country is third largest exhibitor this year at the trade fair which started a two-week run today at the Canadian National Exhibition grounds.

"We in Germany recognize that we share our fate with the other countries of the free world," Dr. Erhard said. "The principles of economic union and political freedom must stand if all are to survive."

Dr. Erhard who piloted Germany as Economics Minister during her 10-year recovery period after the Second World War, said narrow nationalistic think-

ing is outmoded today.

Dr. Erhard said Canada provided the example for Germany's new trade structure.

Provincial Authorities Consider Plans For Jobless: Ottawa, May 30 (CP) -- The Provinces are opposed to a federal proposal to place a floor under its offer to share in relief costs for Canada's unemployed, it was learned today.

Federal authorities favour a floor of about one per cent - that is, contributions from the central administration will not begin until unemployment in Canada rises to an equivalent of one per cent of the entire population.

Provincial informants said the Provinces believe there should be no floor; that federal payments should be made whenever there is any unemployment at all.

Some aspects of the federal offer, first made by Mr. St. Laurent at the April 26 federal-provincial conference, were discussed at a meeting today of the conference advisory body made up of Provincial Deputy Finance Ministers, economists and welfare officials.

Quebec Stock-Selling Regulations: Quebec, May 30 (CP) -- The Quebec Official Gazette today published regulations designed to stamp out fraudulent selling of stocks and bonds.

The law, passed at the last session of the Legislature and taking effect today, is aimed mainly at stock racketeers in Montreal who allegedly sold new worthless securities to American investors for several times their value.

The regulations make it necessary for stock brokers to register with the Securities Commission, furnish lists of their salesmen and present annual financial statements certified by at least two directors and prepared by accountants who have been approved by the Commission.

Canada Council On Cultural Development: Ottawa, May 30 (CP) -- Prime Minister St. Laurent said today he is not yet able to say when the Canada Council on Cultural Development will be established.

Replying in the Commons to a question by Mr. George Hees (PC-Toronto Broadview), he said the proposed Council would have to be established by an Act of Parliament. However, that had not yet been provided for.

Establishment of the Council to help develop Canadian culture and maintain relations with cultural organizations abroad was recommended in the 1951 report of the Massey Commission on Arts, Letters and Sciences.

Manitoba Finishes Wheat-Seeding: Winnipeg, May 30 (CP) -- Seeding of the 1955 wheat crop in Manitoba is completed, the Provincial Department of Agriculture reported today.

Except in flooded areas or where moisture is excessive the crop outlook is promising, the Department's second report of the season added.

It said some oats and considerable barley remained to be planted. Much flax also remained to be seeded.

Tania Long On Canadian "News": Calgary, May 30 (CP) -- If United States citizens often show ignorance of Canadian affairs, it could be Canada's fault, says Tania Long.

"You're just too good neighbours," she says. "You just don't have enough bad news," meaning news that would make headlines in the U.S. Miss Long in private life is Mrs. Raymond Daniel, wife and assistant of the New York Times' chief correspondent at Ottawa.

Across Canada: Forest fires burned 2,100 acres of timber during April, the National Research Council said yesterday in its first monthly report on forest fire losses in Canada. There were 140 fires compared with a long-term average of 184 for April. . . . Mr. Charles G. Greenshields, Q.C., Montreal lawyer and corporation executive, announced yesterday that he is establishing a \$250,000 foundation to assist students in the traditional school of art because a group of moderns are taking it upon themselves "to uproot and demolish the tradition which has been built up through the centuries", the Montreal Gazette reports.



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Vol. 6, No. 105

Wednesday, June 1, 1955.

New Customs Law Debated: Ottawa, May 31 (CP) -- An opposition member's suggestion to soften the strict wording of a proposed new customs law on border crossings was described today by Revenue Minister McCann as an invitation to smugglers.

Mr. Donald Fleming (PC-Toronto Eglinton) made the suggestion in criticizing a bill later passed by the House of Commons which would require everyone entering Canada to report to customs. The present law requires persons to report only if they are carrying goods into Canada.

Mr. Fleming said the new measure goes pretty far. On the Prairies, a customs house might be 25 miles from a road crossing the border yet the law required a motorist or a farmer driving a horse to report to customs before unloading any goods he carried.

He suggested a change in wording to require persons to report to customs only "as soon as practicable." Dr. McCann said he had heard no greater invitation to smuggling than that.

He said that although the wording of the law is being changed, there would be no change in the procedure followed for 50 years.

Mr. William Houck (L-Niagara Falls) asked assurance that the bill will not affect commuters going to work across the border. It seemed to require a thorough customs inspection every time they crossed the border.

Dr. McCann said commuters will be dealt with as always and will not be delayed.

DEW Line Regulations To Protect Eskimos: Ottawa, May 31 (CP) Opposition Leader Drew said today the Government apparently has put an "Iron Curtain" around white men in regulations designed to protect Eskimos during construction of the DEW (Distant Early Warning) radar line along Canada's Arctic coast.

He was referring in the Commons to a Canada-United States agreement for construction of the line. It stipulates that white workers must avoid all contact with Eskimos, other than those working on the line, except in emergencies.

Mr. Drew said yesterday that the order is "without precedent" in affecting Canadian citizens. It would deny soldiers of the U.S., building the line, the rights accorded anyone else travelling in the north.

Mr. Lesage said today the regulations are not directed against U.S. soldiers. They applied to any and all white persons working on the line.

He agreed the restrictions might not be fully understood in the U.S. However, the agreement said the Eskimos should not be subjected unduly to disruption of their hunting economy, exposure to diseases against which their immunity is often low, or other effects of the presence of white men which might be injurious to them."

Studying Plans For Atomic Power: Chalk River, May 31 (CP) -- Preliminary plans for construction of an atomic power plant will be discussed here Thursday and Friday by the National Advisory Committee on Atomic Power Development.

The experimental plant, which is designed to produce 20,000 kilowatts, is scheduled to go into operation in 1958. It is to be known as NPD- Nuclear Power Demonstration.

(over)

It will be built jointly by Atomic Energy of Canada Ltd., Ontario Hydro and the Canadian General Electric Co. at a cost of \$13,000,000 to \$15,000,000.

The reactor is not expected to produce electricity economically. However, it will give scientists the information they need to build an economical plant.

Canada, U.S. Scientists On DEW Line Surveys: Ottawa, May 31 (CP) -- Thirteen Canadian and U.S. scientists will be aboard HMCS Labrador when the Royal Canadian Navy's Arctic patrol ship leaves Halifax tomorrow for six months of operations in Canada's northern waters.

The Labrador, which last year became the first warship to navigate the Northwest Passage and circle the North American Continent, will spend most of the six-month period carrying out surveys off Baffin Island in connection with the joint Canadian-U.S. Distant Early Warning line.

Hydrography and oceanography of the area in which the Labrador will be operating are relatively unknown and detailed information will be gathered concerning tides, depths of channels and other factors.

Says U.S. Jets Overtaken By Canada: Toronto, May 31 (CP) -- A Canadian aviation executive said today that Canadian-built Sabre jet fighters are outperforming their U.S.-made counterparts in Europe.

Mr. V. R. McLachlan, Vice-President and General Manager of Orenda Engines Ltd., Toronto, said the more powerful Orenda engines in the Canadian versions account for the superiority.

"At one time, in the good natured spirit of rivalry that always exists under such conditions, the pilots of USAF used to jump our boys almost at will," Mr. McLachlan told the Aviation Writers Association annual conference.

"They don't do it any more.

"By marrying the Sabre to the Orenda, we have an aircraft that can outfly and outclimb anything the USAF have in Europe.

"The margin of superiority will be greater still when the Sabre VI is in squadron service shortly."

ICAO General Assembly: Montreal, June 1 (Gazette) -- Germany and Austria applied for full membership in the International Civil Aviation Organization here yesterday.

An ICAO spokesman said he believes the German application is the first move by the postwar Republic to gain admission to an organization of the United Nations.

Across Canada: The St. Lawrence power project construction is on schedule, Dr. Richard L. Hearn, Ontario Hydro Chairman, said yesterday during an inspection trip to project work sites in the Cornwall area. It was Dr. Hearn's first visit to the project since his appointment last January as Hydro Chairman. . . . They're looking for oil and gas in the group of Arctic islands named last year in honour of Queen Elizabeth. The Mines Department said today that an airborne party of geologists already is moving into the Queen Elizabeth Islands which include Melville, Devon and Bathurst Islands and the islands north of Melville Sound, Barrow Strait and Lancaster Sound. . . . Mr. St. Laurent said yesterday the Government now is considering federal aid for flooded areas of Saskatchewan. . . . Delegates of the Trades and Labour Congress of Canada convention yesterday at Windsor tangled in the TLC's hottest political fight in several years. Stirred by the imminence of the June 9 Ontario general election, labour spokesmen wrangled over the political action for about an hour, eventually breaking off the hot debate until Thursday. . . . The Commons Banking and Commerce Committee yesterday approved an amendment to the Municipal Grants Act providing grants in lieu of taxes to municipalities on federal Government property whose value exceeds two per cent of the total municipal assessment.



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Vol. 6, No. 106

Thursday, June 2, 1955.

Mr. Pearson On Canada-U.S. Trade: Chicago, June 1 (CP) -- The Canada-U.S. boundary cannot be ignored for defence purposes and recognized as a very real obstacle every time more Canadian exports wish to cross it, Mr. Pearson said today.

He told the golden jubilee convention of Rotary International here:

"While we can be satisfied with our record of co-operation in defence, we are somewhat less happy about co-operation in trade and commerce. The reason is simple.

"Our population, less than one-tenth of yours, buys nearly \$3,000,000,000 worth of American goods. But we are able to sell your 165,000,000 only \$2,300,000,000 worth of goods.

"When we make an effort to redress the balance by increasing our exports, especially of agricultural and fisheries and other primary products, the clamor for protection against any success that this effort may achieve grows in Washington and we are in trouble.

"Trade problems are increasing between us, as indeed they are throughout the world. I would be less than frank if I did not add that Canadian worries and occasional irritations on this score are also increasing.

"We should realize, and act on the realization, that common defence requires the greatest possible co-ordination and unity of foreign and economic policies.

"This means that the boundary line cannot be ignored for defence purposes and recognized as a very real obstacle every time more Canadian exports wish to cross it.

"If I may adapt a well-known quotation, 'If guns are to cross that continental line, goods should too'."

Referring to the coming Big Four meetings, Mr. Pearson said they are to be greatly welcomed - "not with uncritical enthusiasm, but with sober satisfaction as giving opportunities to create a better atmosphere and to solve more concrete problems".

"We should guard against excessive optimism on the one hand and excessive cynicisms on the other. The one will lead to hopes that cannot be realized, with eventual disillusionment. The other will prevent us from making the most of the new opportunities that may present themselves.

"It would be unwise, and might be dangerous, to expect immediate and exciting results because four heads of governments will come together and exchange ideas."

Diplomatic Service: (Press Release No. 39, June 1) -- Ottawa, June 2: The Secretary of State for External Affairs on June 1 announced the retirement, early in July, of Major General, the Honourable L. R. LaFlèche, Canadian Ambassador to Argentina and Uruguay, and the following transfers within the Canadian Diplomatic Service:

Dr. R. A. MacKay, Associate Under-Secretary of State for External Affairs, will succeed Mr. D. M. Johnson as Canadian Permanent Representative to the United Nations, New York, effective August 1. Dr. MacKay will hold the rank of Ambassador. Mr. Johnson will be transferred to another diplomatic post which will be announced later. . . .

Mr. W. D. Matthews, Canadian Minister to Sweden and Finland, will return to Ottawa to become an Assistant Under-Secretary of State for External Affairs. He will assume his new duties in September.

Mr. Benjamin Rogers has been appointed Canadian Ambassador to Peru to succeed Mr. Emile Vaillancourt. Mr. Rogers is expected to take up his post in July.

Mr. W. G. Stark has been appointed Consul General in New Orleans and is expected to assume his new duties on September 1. He succeeds Mr. G. A. Newman.

Mr. H.L.E. Priestman has been appointed Consul General in Manila and is expected to take up his post about September 1. He succeeds Mr. F. H. Palmer.

Commission Inquiry Proposal Defeated: Ottawa, June 1 (CP) -- The Progressive Conservative Opposition criticized Government spending again today in the Commons but their efforts to have an independent Commission inquire into operation of all Government Departments met with defeat.

A Conservative motion to this effect, in the form of an amendment to a Government supply motion, was voted down 137 to 49. It was technically a motion of non-confidence in the Government.

The Social Credit group and four Independents voted with the Progressive Conservatives while CCF members joined the Liberal majority in defeating the motion.

Opposition Leader Drew and Mr. John Diefenbaker, Prince Albert, led the Conservatives' attack on Government spending.

3,000,000 Children To Get Salk Shots: Ottawa, June 1 (CP) -- Immunization of at least 3,000,000 Canadian children with Salk polio vaccine is planned by next March 31, Health Minister Martin said tonight.

Upwards of 750,000 children now have received the inoculations "with complete safety," he said in an address to the annual dinner meeting of the Canadian Pharmaceutical Association.

"It is our objective," he added, "to immunize no less than 3,000,000 children by the end of the current fiscal year."

At last April 1 Government records showed 5,184,948 children were on family allowance rolls.

T.L.C. Endorses Terms Of Merger: Windsor, Ont., June 1 (CP) -- The Trades and Labour Congress of Canada convention today unanimously endorsed the terms of an historic merger with the Canadian Congress of Labour.

The merger will bring together 1,000,000 Canadian union members into a single organization, the largest labour body in Canada's history.

By its action late today, the 600,000-member TLC became the first of the big four central labour bodies of North America to accept formally the provisions of amalgamation with their long-standing labour rivals.

In the United States, the AFL and CIO-counterparts of the TLC and CCL are in the midst of unification negotiations. In Canada, the CCL is to deal with the question at its October convention in Toronto.

Across Canada: The Prairie crop outlook has improved considerably, the Bureau of Statistics reported in the fourth of its 1955 series of telegraphic crop reports. Wheat seeding is practically completed in Manitoba, Western Saskatchewan and Alberta with the exception of the Foothill sections. . . . A Crown Company will buy all the monkeys needed to produce and test Salk polio vaccine in Canada, the Commons was told yesterday. In a return tabled for Mr. Tom Goode (L-Buraby-Richmond) the Health Department said Canadian Commercial Corporation will buy the monkeys "to ensure a continuing supply and to meet India's preference for dealing with one agency alone". . . . Swimmer Marilyn Bell will be presented to the Queen at a Buckingham Palace garden party July 14 before trying to swim the English Channel, the Toronto Telegram reported June 1 from its London correspondent.



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*Miss Hamilton*

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Vol. 6, No. 107

Friday, June 3, 1955.

"Anti-Dumping" Laws Tightened: Ottawa, June 2 (CP) -- Canada today tightened its anti-dumping laws to protect Canadian producers against imports of competing products that are state-subsidized.

At the same time, it revised its tariff structure, boosting rates on some items and cutting them on others. The changes, announced in the House of Commons by Mr. Harris, affect mostly the United States. Effective tomorrow, they include:

1. A doubling of the duty on canned mixed fruit and fruit cocktails to two cents a pound from one. Tolls on canned peaches are being reduced to  $1\frac{1}{2}$  cents a pound from two for Commonwealth countries and to two cents from  $2\frac{1}{2}$  for the U.S. and other countries. The duty on melons, is eliminated.

2. Ethylene glycol, used in making anti-freeze and which formerly came in duty-free, will bear a tariff of 10 per cent. However, the rate of mixed or blended glycol is reduced to 10 per cent from 20 and that on finished anti-freeze, formerly 20 per cent is cut to 15.

3. Restoration of a tariff item providing for a drawback or refund on duty paid on bituminous coal converted into coke for smelting. Mr. Harris explained that this is merely a technical move to protect the validity of coal subventions since, actually, there has been no duty on coal since 1952 and none is contemplated. . . .

"Many Governments are resorting to subsidies of one sort or another to solve certain domestic economic problems and such subsidized products are entering international trade at an increasing rate," Mr. Harris said.

"Such subsidized goods, if imported into Canada, might cause or threaten material injury to established Canadian producers." . . .

"When our legislation was examined," said Mr. Harris, "it was apparent that there was no clear authority to levy additional duties as a safeguard against the various forms of subsidy and state trading operations with which we might be confronted."

The amendment will give the Government authority "to levy an additional duty equal to the estimated amount of subsidy." But Canada has undertaken certain commitments under GATT to restrict uses of import controls.

"I can assure the House," said Mr. Harris, "that the Government intends to apply these duties in conformity with our international obligations."

Mr. Campney On "Overall Defense Command": Ottawa, June 2 (CP) -- Defense Minister Campney indicated today in the House of Commons that Canada still opposes an overall defense command for North America.

He was replying to Mr. Drew, who asked about a statement attributed to Air Marshal Roy Slemon, Chief of the Air Staff, that Canada and the United States are heading toward a completely unified North American air defense system with a single overall commander.

Mr. Campney said there is no pressure for appointment of an overall commander.

He referred to a January statement by U.S. Defense Secretary Wilson that there is no need for a change in the present system of separate commands for Canadian and U.S. armed forces. Mr. Campney added that the matter stands unchanged.

Mr. Campney said Air Marshal Slemon was not stating Government policy when he made the remarks attributed to him by aviation writers.

He had discussed the matter with the air chief today. Air Marshal Slemon had told him that he had been explaining the close co-operation between the RCAF and U.S. Air Force, that he had been careful to point out he was making no predictions but was merely stating a trend in military thinking.

House of Commons To Sit Mornings From June 9: Ottawa, June 2 (CP) -- The House of Commons compromised today on a Government proposal to start morning sittings next Monday and agreed instead to start the extra hours next Thursday. The change will add two hours to the present 5½ hours of afternoon and evening sittings.

Under the new arrangement, the Commons will sit week days from 11 a.m. to 1:30 p.m., 2:30 p.m. to 6 p.m. and 8 p.m. to 10 p.m. It will continue to have its Wednesday evenings off.

The change is aimed at speeding work of the session, which began Jan. 7. Adjournment is expected about the end of the month.

Building Projects Abroad: Ottawa, June 2 (CP) -- Construction restrictions in Rome have prevented Canada building a combined Embassy residence and office on a large lot purchased some years ago in a historically attractive section of that ancient city.

Mr. Jules Leger, Under-Secretary of State for External Affairs, today told the Commons Committee studying his Department's estimates that the lot would be sold and probably at a profit.

Meanwhile, the Department was negotiating purchase of an office building in Rome likely to cost about \$380,000 and would try to find another building for an Embassy residence.

Other major building projects for Canada's foreign service mentioned by Mr. Leger included an extension to the offices in Paris, The Hague and Tokyo at costs of \$585,000, \$285,000 and \$250,000, respectively.

The projects in Paris, The Hague, Tokyo and Rome are financed through "blocked currencies" - credits built up in the countries concerned as a result of the Second World War but which can be used only by spending the proceeds there.

Loading Tankers With Wheat: Montreal, June 3 (Gazette) -- Montreal Harbour today is chalking up another Canadian marine first as the tanker Leo M. at Shed 8 loads a cargo of 10,000 tons of wheat destined for Rotterdam.

Though tankers have loaded grain in Baltimore and Philadelphia, it is believed this is the first time it has been done in Canada. The event has attracted the attention of shippers and port officials from as far as New York.

Yesterday interested visitors including two officials of New York's Marine Department, made a trip to the shed to watch the new grain-loading technique.

Across Canada: A Government official today described results of this year's International Trade Fair in Toronto as "excellent so far." He said it seems likely the Government will sponsor the fair again next year. . . . The Senate approved in principle a 10-year Canada-U.S. convention designed to eradicate the lamprey, a parasite destroying great lakes fish stocks. . . . The President of the New York Life Insurance Company said in Montreal yesterday, Canada is "an attractive outlet" for United States funds and his Company plans to invest more than the \$148,000,000 invested here at present. Mr. Clarence J. Myers told the Montreal Kiwanis Club that his Company has complete confidence in the economic future of Canada.



## DAILY AIRMAIL BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

*Miss Hamilton*

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Vol. 6, No. 108

Monday, June 6, 1955.

April Surplus \$32,519,000: Ottawa, June 3, (CP) -- Revenues and expenditures of the federal Government dropped in April but it showed a surplus of \$32,519,000 for the first month of the 1955-56 fiscal year. This is a rise of \$2,861,000 from the \$29,658,000 surplus in April, 1954.

While both income and spending declined, the drop in expenditures was more pronounced due mainly to lower defence outlays, Mr. Harris reported today in his monthly treasury statement.

Some of the revenue decline results from tax reductions announced in his April 5 budget. The main one, an average 10-per-cent reduction in personal income tax, becomes effective July 1.

Mr. Harris has estimated he will end the 1955-56 year with a deficit of \$160,000,000.

Total revenues for April declined by \$16,409,000 to \$229,012,000 from \$245,421,000 a year previous, Expenditures dropped by \$19,270,000 to \$196,493,000 from \$215,763,000.

There were revenue declines both in personal income and corporation tax collections, though these were slightly offset by higher revenue from the sales tax and excise duties.

Personal income tax collections declined to \$80,808,000 from \$89,733,000 and revenue from corporation income tolls to \$48,357,000 from \$63,149,000. . . .

Excise duties increased to \$16,599,000 from \$13,354,000; sales tax revenue to \$21,870,000 from \$21,618,000; and customs import duties to \$27,347,000 from \$26,177,000.

Major drop in expenditures was in over-all defence outlays which declined by roughly \$20,000,000 to \$60,502,000 from \$80,467,000. . . .

Interest charges on Canada's national debt dropped to \$40,527,000 from \$42,015,000, reflecting lower interest rates, but cost of family allowances rose to \$31,269,000 from \$29,904,000. . . .

Defence Statements: Ottawa, June 3 (CP) -- Defence Minister Campney indicated today that he will crack down on high military officers making public statements dealing with government policy.

He told the House of Commons "it is not proper, of course," for senior military men to make such statements.

He was questioned by Mr. Diefenbaker and Mr. Harkness about a statement by Air Vice-Marshal Plant in Toronto yesterday that the Army should be scrapped to make more manpower available for a stronger air force.

Mr. Campney said the remarks of Air Vice-Marshal Plant, RCAF air member for technical services, don't represent the views of the Air Force.

On Wednesday, Air Marshal Roy Slemon, Chief of Air Staff, was quoted in Montreal as saying Canada and the United States are heading toward a unified air defence system and an over-all commander for it.

Mr. Campney said in the House of Commons yesterday the Government isn't seeking appointment of a supreme commander and that Air Marshal Slemon was only stating a trend in military thinking. . . .

CBC 1955-56 Finances: Ottawa, June 3 (CP) -- The CBC is expected to have a \$10,805,000 operating deficit in the 1955-56 fiscal year although

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receiving federal grants of \$25,800,000, the House of Commons Broadcasting Committee was told today.

Mr. A.D. Dunton, chairman of the CBC Board of Governors, tabled a statement with the committee estimating that the publicly-owned corporation in 1955-56 will spend \$42,200,000 on radio and television. Revenues were expected to total \$32,845,000, including the Government grants.

Mr. Dunton said the operating deficit for television will be about \$8,690,000 after providing \$900,000 for depreciation and on radio \$2,115,000 after setting aside \$550,000 for depreciation. . . .

Canada, Ethiopia Trade Pact: Ottawa, June 3 (CP) -- Canada and Ethiopia have signed their first trade treaty, effective today, extending most-favoured-nation tariff treatment on imports.

Imports from Ethiopia, mostly coffee, totalled \$98,000 last year. Coffee now will enter under a duty of two cents a pound compared with the former rate of five cents a pound.

Exports to Ethiopia last year totalled \$118,000 made up mostly of tires, tubes, aircraft parts and rubber goods.

Parliamentarians Plan To Attend NATO Meeting: Ottawa, June 3 (CP) -- A number of Canadian representatives will attend a week-long meeting of Parliamentarians of NATO countries in Paris, starting July 18.

Some 125 NATO Parliamentarians are expected in Paris, Senate Speaker Wishart Robertson, President of the Canadian NATO Parliamentary Association, said today.

Senator Robertson said about 25 members of the Canadian Parliament will be in France at that time, some on Government business, others on private business.

Dr. Erhard On Canada, West Germany Relations: Montreal, June 5 (Gazette) -- Germany's Minister of Economic Affairs, Dr. Ludwig Erhard, told the German Benevolent Society last night at the Ritz-Carlton hotel that relations between Canada and West Germany are continually improving.

Dr. Erhard spoke about the changes in his country and the changes his Government hopes to bring about because of the ratification of the German Rearmament plan.

Earlier in the day, Dr. Erhard was the guest of honour at a luncheon given by the Royal Bank of Canada. Later in the day he visited different organizations and toured the city.

T.L.C. Seeks \$1-An-Hour Minimum Wage: Windsor, June 3 (CP) -- The Trades and Labour Congress of Canada today set its sights on a goal of a \$1-an-hour minimum pay for every Canadian worker.

The TLC at its annual convention also reaffirmed its stand favouring a 30-hour week, and called for equal pay for women doing the same work as men.

The delegates defeated a resolution that would have had the effect of opening the way for Communist-controlled unions to be admitted to the Congress. . . .

Across Canada: A Trans-Canada Air Lines Super Constellation made a westbound trans-Atlantic crossing in record time Sunday, the second such record for the airline in as many days. The airliner flew from Shannon, Ireland, to Montreal in nine hours and 15 minutes, bettering the previous time of nine hours and 57 minutes for the 2,496-mile stretch, the Montreal Gazette reported. . . . The Carnegie Corporation of New York has announced grants to the Canadian Institute of International Affairs, the University of British Columbia and F.E. La Brie, Professor of Law at the University of Toronto.



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Vol. 6, No. 109

Tuesday, June 7, 1955.

United States Tariffs: Ottawa, June 6 (CP) -- Mr. Drew today suggested that Canada seek a general review of escape clauses under the General Agreement on Tariffs and Trade.

He spoke in the House of Commons as the Government disclosed the text of its latest diplomatic note of protest against United States congressional attempts to boost tariffs on imports.

The note, delivered in Washington last Wednesday, said Canada feels "serious concern" over the move of a U.S. Senate committee to increase the import tariff on hardboard. It said an increase is not justified and would contradict the spirit and intentions of GATT -- the international pact binding tariff levels and banning certain trade restrictions.

The note, read to the House of Commons by Mr. Howe, asked the U.S. administration to make strong efforts to defeat the congressional proposal and said an increase would have "damaging repercussions upon the attitudes of other countries in their trade relations with the United States."

Mr. Howe said he doubts Canada will retaliate, however, if the proposal is adopted.

Mr. Drew commented that this is not the first time Canada has filed protests against congressional tariff proposals.

"If the Government has as great concern as is indicated today about the tendency in the U.S. to extend the scope of the (GATT) escape clauses, then I would think we have come very close to the time when it may be necessary for the Government to propose a general review of the effect of the escape clauses."

Mr. H.W. Herridge (CCF-Kootenay West) asked whether Canada could not retaliate "very effectively" by putting an export tax on newsprint and nickel sold to the U.S.

Mr. Howe replied: "What we could do is one thing and what we think it is policy to do is another. I doubt if we will retaliate."

Defence Statements: Ottawa, June 6 (Montreal Gazette) -- The federal Government acted quickly today to check the incidence of controversial public statements by high ranking armed forces officers.

Air Vice-Marshal John L. Plant was publicly rebuked by the Government today for his "indiscreet" Toronto speech, abruptly removed from his key post as air member for technical services and shunted to a lesser position far removed from the policy level.

The rebuke was administered in the House of Commons this afternoon by Prime Minister St. Laurent and Defence Minister Campney. The latter announced the shift in posts. . . .

In addition, Mr. Campney announced that he is also preparing, for issuance to the three services, "instructions governing future public statements by members of the armed forces." . . .

Mr. Drew protested that Mr. Campney's statement did not adequately deal with the situation.

"There was nothing either entertaining or humorous in the statement that war is inevitable and that the Western powers are anxious and willing that this should come," he snapped.

Such statements would be taken "very seriously" outside Canada -- perhaps inside as well.

He asked Prime Minister St. Laurent to deal with this aspect of the matter.

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"I think the whole question has been dealt with in a very effective manner," Mr. St. Laurent replied, "and in a manner which will prevent the recurrence of any statements of that kind being made in any kind of speech, whether it be intended to be serious or facetious. . . ."

Up to \$8,000,000 Ottawa's Share of A-Plant Cost: Ottawa, June 6 (CP) -- Mr. Howe today announced that the federal Government will contribute \$7,000,000 to \$8,000,000 toward construction of Canada's first atomic power plant.

The experimental plant, expected to cost between \$13,000,000 and \$15,000,000, will be built at the site of the Ontario Hydro-Electric Power Commission's plant at Des Joachims on the Ottawa River, 145 miles northwest of Ottawa.

Ontario Hydro's share will be between \$3,000,000 and \$3,500,000. A similar amount will be contributed by Canadian General Electric Co. which has received a contract for construction of the reactor.

Mr. Howe made the statement in the House of Commons after being asked by Mr. Howard Green (PC-Vancouver Quadra) to comment on an announcement by Ontario Hydro that the power plant will be built at Des Joachims.

The \$7,000,000 to \$8,000,000 contribution will be all the money the Government will put into atomic power stations, Mr. Howe indicated.

"This will be the Government's contribution to the power industry as far as the introduction of nuclear power is concerned," he said.

Seek Strengthening of Relations With U.K.: Montreal, June 7 (Gazette) --

A delegation of Canadian businessmen, headed by Mr. C. Gordon Cockshutt, chairman of the Canada-U.K. Committee of the Canadian Chamber of Commerce, will hold a three-day closed meeting with leading U.K. businessmen at Stratford-on-Avon, England, June 16-18, national headquarters of the Canadian Chamber announced yesterday. Accompanying the mission will be President G.S. Thorvaldson, Q.C., of the Canadian Chamber.

Ways and means of strengthening trade and economic relations between Canada and the United Kingdom will be explored by the meeting of the Canada-U.K. Committee, jointly maintained by the Canadian Chamber and the Association of British Chambers of Commerce.

Main subjects to be discussed are trade, economic trends, defence, agriculture, migration, capital investment flow, Colombo Plan, and mutual understanding.

Across Canada: A bill to give Canadian railways greater freedom to set agreed charge freight rates was introduced yesterday in the House of Commons by Mr. Marler. The legislation implements a series of recommendations by a one-man Royal Commission which studied the agreed charge method of establishing freight rates. Major proposal in the legislation is that the railways should be allowed more latitude in making agreed charge contracts. . . . Something is killing herring in the Bay of Chaleur on Canada's east coast, but federal authorities don't know what it is. An official of the Fisheries Research Board said today the killer may be a virus or a fungus but so far investigations have not revealed its nature. . . . Funeral service will be held today for Mr. Percy M. Buttler, retired general agent for the Canadian National Railways, who died in Ottawa Saturday. He was 81.

Miss Hamilton

GOVERNMENT



OF CANADA

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Vol. 6, No. 110

Wednesday, June 8, 1955.

White Paper on Defence: Ottawa, June 7 (CP) -- Any thermonuclear attack on Canada would raise the immediate problem of national survival, says a government White Paper on defence.

The document, tabled today in the House of Commons, says in part:

"For North America, the possibility appears for the first time of an attack that could cripple the military and industrial potential of Canada and the United States.

"Should we ever be attacked with thermonuclear weapons, it is plain that our immediate problem would be national survival.

"Everyone not directly involved in an urgent military role would immediately be caught up in the problems of rescue, rehabilitation and the maintenance of essential services.

"In wars of the past, families, towns and even sizable communities have been destroyed, but thermonuclear weapons confront us with the possibility that major nations and perhaps the whole of mankind might be wiped out in consequence of a future war.

"It becomes all the more important, therefore, that we spare no effort progressively to reduce international tension and eventually to eliminate war. At the same time, we must ensure that together with our allies we have sufficient military strength to deter any potential aggressor.

"While the most effective single deterrent today is the certainty of thermonuclear retaliation, we recognize that ultimately peace must rest on more enduring foundations."

The increased concern over North American defence was pointed up again and again throughout the 59-page White Paper, which outlines roughly defence policy and how the Defence Department proposes to spend the \$1,775,000,000 it is asking Parliament for the 1955-56 fiscal year.

Former White Papers have put emphasis on strengthening the NATO shield in Europe, but this year's lays stress on North American defence. On the first page, the paper says:

"In co-operation with the United States, we are providing additional warning networks and increasingly effective and co-ordinated air defence forces on this continent.

"By so doing we are, of course meeting a common need for home defence and, beyond that, we are also assisting in the protection of the industrial potential of North America and the retaliatory capacity of the U.S. Strategic Air Force, both of which are of the greatest significance to all nations in the free world in the deterrence of aggression."

At the end, the White Paper notes that estimated expenditures are \$43,000,000 more than actual spending in the 1954-55 fiscal year, partly because of construction of the mid-Canada radar warning line along the 55th parallel.

Nine of the RCAF's regular squadrons will be fully equipped with CF-100 long-range jet interceptors by the end of this year, the Paper says. The nine squadrons will comprise about 300 planes.

Other points having a bearing on North American defence brought out by the White Paper:

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1. Work on the mid-Canada line is expected to be well under way by the end of this year.
2. Development of a supersonic, long-range all-weather, delta-wing fighter (the CF-105) is being undertaken by Avro Aircraft Ltd., at Malton, Ont.
3. Future plans call for replacement of the present armament on the CF-100 with "highly destructive" rockets and guided missiles.
4. The "immediate needs for supersonic aircraft development" necessitate an expansion of the national aeronautical establishment.
5. A comprehensive reappraisal of civil defence planning has been under way "for some time" in light of the widespread devastation caused by thermonuclear weapons.
6. The armed forces should be able to give all "feasible assistance" to civil defence organizations.
7. The Ground Observer Corps consists of 80,000 civilian volunteers who man some 5,000 observation posts and 12 filter centres across Canada.
8. Authorized strength of the RCAF has been set at 51,000, an increase of 1,000; the Army at 49,000, a decrease of 1,000; the Navy at 20,000; for a total of 120,000.

Mr. Pearson To UN Special Meeting: (Press Release No. 40, June 7.) -- The Department of External Affairs announced on June 7 that the Secretary of State for External Affairs, Mr. Pearson and the Canadian Permanent Representative to the United Nations in New York, Mr. David Johnson, will represent Canada at the special meeting of the United Nations to be held in San Francisco for the purpose of commemorating the signing of the United Nations Charter on June 26, 1945.

Sixfold Industrial Growth In 35 Years: Ottawa, June 7 (CP) -- Canada's fast-growing manufacturing industry made a sixfold expansion in 35 years.

Powered by big oil discoveries in the West, the opening of uranium deposits and the world-wide demand for metals and newsprint, the manufactures rose from an annual production of less than \$3,000,000,000 in 1917 to a record \$17,000,000,000 in 1952.

This upsurge was no mere accident, said the Bureau of Statistics in a 174-page detailed analysis of the 35 years of progress.

"Such events as the discovery of a major oil pool on the Prairies in 1947, the discovery of large-scale deposits of iron and the successful search for uranium have given new dimensions to Canadian thinking and business planning.

"These are the factors that explain the records of capital expenditures year by year since the end of the Second World War. Yet it is not the mere rate of expansion that is significant. There have been other periods when Canada's population has grown more rapidly and in many respects the rate of industrial expansion in late 1920s was relatively as great as the post-war years.

"The real significance of the latter period is that never before has there been an advance on such a broad industrial front." . . .

Across Canada: The National Ballet Company of Canada opens a 10-day engagement at the 4,000-seat Carter-Barron Amphitheatre in Washington, D.C., Wednesday, C.P. announced from Toronto. . . . A Queen's University professor, Dr. A.R.M. Lower, said at a meeting of the Royal Society of Canada yesterday that Arnold Toynbee's "Study of History" is a huge work which is a huge failure," C.P. reported from Toronto. Dr. Lower said Toynbee's work, despite its 10 volumes and 6,000 pages, is superficial and contains numerous conclusions based on little study. These conclusions were Dr. Lower's chief ground for complaint, the C.P. report read.



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Vol. 6, No. 111.

Thursday, June 9, 1955.

Armed Services Top-Level Changes: Ottawa, June 8 (Globe & Mail) -- Changes in the top-level command of Canada's armed services and in the Department of National Defence were announced by the Government today.

Prime Minister St. Laurent announced the appointment of Air Vice-Marshal Frank R. Miller, 47, as Deputy Minister of Defence, replacing Brig. C.M. (Bud) Drury, 43, who will return to private business in Montreal.

Defence Minister Campney announced the retirement of Lt.-Gen. G.G. Simonds, 52, as chief of the Canadian army general staff, and his replacement by Maj.-Gen. H.D. Graham, 57, GOC, Central Command, Oakville, who will be promoted to the rank of Lieutenant-General.

To replace A.V.M. Miller as Vice-Air Deputy at Supreme Headquarters, Allied Powers in Europe, Defence Minister Campney announced the appointment of Air Vice-Marshal H.L. Campbell, 47, now commanding 1 Canadian Air Division in Europe.

Air Vice-Marshal H.B. Godwin, 48, recently commanding Air Materiel Command, will replace A.V.M. Campbell as Air Officer Commanding 1st Canadian Air Division.

The appointment of A.V.M. Miller to the post of Deputy Defence Minister, effective August 15, marks the first time a career officer has been given the position and the first time a man with air force affiliations has been appointed. . . .

Canadian International Trade Fair to be Discontinued: Ottawa, June 8 (CP) -- Canadian International Trade Fair in Toronto, first of its kind in North America, is to be discontinued because the Government feels it has not lived up to expectations as a medium to promote sale of this country's exports.

Mr. Howe, announcing the Government's decision in the House of Commons today, said it was based on a recommendation by officers of his Department and came after consultation with many Canadian businessmen and commercial organizations.

Asked by Mr. J.H. Ferguson, (PC-Simcoe North) whether the decision would be reconsidered if the Province of Ontario offered financial assistance towards the fair's operation, Mr. Howe said the Government would be glad to deliver the fair to Ontario as a going concern if the Province were interested in continuing it.

The Fair, now holding its eighth exhibition at the Canadian National Exhibition Grounds, was established at the end of the Second World War to promote Canadian trade.

It was useful, Mr. Howe said, for repairing damaged trade connections between Canada and overseas countries in the post-war period and helped overseas companies to become established in the Canadian market. It had induced some foreign and Commonwealth countries to set up plants in this country.

"However . . . . The Fair has not lived up to expectations as a medium for the direct promotion of Canadian exports. . . . The conclusion one must draw from the experience of the last eight years is that a trade fair of the kind we have been running in Toronto is not of much value to Canadian exporters."

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Canadian participation had waned despite a warning three or four years ago that the Fair would be closed unless enthusiasm was stepped up. This year, apart from prestige exhibits of some companies and provincial and municipal exhibits, this participation was "very limited indeed."

". . . . It does not appear to have fulfilled the hopes of those who believed that the fair could become a more or less permanent market place."

Overseas exhibitors used the Fair to make initial contacts in Canada and then turned to other methods of trade promotion.

Mr. Howe said the Government now will bend efforts in other directions to boost Canadian export trade. This year Canada would have exhibits at 15 Trade Fairs in 13 countries.

"In this competitive world, we cannot wait for the customers to come to us," Mr. Howe said. "We must carry our merchandise to the buyer in his country, just as we expect that he will continue to bring his merchandise to Canada."

Mr. Howe On Statutory Powers: Ottawa, June 8 (CP) -- Defence Production Minister Howe said today he will cancel his statutory powers to procure defence supplies as soon as the present emergency ends -- not whenever a Member of Parliament tells him to.

That was his reply to renewed Opposition demands in the House of Commons that some limit be placed on powers under the Defence Production Act.

Mr. Howe spoke up during a speech by Mr. Earl Rowe continuing the official Opposition's attack on a bill which would remove the expiry date of July 31, 1956, on the act under which the Minister's Department operates. . . .

C.M.A. Asks Protection For Industry: Toronto June 8 (CP) -- Further protection for Canadian industry against foreign competition was urged today in a statement on tariff policy by the Canadian Manufacturers' Association.

Canada, said the CMA, is today the world's largest importer of fully-finished foreign-manufactured goods, surpassing in dollar value imports by the United States with a population 11 times that of Canada. In 1953 such Canadian imports totalled \$3,353,000,000 compared with \$3,303,000,000 for the United States.

The policy of encouraging imports, the CMA added, continued to cause serious disturbances to the Canadian economy, particularly to secondary industries dependent upon the domestic market for their existence and prosperity.

If permitted to continue, this policy could bring irreparable harm to many industries for years the mainstay of the Canadian economy.

"It is not sound tariff policy," the statement continued, "to sacrifice development and maintenance of domestic manufacturing industries for the purpose of encouraging export of primary products as an end in itself. In the long run such a policy is bound to produce an economy based upon a few primary industries supported by relatively small and weak secondary industries." . . . .

Across Canada: The Senate gave final approval to a 10-year Canada-U.S. convention designed to stamp out sea lamprey in the Great Lakes. . . . Mr. Arthur R. Ford, editor-in-chief of the London Free Press, has retired as chancellor of the University of Western Ontario, it was announced in London, Ont. Mr. Ford has been appointed to the University Board of Governors as full voting member, Lt.-Col. Gordon Ingram, Board Chairman said. . . . Resources Minister Winters, last night at Springfield, Mass., said formal education should prepare graduates to use their technical skills for the benefit of society. He spoke at Western New England College.



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Vol. 6, No. 112

June 10, 1956

Supplementary Estimates \$147,724,276: Ottawa, June 9 (CP) -- Supplementary federal estimates of \$147,724,276 for the fiscal year ending March 31, 1956, were tabled today in the House of Commons by Mr. Harris.

The supplementary amount would bring the total estimates for the current fiscal year to \$4,507,990,276, about \$60,000,000 below the peace-time high of \$4,567,794,000 for the 1954-55 year.

Biggest item provided in the supplementaries is \$63,300,000 for reductions in the amount owed by the old age security fund on temporary loans for 1954-55 and 1955-56.

Other loans by the Government are topped by \$8,500,000 to the CBC to cover capital expenditures of television installation. Central Mortgage and Housing Corporation will get \$7,000,000 for housing projects undertaken jointly with the provinces and Atomic Energy of Canada, Ltd., \$6,000,500 for construction of the new NRU reactor and auxiliary buildings at the Chalk River, Ont., atomic research centre.

Other major spending items forecast are:

Further amount for war veterans allowances \$9,421,000; development of the Cornwall, Ont. canal, \$2,500,000; reconstruction and capital expenditures for Montreal harbour, \$2,002,000; funds for construction of municipal airports, \$2,475,101; St. Lawrence dredging, \$1,500,000; construction or acquisition of vessels for the Transport Department, \$1,318,650.

Progressive Conservatives Returned in Ontario: Toronto, June 9 (CP) --

The Progressive Conservatives swept into power for the fifth consecutive time in the Ontario general election today as Ontario's electors returned Premier Frost's administration with a majority almost identical with that of the 1951 sweep.

Sixty-seven minutes after the polls closed, the Canadian Press said returns indicated re-election of the Government with an undiminished majority. Its majority at dissolution was 66.

The Progressive Conservatives took seven of the eight new seats in the 98-seat House, off-setting five Liberal gains and one CCF gain from the Progressive Conservatives.

All three party leaders were elected, Premier Frost in Victoria, which he has represented since 1937; Liberal Leader Farquhar Oliver in Grey South which he has held since 1926; and CCF Leader Donald C. MacDonald in York South in his first election bid.

The Labour-Progressive (Communist) party lost the single seat it held in the last legislature when Conservative candidate Ald. Allan Grossman defeated J.B. Salsberg in Toronto St. Andrew riding. The other 30 Labour-Progressive candidates also were defeated.

Final Canadian Press party standing in Ontario election:

Progressive Conservatives, 83; Liberals, 10; C.C.F., 3; Ind. P.C., 1; Lib.-Lab., 1; Total - 98.

Provincial Premiers To Ottawa, June 20: Ottawa, June 9 (CP) -- Provincial premiers have been invited to attend a preliminary meeting here Monday, June 20, to discuss the federal offer to pay part of unemployment relief costs.

(over)

Prime Minister St. Laurent told the House of Commons today the meeting will consider information gathered by federal and provincial experts on levels of unemployment and relief costs in the various provinces. He said the meeting might last for two days.

Commission Report On Canadian Breweries, Ltd: Ottawa, June 9 (CP) -- The Restrictive Trade Practices Commission has suggested the Government raise four legal roadblocks to prevent Canadian Breweries Limited, from continuing alleged monopolistic merger practices which might lead to control of Canada's beer industry.

The Commission said in a 104-page report to Justice Minister Garson that the company has been following these merger practices since it was set up in 1930 with the express purpose of achieving domination and control.

It has not succeeded in doing so, but there was a danger that it might ultimately succeed unless steps were taken to halt its alleged system of buying out and eliminating rivals, the Commission said. Mr. Garson, in tabling the report, said he will decide later what action the Government will take.

Mr. V. Krishna Menon In Ottawa: Ottawa, June 9 (CP) -- India's travelling Ambassador will renew his confidential talks with Mr. Pearson tomorrow.

Mr. V. Krishna Menon held private conferences with Mr. St. Laurent and Mr. Pearson but so far no word of what was discussed has come from the talks. . . .

Future Of Trade Fair: Ottawa, June 9 (Globe & Mail) -- Mr. Howe told the Commons today the federal Government would give immediate attention to Ontario Premier Frost's determination to carry on the Trade Fair as soon as Ontario made an official approach to his Department.

He was replying to a question by Mr. Donald Fleming (PC, Eglinton) who asked whether department officials would enter into early discussions with provincial representatives "so that continuity may be assured from this year's Fair".

Mr. Howe reiterated his promise to turn over the administration of the Fair, all equipment, and to give all the technical advice his Department could if the Province decided to pick up sponsorship of the Fair.

Governor-General's U.K. Visit: Ottawa, June 7 (CP) -- Governor-General Massey's visit to Britain will be "partly business and partly a holiday," a Government House spokesman said today.

The Governor-General leaves June 15 by air for a six-week stay in the U.K. He will visit his Alma Mater, Oxford University, June 21-22; attend the opera in London June 30; and spend the rest of the time visiting friends.

Across Canada: Canada's 1956 Olympic team will receive \$60,000 in a special federal grant forecast in supplementary estimates for 1955-56 tabled today in the House of Commons. The grant to the Canadian Olympic Association is to help defray expenses of the Canadian team, estimated at \$206,504, C.P. reported. . . . The United States has lengthened her lead over Canada as the world's top wheat exporter in an expanding market where every major shipper -- except Canada -- has achieved a sharp rise in exports. Figures released by the Bureau of Statistics showed the U.S. exported 204,000,000 bushels in the first nine months of the current crop year -- 14,600,000 more than the 189,400,000 shipped by Canada, according to C.P.



*Mrs. Hamilton*

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Vol. 6, No. 113

Monday, June 13, 1955.

Mr. Howe Predicts Year of Prosperity: Ottawa, June 10 (CP) -- Mr. Howe said tonight that 1955 "will probably be the most prosperous year in Canada's history."

Mr. Howe made his optimistic prediction in a broadcast over CBC. A similar statement was made by Transport Minister Marler, speaking in French on another CBC network.

"I have no doubt that there are going to be some ups and downs in business, but I think we are going to continue moving forward here in Canada," Mr. Howe said.

He said that in the six-month period ended last March 31 Canada exported more goods than in any corresponding period before. In the first four months of the year, exports were \$144,000,000 above those of a year earlier.

Mr. Howe also referred to a measure before Parliament to provide special tariff protection against dumping in Canada of government-subsidized goods. He said he supports the proposal, adding it does not depart from Government free-trade policies.

"The effect of the bill will be to apply duties offsetting in full the subsidy in the event that our Government may decide that such an import will adversely affect normal Canadian trade. . . .

"It is by protecting our home market against abuses of this kind that we are able to maintain our liberal trade policies."

The measure was in conformity with the International Agreement on Tariffs and Trade, the international pact to reduce tariffs and set trade rules.

Mr. Howe said GATT has been "one of the most successful efforts at international co-operation."

There had been setbacks and Canada was by no means satisfied with the progress achieved.

"There are still too many restrictions in external markets against Canadian goods. Efforts by the United States to dispose of surplus agricultural commodities are disturbing normal commercial markets for our produce, particularly wheat." . . .

Wheat Situation Now Hopeful: Ottawa, June 10 (CP) -- Prairie farmers may beat the devastation of spring floods and produce a better-than-average wheat crop this year.

Federal grain men said today the chances of a bumper crop have brightened with reports of warm weather sweeping over Prairie fields helping farmers complete seeding probably by the end of this week.

At May 31, the Prairie producers still had about 12 per cent of their intended 22,800,000 acres of wheatland to seed. Usually by that time, seeding is completed in a normal year. But Western farmers are getting accustomed to late crops. They had one last year which was badly damaged by a rust epidemic but they also had one in 1953 which turned out a near-record harvest.

Late crops increased the dangers of damage by rust and frost. But Western fields this year are heavy with moisture and if the sun keeps beating down with its present strength, the combination of sun and moisture will help speed prairie growth.

Besides, farmers have more protection against rust with wider distribution of the rust-resistant Selkirk wheat. . . .

(over)

Unemployment Insurance Betterment: Ottawa, June 10 (CP) -- Mr. Gregg today proposed that the maximum annual period in which jobless may collect unemployment insurance benefits be extended to 36 weeks from 30, as previously planned.

At present the maximum is 51 weeks, but the Government proposed to lower this to 30 under a bill introduced in the House of Commons earlier this session. However, the Industrial Relations Committee, which studied the legislation, recommended a 36-week period.

Mr. Gregg, in moving his amendment to the bill overhauling the 14-year-old Unemployment Insurance Act, told the House of Commons today the Government is extending the maximum period because of representations made by labour organizations and House of Commons members. . . .

Nine-Nation Medical Conference: Toronto, June 12 (CP) -- Some 3,000 medical men from far and near will open a 10-day conference Tuesday to talk over some of the diseases of the world.

Facing the medical men, meeting at the Fourth British Commonwealth Medical Conference, are new problems arising from the longer life span which medical science has given man, Dr. T. Clarence Routley of Toronto said tonight.

The joint conference, last held in Toronto in 1906, is one of the biggest medical conventions ever held anywhere.

Delegates from nine nations besides Canada converged here this weekend. They are the advance party from Australia, Ceylon, India, Ireland, New Zealand, Pakistan, South Africa, Southern Rhodesia and the United Kingdom.

Across Canada: Canadian military supplies are being shipped to nine NATO countries this month under Canada's mutual aid programme, the Army said. Supplies will go in 12 freighters to Turkey, the United Kingdom, Portugal, the Netherlands, Italy, France, Belgium, Norway and Denmark. They include ammunition, trucks, artillery equipment and mortars. . . . Labour Minister Gregg left at the week-end for Geneva to attend part of the current meeting of the International Labour Organization, which he will address Wednesday. . . . A contingent of about 400 young Canadians will travel to Paris in August as delegates to the centenary observances of the Y.M.C.A. They will be among 10,000 delegates from 70 countries.



*Miss Hamilton*

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Vol. 6, No. 114

Tuesday, June 14, 1955.

Massive Canada, U.S. Civil Defence Exercise: Ottawa, June 13 (CP) -- An unknown number of Canadian communities from coast-to-coast will be "H-bombed" without warning this week, but their civilian populations will be unaware an "enemy" has just dealt them a death blow. It all will be in theory, of course, part of a massive Canada-United States civil defence exercise known as "Alert Two." It is scheduled for Wednesday to Friday, inclusive.

Of 50 American cities participating, some are planning evacuations. But in Canada no civilians actually will be moved out of their communities. In the Niagara Peninsula a column of Canadian CD workers will move into Buffalo to help that city when it is attacked. Windsor, Ont., will take theoretical refugees from Detroit.

In theory, hundreds of thousands of Canadians will die or be left hurt and homeless. Civil defence experts, connected by a vital communications system, will struggle with the problems of providing medical treatment, food and shelter and getting people out of the way of radioactive fallout from H-Bomb explosions.

One new twist to the Canadian end of the exercise will be a message relayed through the defence system that a number of "enemy" bombers carrying hydrogen bombs have crashed in rural areas.

Their "exploded" bombs will send up a theoretical radioactive cloud that will spread for hundreds of miles, perhaps over some cities which will have to be "evacuated." Weather experts, judging wind drift of the radioactive cloud, will advise where to evacuate.

Nerve centre of the Canadian operation will be at the civil defence college at Arnprior, Ont., 40 miles west of Ottawa.

Names of the Canadian communities to be theoretically hit by H-bombs are not being announced in advance. But from Arnprior headquarters word will flash out from a special CD communications network to provincial centres that certain areas have been hit with a bomb of a certain type and strength. Main aim of the Canadian exercise is to test these communications. . . .

Visa Fees Waived By Canada, Japan: (Press Release No. 42, June 13) -- The Department of External Affairs announced on June 13 that an Agreement between Canada and Japan for waiving visa fees was signed by the Secretary of State for External Affairs, Mr. Pearson, and the Ambassador of Japan, His Excellency Dr. Koto Matsudaira.

Under the Agreement, Canadian and Japanese citizens, seeking temporary entry not exceeding twelve months to Japan or Canada respectively, can be issued visas, free of charge, valid for an unlimited number of entries over a twelve-month period.

Until this Agreement comes into force on July 1, 1955, travellers between the two countries will be required as in the past to pay a fee in order to obtain visas for temporary entry.

(over)

Fourth Day of Debate On Mr. Howe's "Powers": Ottawa, June 13 (CP) -- Mr. Drew called on the Government tonight to drop its attempt this session to pass a bill to give an indefinite lease of life to the broad powers of Defence Production Minister Howe.

Mr. Drew, making a speech at the end of the House of Commons fourth day of debate on the measure, said the Government "is going to hear a lot more about it" if they do not accept opposition requests that a new time limit be placed on the powers in the Defence Production Act.

The present Act, passed in the Korean war days of 1951, expires July 31, 1956. The bill before the House of Commons would eliminate that expiry date.

He charged the Act carries socialist powers and said that not even the Socialists of the British Labour Party would support it. . . .

Potato-Growers Seek Year-Round Tariff: Ottawa, June 13 (CP) -- The Canadian Federation of Agriculture today moved in to support Canadian potato growers in their bid for a year-round tariff on U.S. potatoes.

The growers, represented by the Canadian Horticultural Council, proposed a year-round duty of 75 cents a 100 pounds. U.S. potatoes now come in duty-free except for a six-week summer period when Canada charges 37½ cents a hundredweight.

Canadians To Ceylon For Sun's Total Eclipse: Ottawa, June 13 (CP) -- A veteran Canadian scientist and his wife have gone to Ceylon to observe the world's longest total eclipse of the sun since the 7th century.

Professor and Mrs. James Hargreaves will remain in Ceylon for the 7.2-minute eclipse which is to occur on June 20.

The eclipse -- passing of the moon between the sun and earth -- will be visible in Ceylon, Siam, the Philippines and over a large part of the Indian Ocean.

Across Canada: The men who set standards for products, etc., will meet in Ottawa, Wednesday for their 28th general meeting. The Canadian Standards Association will review its work in the last year, during which it set 73 new standards for products, processes and procedures. . . . The federal Government paid \$65,512,085 to June 4 as its share of the cost of building the Trans-Canada Highway a parliamentary return showed. Under the Trans-Canada Highway agreement, provinces do the work within their own boundaries and the federal Government splits the cost on a 50-50 basis. All provinces except Quebec are in the agreement. The return showed 1,074 miles of the proposed 4,800-mile coast-to-coast highway were paved and 1,481 miles graded by April 30. . . . Federal grants totalling \$12,690,698 have been made to the provinces since 1948 in aid of cancer treatment, research and education, the Health Department reported in a return tabled in the House of Commons.



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Vol. 6, No. 115

Wednesday, June 15, 1955.

Unemployment Insurance Betterment Approved: Ottawa, June 14 (CP) -- The Government's revised unemployment insurance legislation was given final House of Commons approval today after defeat of an opposition attempt to retain the present 51 weeks as the maximum period of coverage.

Members voted 108 to 61 against a Progressive Conservative motion for reconsideration of the provision setting 36 weeks as the maximum period in which unemployed could draw benefits.

The measure, which also would increase the ceiling on the amount of payments, then was passed and sent to the Senate for approval.

Top weekly payments would be \$30 for married persons and \$23 for single unemployed, compared with present ceilings of \$24 and \$17.10, respectively.

The Conservative motion put forward by Mrs. Ellen Fairclough was supported by the other opposition groups and by Mr. Raoul Poulin (Ind.-Beauce). . . .

Proposed Changes In Commons Procedure: Ottawa, June 14 (CP) -- New procedures aimed at saving time in the House of Commons and expediting its work were submitted to the House of Commons today in the unanimous report of a special committee representing all parties. The new rules appeared certain of adoption at this session in view of the committee unanimity. They would go into effect next session.

Major changes consist of limitation of members' speeches to 30 minutes each in some House sittings, compared with 40 minutes now, and a time restriction on the two big debates of each session, which now run without curbs.

The debates are those on the address in reply to the Speech from the Throne, which would be held to 10 sittings days, and the budget debate, which would go no more than eight. At this session, they ran to 16 and 13 days, respectively.

During the Throne Speech debate, which at times has rambled on for weeks -- the proposed new rules would provide for morning sittings to supplement the regular afternoon and night ones.

The 30-minute speech rule would apply when the House is "in committee". Exceptions to the limit would continue to be the Prime Minister, and the Opposition Leader, who will continue to have unlimited time.

With the House of Commons in formal session, the present 40-minute limit on speeches would continue with the existing exceptions that include the two leaders and Ministers making policy statements or moving legislation.

Canada, U.S. Power Problem to I.J.C.E. Ottawa, June 14 (CP) -- The International Joint Commission has been asked by the Government to discuss what benefits Canada should receive from the United States for hydro power generated in the U.S. with Canadian water.

Resources Minister Lesage made the announcement today as the House of Commons began detailed study of Government legislation tightening federal control over international rivers.

Unemployment Relief Conference June 20: Ottawa, June 14 (CP) -- Prime Minister St. Laurent confirmed today that provincial representatives will meet here Monday to discuss the federal offer to pay part of unemployment relief costs.

He announced in the House of Commons that all Provinces have replied to an invitation and have agreed to the date. The meeting would start Monday morning and continue Tuesday if necessary.

Mr. St. Laurent's message was sent to all Provincial Premiers. A spokesman in the Prime Minister's office said that not all Premiers are able to attend. Names of provincial representatives were not yet available.

Canada, U.S., Japan Tariff Revisions: Ottawa, June 14 (Globe & Mail) -- Tariff concessions exchanged between Canada, the U.S. and Japan after four months of negotiation at Geneva under the General Agreement on Tariffs and Trade, were announced to the House of Commons today by Mr. Howe.

The negotiations, results of which are not very extensive from Canada's point of view, pave the way to Japan's accession to GATT.

In addition the negotiations enabled certain revisions in tariffs bound under GATT, both by Canada and other member countries, Mr. Howe said.

Across Canada: Canadian-born Princess Margriet, 12-year-old third daughter of Queen Juliana, yesterday laid the cornerstone of the \$300,000 Canadian Embassy Chancellery at The Hague. A band and 90-man guard of honour paraded as the Princess arrived to carry out her first official function, it was reported from The Hague. . . . Premier Duplessis' promised conference with International Civil Aviation Organization officials on the question of the Province's treatment of the aviation body has been set for Thursday in Quebec City. The talks may have some bearing on whether or not ICAO headquarters will remain in Montreal, the Montreal Gazette reported. . . . By 1980 Canada may have three unemployables for every able-bodied worker, Dr. G.F. Strong of Vancouver, retiring President of the Canadian Medical Association said yesterday. In a paper presented on the opening day of the fourth British Commonwealth medical conference at Vancouver, he stressed the "urgent need for rapid expansion of rehabilitation services in this country", C.P. reported.

Miss Hamilton



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Vol. 6, No. 116

Thursday, June 16, 1955.

Canadian Economy Soars To New Production High: Ottawa, June 15 (CP) -- A revitalized Canadian economy, spurred by heavier consumer earnings and spending and by a resurgence of business stockpiling, is heading for a record \$25,000,000,000 gross national product for the year on the basis of trends in the first three months.

DBS estimated today that in the first quarter the gross national product -- value of all goods and services produced -- rose to a high of \$5,656,000,000, a gain of \$250,000,000 over the \$5,406,000,000 in the similar 1954 period.

It was a period in which, despite large pockets of unemployment, consumers made more money and spent more and in which business men, apparently regaining their confidence in the future, stockpiled more goods, especially motor cars, in anticipation of bigger markets ahead.

On the basis of conditions in those three months -- a sharp contrast to the gloomy recession period in the earlier parts of 1954 -- the Bureau estimated the gross national product would reach a record \$25,000,000,000 for the full year if it maintained the first-quarter pace. If achieved, this would be a rise of \$1,000,000,000 over 1954 and \$600,000,000 over the previous high of \$24,400,000,000 in 1953.

But it would be just short of the \$25,250,000,000 forecast by Finance Minister Harris in his April 5 budget. If the gross national product does not rise to Mr. Harris' forecast, it may mean that the federal deficit for 1955-56 may be larger than the \$160,000,000 estimated by the Minister.

On the other hand, the final figure may be higher than the current estimate. National production is based on a rise in crop output from last year's very poor harvests. If the wheat crop fails again, the gross product will undoubtedly show a large decline. But a bumper crop may boost the gross product to higher ground. . . .

Canada, U.S. Atomic Energy Information Agreement: Ottawa, June 16 (CP) -- Mr. Pearson announced signing of a Canada-U.S. agreement for wider exchange of atomic energy information.

Washington, June 15 (CP) -- Agreements covering the exchange of atomic information for military and civilian purposes were signed today by Canada and the United States.

The U.S. also signed agreements on the exchange of civil atomic data with the United Kingdom and Belgium. Canada was the only country to enter into an agreement for the exchange of atomic information for mutual defence. Texts of the agreements will be made public later. . . .

Heavy "Bomb Damage" In Canada, U.S. Test: Arnprior, Ont., June 15 (CP) -- Reports of heavy "bomb damage" to Canadian cities poured into Civil Defence headquarters tonight as part of a joint United States-Canadian exercise.

In Toronto, Controller David Balfour said he was "ashamed and appalled" at the city's unpreparedness. He said he will urge a complete investigation of the Civil Defence organization. The city's Civil Defence setup was recently transferred to the Metropolitan Council.

(over)

First city to report damage was Saint John, N.B., where a "small hydrogen bomb" killed 2,700 people and injured another 2,800."

The West Coast, the Niagara Peninsula and the Maritimes were heavily "hit" today when some 25 theoretical bombs fell in Canada, some of them unaimed as crippled aircraft jettisoned them.

The port cities of Vancouver and Victoria, along with industrial Trail, were hit in British Columbia. There were "strikes" at Sault Ste. Marie locks, the mining centre of Sudbury, and Ontario's industrial cities of Sarnia, Peterborough, Oshawa, Niagara Falls, Kingston and Windsor. In the Maritimes the coastal port cities of Saint John, N.B., and St. John's, Nfld., were "hit".

Common-Law Pensions Criticized: Ottawa, June 15 (CP) -- Government legislation to allow pensions under certain conditions for common-law wives of Canadian servicemen was described today in the Senate as "subsidization of adultery" and a "flouting of God's laws."

Led by Senator Haig, Progressive Conservative leader, five Senators -- including two Liberals -- spoke strongly against the Bill in a debate lasting almost two hours.

Finally, on a motion by Senator Kinley (L-Nova Scotia), the Senate unanimously rejected a report from its Banking and Commerce Committee which studied the measure but made no amendments. It sent the Bill back to the committee with instructions that it be studied further. . . .

Hit Natural Gas Near Cochrane, Ont.: Toronto, June 15 (CP) -- A farmer's wife's insistence that she have a new well resulted in the discovery of natural gas near Cochrane in Northern Ontario.

The discovery was made June 9 by Raoul Poissant, a farmer in the Frederickhouse district 10 miles west of Cochrane, and the test analysis was released today by Ontario Mines Minister Philip Kelly.

The interesting part of the discovery is that, while it may only be a pocket, it is insofar as is known the first natural gas find in Northern Ontario.

Across Canada: Prairie farmers have virtually completed all spring seeding operations and the Canadian crop outlook, aside from flooded areas, is generally favourable, the DBS reported. In the third of a series of telegraphic reports on countrywide crop conditions, the Bureau said that seeding in Saskatchewan, Canada's biggest wheat-growing province, is larger than expected earlier because of dry weather. . . . Mr. George Burt, Canadian Director of the United Automobile Workers (CIO-CCL) said the union's \$25,000,000 international strike fund may be used to wrest "the ultimate guaranteed annual wage plans" from General Motors of Canada. The fund was founded in anticipation of a stiff fight by United States automobile makers to block the guaranteed annual wage. . . . The House of Commons agreed today with the Progressive Conservatives that all directors of the publicly-owned CNR should be Canadian citizens, but rejected that party's proposal that the President should be chosen from among the railway's seven-man board of directors. . . . The rapidly changing face of the St. Lawrence waterfront west from Cornwall is about to undergo one of the biggest single transformations of the entire \$600,000,000 project. Mannix-Raymond, Ltd., Hydro's early prime contractor, is expected to start today pumping 650,000,000 gallons of the river from what will form the site of the joint Ontario Hydro-New York State Power Authority powerhouse.



*M. Hamilton*

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Vol. 6, No. 117

Friday, June 17, 1955.

No Lessening In Defence Effort, Says Mr. Campney: Ottawa, June 16 (CP) --

Defence Minister Campney, opening Parliament's annual review of his Department's spending estimates of about \$1,775,000,000, told the House of Commons the Government does not intend to lessen its defence effort despite peaceful gestures from behind the Iron Curtain.

"Defence is costly and will no doubt continue so," Mr. Campney said. "The present climate of international affairs appears to be moderating but we cannot be sure that the better weather of recent months will endure."

The Leader of the Opposition, Mr. Drew, said that the Army should be reorganized into small, mobile, hard-hitting airborne units which could be flown to meet aggression anywhere in Canada. The same should apply to the militia, the non-permanent force.

At present, Canada has about 8,000 trained paratroopers but no self-contained airborne units. Overland transport now is the rule.

The Opposition Leader said the airborne units he proposed would include infantry, artillery, service corps, medical corps and armoured corps.

Mr. Drew said such a plan would help solve the army's manpower problem, because young men to whom appeals for enlistment are made would know that they were part of the most modern army in the world.

He said Canada still needs conventional army units. But it needed "conventional units used in an unconventional way."

Now that West Germany was to be rearmed, Canada would need fewer army units. Canada, therefore, could begin planning for compact, mobile units.

The need for conventional army units was shown by the fact that wars had been fought in Korea and Indochina without the use of atomic weapons.

The threat of destruction in any thermonuclear war offered the best assurance such weapons would not be used and likely would deter "the most brutal dictator in the Kremlin."

Mr. Drew said every single unit of the Army should be airborne. This was the only way Canada could meet the threat of enemy paratroopers dropped from planes in the Canadian north.

Armed Forces Strength 117,999: Ottawa, June 16 (CP) -- Strength of Canada's armed forces stood at 117,999 at April 30, Defence Minister Campney announced today.

Opening a defence debate in the House of Commons, he said the personnel increased by almost 1,000 since the preparation of figures for a Defence White Paper tabled in the House earlier this month.

The breakdown by services: Navy, 19,292; Army, 49,187; RCAF, 49,520.

(over)

\$321,000,000 Contribution to Radar Warning System: Ottawa, June 16 (CP) -- Canada will contribute about \$321,000,000 toward construction of the joint Canada-United States early warning radar system being built to detect the approach of enemy aircraft.

Mr. Campney told the House of Commons today the amount included an estimated expenditure of \$170,000,000 on the mid-Canada line along the 55th parallel and \$151,000,000 on the Pinetree system roughly along the international boundary. . . .

Senate Finance Committee Report: Ottawa, June 16 (CP) -- The Senate Finance Committee today advised all levels of Government in Canada to slow down on spending or face the possibility of "ruinous inflation."

In a lengthy report the Committee, headed by Senator Thomas Crerar said deficit financing already is evident in Canada and inflation is still a strong factor in the economy, though controlled for the time being.

It was critical of pressures on Governments to spend more and more money. There was a need to educate the public that Governments obtain their funds only through taxation or borrowing. When Governments had to borrow to meet deficits "the danger signals are definitely flying."

The Committee spent six weeks delving into various aspects of the Canadian economy with special attention to growth of the civil service and national defence. Its findings will be debated in the Senate next week.

The report said that in 1950 revenues of all Governments in Canada were roughly \$4,300,000,000 and expenditures \$4,100,000,000. In 1954 revenues were almost \$5,950,000,000, expenditures \$6,370,000,000. Estimated revenues for all Governments this year were \$6,158,000,000 and expenditures \$6,695,000,000.

First Talks On Seaway Tolls: Montreal, June 17 (Gazette) -- Top Canadian and American officials of the St. Lawrence Seaway conferred informally here yesterday on what tolls will be levied on ships using the inland waterway.

The talks, led by Mr. Lionel Chevrier, president of Canada's St. Lawrence Seaway Authority, and Mr. Lewis G. Castle, Administrator of the St. Lawrence Seaway Development Corporation in the United States, broke ground on the subject.

Following the meeting the two men, accompanied by advisers and assistants, toured work underway in the Lachine section of the seaway.

A statement said the meeting was "productive of good results and will be of benefit to all concerned."

The talks marked the first joint meeting of the Canadian and American Committees on tolls. The bodies are concerned with assessment and collection of tolls and provisions for subsequent modification.

Across Canada: A suggestion that Canada launch a research programme on construction of atomic engines for military vehicles and warships was made Thursday in the House of Commons defence debate. Mr. Frank Enfield (L-York, Scarborough) urged the Government to spend more money on research for military purposes. . . . Plans for the biggest military parade in Canada's history were announced by Maj.-Gen. John Rockingham at Campagetown, N.B. . . . Mr. William Cottingham, Quebec's Minister of Mines, yesterday prophesied a 50 per cent increase in the value of Quebec mine production in five years.



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Vol. 6, No. 118

Monday, June 20, 1955.

House of Commons Defence Debate: Ottawa, June 17 (CP) -- The Government feels the likelihood of wartime enemy landings in Canada has decreased with the growth in power of nuclear weapons, Defence Minister Campney said today.

He said in the House of Commons that the army's three airborne battalions in Canada are regarded as adequate to meet that kind of attack if it should come.

Mr. Campney, speaking in the second day of the defence debate, also rejected as too costly a Progressive Conservative proposal that the entire army be made airborne and reorganized into small, mobile units.

And -- under questioning by Mr. Drew -- he revised his statement last night that Canada's 1st Division is "a division under NATO primarily for the defence of Europe."

Mr. Drew said the Minister seemed to be voicing a new policy. Previously, the Government had said Canada's commitment to NATO land forces was a single brigade. If the 1st Division's three brigades were committed to NATO "then we have assumed obligations of which no member of the House was aware."

Mr. Campney replied that the Army NATO commitment is only one brigade.

The full division had been formed in 1953 in accordance with NATO commitments with two of the three brigades remaining in Canada to provide trained units to replace the third brigade in West Germany after its two-year tour of duty. Thus the division had to be kept separate.

Mr. Campney said the Conservative proposal for an entirely airborne army sounds inducing. But the Government and its military advisers feel, he said, "that having regard to the long distances we are from our potential enemy and the fact that any men landed here would be far from any bases, the likelihood of physical invasion by persons in any number has probably decreased, whereas the power of the bomb. . . has increased."

"It is felt," he added, ". . . that the three battalions which comprise the mobile striking force should be regarded as adequate for that type of warfare should it arise."

To move an entire 20,000-man division by air at one time would take \$350,000,000 worth of transport planes carrying 120 men each. The cost still would be considerable if it were reckoned on the basis of the several return journeys for the move.

Mr. Drew replied that his party's proposals for a reorganized, airborne army are not based in terms of the present systems of divisions.

Five-Man Economic Commission: Ottawa, June 17 (CP) -- Prime Minister St.

Laurent today announced appointment of the five-man commission to study Canada's economic future, naming Walter L. Gordon, Toronto accountant and management consultant, as chairman.

In a brief statement to the House of Commons, Mr. St. Laurent said these others will be members: Albert E. Grauer, Vancouver; Andrew Stewart, Edmonton; Omer Lussier, Quebec City; Raymond Gushue, St. John's, Nfld.

Mr. Douglas Lapan, Canadian minister-counsellor at Washington and one of Canada's best known poets, will be commission secretary and research director.

Mr. St. Laurent said the commission will study population growth, trends in productivity, and living standards and the supply of materials in the future. . . .

(over)

San Francisco Delegation: (Press Release No. 43, June 17) -- The Department of External Affairs announced June 17 that the Secretary of State for External Affairs, Mr. Pearson, has left Ottawa to attend the special meeting of the United Nations which will be held in San Francisco throughout the week ending June 26, to commemorate the Tenth Anniversary of the signing of the United Nations Charter.

The other members of the Canadian Delegation are Mr. David Johnson, Permanent Representative to the United Nations in New York, Mr. Christopher C. Eberts, Consul General of Canada in San Francisco, and Mr. J.E. Thibault of the Permanent Delegation in New York.

Federal-Provincial Conference: Ottawa, June 17 (CP) -- Ontario may have the biggest delegation at the Monday federal-provincial conference on unemployment relief -- a 12-man crew headed by Premier Leslie Frost.

All provinces except Newfoundland and Prince Edward Island now have decided who will represent them at the meeting to negotiate federal contributions towards relief costs. So far only two Premiers -- Mr. Frost and Mr. W.A.C. Bennett of British Columbia -- have reported they will attend. . . .

Canada's Ballet Troupe Hailed In U.S. Senate: Washington, June 17 (CP) -- The United States Senate interrupted its proceedings today to welcome what one of its members termed "an unusual invasion from the north" -- 24 shapely Canadian ballerinas seated in the public galleries.

Senator Alexander Wiley rose during a weighty debate on the Austrian peace treaty to call attention to the presence of the members of the National Ballet of Canada and asked his fellow Senators to join in a welcome.

The 20 or so members of the Senate floor broke into applause as Senator Wiley spoke of the ballerinas as "a group of beautiful and distinguished dancers from the friendly neighbour across the border."

Senator Wiley, who earlier had met the dancers on the Capitol steps and escorted them to the Senate galleries, said the Senate welcomed the presence of "these delightful young people whom we have taken to our hearts."

The senatorial response was typical of the reception the company, drawn from across Canada and led by Director Celia Franca, of Toronto, has received during a 10-night run opening the summer season in Washington outdoor Carter Barron Amphitheatre.

Across Canada: Lord Rowallan, Chief Scout of the British Commonwealth and Empire, and a distinguished soldier, will open the Canadian National Exhibition this year. . . . Latest demands for an independent board to regulate Canadian radio and television broadcasting have been rejected by the House of Commons broadcasting committee, with its Liberal majority out-voting Opposition members, C.P. reported. . . . The Canadian Medical Association said at Toronto it is "full of admiration" at the way Canadian public health officials have handled the limited supply of the Salk anti-polio vaccine. . . . Mr. O.B. Falls Jr., General Electric Company atomic power expert, said at Murray Bay, Friday, Canada by 1975 should have an "atomic business of approximately \$1,500,000,000". . . . Seventeen medical experts were honoured in ceremonies as the Canadian Medical Association began its 88th annual meeting at Toronto. Three British and three Canadian doctors assembled on the campus outside Hart House to accept honorary doctorates of letters from the University of Toronto. At the same time 11 Canadian doctors were named senior members of the CMA. . . . Mr. Wendell B. Farris, 68, Chief Justice of the Supreme Court of British Columbia for 13 years, died in hospital at Vancouver, June 17.



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Vol. 6, No. 119

Tuesday, June 21, 1955.

Canada-U.S. Atom Information Agreements: Ottawa, June 20 (CP) -- Atomic power stations may generate the electricity required to operate the DEW (Distant Early Warning) radar chain to be built in the Canadian Arctic by the United States.

Construction of atomic power plants for this purpose will be possible under two Canada-U.S. agreements tabled today in the House of Commons. The agreements provide for a wider exchange of information between the two countries on defence against atomic attack and for development of atomic energy for peaceful purposes, especially in the field of power plants.

Under the agreements, signed in Washington June 15, the United States also will provide Canada with enriched uranium and heavy water for use in the current power reactor programme in this country. . . .

The agreement dealing with the exchange of information of a peaceful nature says:

"...Information pertaining to military nuclear power plants in furtherance of the joint Canada-United States defence effort in the development of an early warning radar network may be exchanged."

A Government official said the provision is contained in the agreement in case the U.S. decides to produce electricity for the \$25,000,000 DEW line with atomic power stations.

"The cost of transporting conventional types of fuel into the area will be high", the official said. "The agreement provides for U.S. construction of atomic power plants, if such a decision is made by the U.S. The section also means that information on the construction of such plants will be made available to Canada".

The U.S. now provides Canada with natural uranium metal and heavy water for use in experimental reactors at the Chalk River project, operated by Atomic Energy of Canada Ltd., a Crown company.

Under the agreements, the U.S. Atomic Energy Commission also will supply these products for the power reactor programme. Canada will continue to furnish the United States with plutonium, energy source of atom bombs, which is produced as a by-product in experimental reactors at Chalk River.

Mid-May Employment Sets Record: Ottawa, June 20 (CP) -- The federal Government reported today mid-May employment hit a Canadian record for the month.

Unemployment fell sharply from April and was under the estimated figure for May 1954. It was the first time in two years in which monthly unemployment estimates were below those of the corresponding month of a year earlier.

"It was clear that the continued upswing in business activity now was having a marked effect on employment generally," the Government said in a statement accompanying its monthly employment review.

With the spring setup in employment going faster than usual, the Bureau of Statistics reported an estimated 5,324,000 persons had jobs at mid-May, up 201,000 from a month earlier for a Canadian record.

(over)

To Survey Vast Land and Sea Areas: Ottawa, June 20 (CP) -- The federal Government will send out 73 survey parties to measure, map and sound vast land area and sea areas of the country this summer.

The Mines Department today released a list of projects of its surveys and mapping branch, 20 of which are in the Yukon, Northwest Territories and Arctic Islands.

The projects, which include geodetic, topographical, legal and hydrographic surveys, will provide summer employment for more than 500 university students.

Radar will be used in a survey over the Ungava Peninsula to determine the heights of critical points for the Department's air navigation charts.

There will be two topographical surveys by helicopter of areas totalling 60,000 miles, one in new Quebec-Labrador and the other along the Lower Mackenzie River in the Northwest Territories.

Maj.-Gen. LaFlèche Returning From Argentina: Ottawa, June 20 (CP) -- Maj.-Gen. L.R. LaFleche, Canadian Ambassador to Argentina, is en route home and likely will report to the External Affairs Department on the Argentine revolt in which a Canadian correspondent was temporarily imprisoned.

Gen. LaFlèche, whose retirement was announced recently, is aboard the S.S. Del Mar which is sailing for New Orleans. His plans on docking there were not known here but he is expected to come to Ottawa.

He reported yesterday in a wireless message from the Del Mar that Mr. Douglas Blanchard, whom he described as a correspondent for the Toronto Star, was arrested while taking pictures of the uprising in Buenos Aires last week.

The Ambassador managed to get him released about midnight Friday after a day and a half in jail.

Dr. Routley Heads U.K. Medical Group: Toronto, June 20 (CP) -- A Canadian was ceremonially installed tonight as president of the century old British Medical Association.

More than 1,000 delegates to the joint British and Canadian Medical Association convention witnessed the traditional ceremony of investiture honouring Dr. T. Clarence Routley, of Toronto.

On Wednesday Dr. Routley will be installed as president of the CMA and so will become the first Canadian medical administrator to hold the dual presidencies.

Across Canada: In a two and one half hour continuation of his speech, commenced a week ago, Mr. Drew, in the House of Commons yesterday continued his fight against a bill to extend indefinitely the Defence Production Act, and the broad powers granted Mr. Howe, C.P. reported from Ottawa. . . A triple line of lightning storms, from west to east, ranging between Chapleau and Sudbury started 17 new forest fires Monday in the Sudbury forest district, the Globe and Mail reported. Nearly 1,000 men were being moved in to fight the new outbreaks, with 10 aircraft and two helicopters. . . . The Chief Election Officer, Mr. Lewis, has reported that the Liberals won a plurality of the active service votes in the Ontario election. The Liberals received 2,231 votes or 48 per cent; Progressive Conservatives 2,150 or 46 per cent; CCF 257 or 5 per cent; others 43 or 1 per cent. No riding results are affected.



*Mrs. Hamilton*

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Vol. 6, No. 120

Wednesday, June 22, 1955.

Ottawa Will Pay Half Welfare Relief Costs: Ottawa, June 21 (CP) -- The federal Government today acceded to provincial demands and boosted its proposed scale of unemployment relief aid to one-half the total cost under a reduced floor.

There were indications most provinces would accept this final offer, though there still were some complaints that it was too low.

Under the upwardly-revised contributions formula, announced by Mr. St. Laurent, the federal Government would pay one-half the cost of providing relief for persons in excess of .45 per cent of the provincial population.

This followed overnight revision of the central Government's previous offer to pay for persons in excess of .50 per cent of the population with federal contributions increasing from 30 to 50 per cent as unemployment intensified.

Federal officials estimated the final offer, if accepted by all provinces, would cost the central treasury roughly \$10,000,000 a year on the basis of last winter's unemployment figures. The cost would be higher if provinces increased their present welfare outlays. Officials believed Ontario might do so.

Mr. St. Laurent, in a House of Commons announcement following the wind-up of a 1½-day federal-provincial conference, said the agreements based on the federal offer may be discussed at another ministerial meeting "if a subsequent meeting is necessary."

"But I think it is the desire of those who were at the conference to try to have agreements worked out and signed before the October meeting (of federal and provincial premiers) as an indication that we can come to terms when we set about trying to do the right kind of job for the Canadian people."

The federal-provincial conference, at the insistence of Premier Frost of Ontario, also agreed that consideration be given to public investment and other measures to keep employment high.

This subject is to be taken up at the October 3 conference of premiers, following study by an advisory body of federal-provincial finance deputies here early next month.

The relief proposal, embodying a number of qualifications, was taken back by delegates to provincial Governments for decision on signing of pacts.

The federal Government is ready to make the deals effective July 1.

Bill To Increase Judges Salaries: Ottawa, June 21 (CP) -- A Government bill to increase salaries of federally-paid judges by a flat \$2,500 annually ran into CCF and Social Credit opposition in the House of Commons today while being welcomed by the Progressive Conservatives.

Mr. Stanley Knowles (CCF-Winnipeg North Centre) demanded an investigation into Judges' salaries and pensions, the amount of work they do, their extra-curricular activities on commissions and boards and their appointments and retirement ages.

He said judges' salaries compared favourably with those paid for comparable jobs in private life.

Mr. George McLeod (SC-Okanagan-Revelstoke) said his party opposes any increases at the present time because judges' salaries compare favourably with those paid other persons with equal qualifications in the public service.

(over)

Vote To Retain Present Nomination Day Provision: Ottawa, June 21 (CP) --  
Commoners unanimously re-affirmed tonight that nomination day shall be 14 days before polling day for federal elections.

The decision went against a recommendation of the House of Commons' Committee on Elections and Privileges which recommended that the interval be widened to 21 days.

The recommendation was incorporated in a series of changes to the Canada Elections Act studied clause by clause tonight.

On a free vote called by the Government, an amendment restoring the 14-day period was adopted without opposition.

Bettors To Pay for Pari-Mutuel Tracks Supervision: Ottawa, June 21 (CP) --  
The Government introduced legislation in the House of Commons today to make race track bettors, rather than race associations, bear the cost of supervisory administration at all pari-mutuel tracks under federal control.

The bill, an amendment to the Criminal Code, provides that one-half of one per cent of each race wager will go toward the cost of paying for supervisors at federally-supervised tracks in Prince Edward Island, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

Canada's Foreign Aid Programme: Washington, June 21 (CP) -- The Canadian Embassy has set Senator William Langer (Rep. N.D.) straight on Canada's post-war foreign aid programme.

A letter appearing in today's Congressional Record from Embassy Counsellor R.A. Farquharson took issue with the Senator for a Senate speech in which he claimed Canada has extended no free aid to Britain and has obtained "security at 100 cents on the dollar" for every dollar lent to the U.K.

Noting that Canadian post-war financial assistance abroad totalled more than \$4,000,000,000, Mr. Farquharson wrote the Senator:

"Inasmuch as Canada's national income is only about one-fifteenth of that of the United States, I think you will agree that Canada's contribution to our friends and allies abroad has been fairly generous."

Senator Langer, who made his charge in a June 2 Senate speech, placed the letter and an accompanying itemized table in the Congressional Record yesterday without comment.

Across Canada: Ontario Hydro Commission yesterday awarded a \$21,900,000 contract for construction of the Ontario section of the proposed St. Lawrence Seaway powerhouse near Cornwall to the Iroquois Constructors Ltd., a group of Canadian companies. Announcing the decision, Hydro Chairman Richard L. Hearn said work will start in a week's time when draining of the riverbed, in a section now isolated by cofferdams, is complete. . . . Wildcat strike action by a small group of vital workers kept production lines at the Chrysler of Canada plant quiet at Windsor yesterday for the second straight day, as they ignored pleas from the company and their union to return to work. Less than 500 skilled trades maintenance men, without whose services the lines cannot operate, have cut off all production and forced the company to send home more than 6,500 workers. . . . Ten more fires were started by lightning in Northern Ontario but five were put out by fire fighters working under the direction of the Ontario Department of Lands and Forests. The total burning stood at 74. . . . The 4,000-member Ontario Medical Association yesterday held its 75th annual meeting at Toronto and installed as president Dr. M.O. Klotz of Ottawa.



Miss Hamilton

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Vol. 6, No. 121

Thursday, June 23, 1955.

Salary Increases For Judges Approved: Ottawa, June 22 (CP) -- A Liberal back-bencher today added his voice to CCF and Social Credit criticism of a government proposal to give federally-appointed judges a \$2,500 annual pay increase.

Except for raises to county court judges, said Mr. J.L. MacDougall, (L-Vancouver Burrard), an increase is not needed to attract suitable candidates to the Bench.

He said he knows several dozen lawyers who would give their right arms to be named to a provincial Supreme Court or Appeal Court.

Justice Minister Garson replied he would not even consider one-half of one per cent of the kind of lawyers Mr. MacDougall referred to.

Judges have to deal with competent, adroit lawyers, Mr. Garson said. If Canada had a weak judiciary and a strong, able force of lawyers, it could result in bad administration of justice.

The Government could not justify paying judges' salaries equal to the substantial incomes available to many lawyers. But it had to narrow the gap to obtain good jurists for the bench.

The Government's pay increase bill was given second reading -- approval in principle -- and received clause-by-clause approval. Its opponents did not force a vote and it now needs only the formal final reading to be passed.

The House of Commons passed another bill under which federal supervision of horse races where pari-mutuel betting is carried on will be financed by a levy of one-half of one per cent of total wagers. At present, race tracks are charged an average of \$27 a day for each supervising RCMP constable.

Also in Parliament yesterday:

Prime Minister St. Laurent said the Government is delaying a decision on flood aid to Manitoba and Saskatchewan until it gets more information.

Transport Minister Marler said there is no basis for truckers' fears that they will be destroyed by railway agreed charge freight rates.

Senator T.A. Crerar suggested a continuing inquiry into growth of the federal Civil Service.

Newfoundlanders First Class Citizens: Ottawa, June 22 (CP) -- There is no prospect of Newfoundlanders being second-class Canadian citizens, Prime Minister St. Laurent said today.

He was commenting in the House of Commons on a statement Monday by Premier Smallwood, who said at St. Andrews, N.B., that Newfoundlanders had not joined Confederation to become second-class citizens.

"Rather than that, we'll show the other Maritime provinces how to get out of Confederation," Mr. Smallwood said.

The Prime Minister said:

"There is no intention or prospect that citizens of Newfoundland will not be as the citizens of the rest of Canada -- first-class citizens."

(over)

Parliamentary Restaurant To Remain Dry: Ottawa, June 22 (CP) -- A proposal to sell beer and wine with meals in the parliamentary restaurant ran into opposition today and was dropped.

House of Commons Speaker René Beaudoin made the announcement about 20 hours after disclosing that the idea had been suggested June 15 by the Commons-Senate Committee on operation of the restaurant.

Mr. Beaudoin said publicity received by his announcement yesterday "provoked sufficient discussion to make it clear that there is not a wide enough general agreement in favour of the proposal to warrant its being put into effect."

"Some people were in favour," Mr. Beaudoin said. "Others said they were not opposed but did not desire to see the proposal put into effect. Others were not in favour."

Canadian Library Association Officers: Saskatoon, June 22 (CP) -- Mr. Williard E. Ireland of Victoria, provincial librarian for British Columbia, today was elected President of the Canadian Library Association. A past president of the British Columbia Library Association, he has served on a number of CLA committees. He is editor of the British Columbia Historical Quarterly.

Other officers elected by acclamation were: Mary Donaldson, provincial librarian, Regina, president-elect; Louise Lefebvre, Pulp and Paper Research Institute of Canada, Montreal, second vice-president; Robert H. Blackburn, University of Toronto librarian, treasurer.

Asks "New Magna Carta" In Fiscal Field: North Bay, June 22 (Globe & Mail) -- A plea for "a new Magna Carta in the fiscal field" was made here today by Mayor Phillips of Toronto, speaking at the opening session of the conference of Ontario Mayors and Reeves.

Mayor Phillips suggested a Dominion-municipal-provincial conference to arrive at a more suitable system of taxation. He said property owners should be relieved of some of the burden.

Journalists From France: (Press Release No. 44, June 22) -- The Department of External Affairs announced June 22 the arrival from France of 32 representatives from member newspapers of La Confédération de la Presse Française to hold their annual meeting for the first time in this country. The membership in the Confederation is made up of 43 provincial and weekly papers published in North Africa as well as in continental France. They spent Wednesday in Ottawa and were received by the Prime Minister.

Across Canada: An Ontario Government conciliator will intervene next week in the General Motors union negotiations which involve the first determined effort in Canada to win the guaranteed annual wage, the Globe and Mail reports. . . . Leading Canadian nurses yesterday witnessed lifelike demonstrations of the after-effects of an atomic explosion at Civil Defence College in Arnprior. The demonstration, staged by members of the Civil Defence Health Services and 30 "casualties," was designed to show the nurses what they could expect under actual disaster conditions. The RCAF next month will deliberately crash a CF-100 jet fighter into a barrier at Uplands airfield, Ottawa. The object, the air force said yesterday, is to test runway barriers, an accident prevention device.

*Miss Hamilton*

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Vol. 6, No. 122

Friday, June 24, 1955.

Diplomatic Service Transfers: (Press Release No. 45, June 23) -- The Acting Secretary of State for External Affairs on June 23 announced the following transfers within the Canadian Diplomatic Service:

Mr. R.M. Macdonnell, Assistant Under-Secretary of State for External Affairs, will become Deputy Under-Secretary of State for External Affairs, effective August 1.

Mr. D.M. Johnson, the Canadian Permanent Representative to the United Nations will succeed Brigadier Sherwood Lett as Canadian Commissioner on the International Supervisory Commission for Vietnam. Mr. Johnson is expected to take up his new duties in August. The appointment of Dr. R.A. MacKay to succeed Mr. Johnson in New York was announced on June 1. Mr. Lett is expected to return to Canada to resume his private law practice about the middle of July.

Mr. Arnold C. Smith, Special Assistant to the Secretary of State for External Affairs, will succeed Mr. Rudolph Duder as Canadian Commissioner on the International Supervisory Commission for Cambodia, effective August 1. Mr. Duder has recently returned to Canada and will succeed Mr. Alfred Rive as Foreign Service Member of the Directing Staff of the National Defence College in September. An announcement concerning Mr. Rive's next assignment will be made shortly.

Senate Committee Report On Illegal Drug Traffic: Ottawa, June 23 (CP) -- Provincial action to set up addict treatment centres and stiffer penalties to curb narcotics peddlers is urged by a Senate Committee which made a two-month study of Canada's illegal drug traffic.

The Committee also said it cannot understand why there is not more vigorous enforcement of the Criminal Code by city police in Vancouver, which it estimated has 1,100 to 1,500 addicts out of the Canadian total of 3,200.

In its report tabled today in the Senate, the Committee said it "could not help but be disturbed by this large concentration of drug addicts and the apparent freedom with which they are able to congregate in the heart of the city of Vancouver."

While stressing treatment of addicts and action against persons engaged in narcotics trafficking, the Committee suggested nowhere in its report that addiction should be made a crime.

It said establishment of treatment centres is long overdue, particularly in British Columbia. But it was a provincial responsibility. Any province could legislate for committal of addicts to such centres on a compulsory or voluntary basis, as is done now with mental patients.

The Committee felt such legislation should include provision for compulsory treatment, legal supervision and control over the addict-patient during treatment and the right of control following treatment to prevent a return to the drug habit.

Evidence had indicated treatment methods should involve a "humane supported withdrawal (of drugs from addicts), medical treatment, post-discharge control including long-term probation, coupled with the right of immediate return to the institution in the event of relapse."

The Committee, headed by Liberal Senator Thomas Reid of New Westminster, B.C., held hearings in Ottawa, Vancouver, Montreal and Toronto. The Vancouver hearings included two closed sessions with about 170 addicts. In contrast to the Vancouver situation, the Committee found there are only 200 criminal addicts in Montreal and fewer than 400 in Toronto.

(over)

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It recommended penalties up to possibly life imprisonment for illegal drug traffickers.

Report on Radiation: Ottawa, June 24, (CP) -- The increase in radiation intensities over the entire globe as a result of nuclear bomb tests is far below the level that would endanger human life, the Health Department said in a return tabled in the House of Commons. The return for Mr. J.W. Noseworthy (CCF-York South) said the increase would bring the amount of radiation in the air to the point where a person in a lifetime might receive about the same amount of radiation he would get in taking a single chest X-ray.

Scientists considered that 450 roentgens of radiation would cause death in 50 per cent of exposed human beings if the radiation occurred in less than 24 hours. If it occurred over a month it would kill no one and produce only mild symptoms in a few persons.

Ottawa, Hull Federal Area Debated: Ottawa, June 23 (CP) -- Ottawa, and perhaps neighbouring Hull, Que., as well, should be made into a federal district like Washington, two Liberal Senators suggested today.

The proposal of Senators Norman Lambert of Ottawa and Thomas Reid of New Westminster provoked a sharp debate in the Senate. It brought outright disagreement from Senator John T. Haig, Progressive Conservative leader, who said it would triple the cost of municipal services.

Senator Lambert likened the present situation -- without reflection on Ottawa's civic administration -- to "the tail of a very large dog trying to influence the locomotion of that animal."

Senator Reid said the time now is ripe for Ottawa City to be taken over by the Government and made a federal district. Prime Minister St. Laurent should confer with Premier Frost of Ontario and Premier Duplessis of Quebec on the idea of making a federal district out of the Ottawa and Hull areas.

Urges 12-Mile Territorial Water Limit: Ottawa, June 23 (CP) -- The long-standing Maritime feud between inshore fishermen and deep-sea trawlers was brought in to the House of Commons floor today.

Mr. George Nowlan (PC-Digby-Annapolis-Kings) demanded more protection for inshore fishermen against depredations of the big trawlers which were coming too close to shore and destroying nets and lobster pots.

Mr. Nowlan, whose Nova Scotia constituency borders the Bay of Fundy, said there are reports that inshore fishermen are talking of using rifles to protect their fishing grounds.

He urged immediate action to set Canada's territorial water limits 12 miles offshore, instead of the present three miles, to keep United States trawlers away. . . .

Across Canada: A German immigrant, the hero of a mountain rescue in British Columbia, has been awarded the 11th silver medal for bravery given by the Royal Canadian Humane Association since its inception 61 years ago. The silver medal goes to U.L.F. Bitterlich of Beaver Creek Road, Alberni, B.C., for his rescue of an injured mountain climber last November. . . . Mayor Charlotte Whitton of Ottawa, won't quit as mayor, after all. She said so in a prepared statement today, sent to the Board of Control. . . . Ontario's population will pass the 6,000,000 mark by 1960, Premier Frost predicted at Barrie. In the 1951 census it was 4,597,542. Everywhere there was evidence of fantastic development, he said.

Note: -- This is the last issue of the Daily Airmail Bulletin, which will be replaced starting Monday, June 27, with a special airmail edition of The Ottawa Journal. See Circular Document No. B 33/55 of June 20, 1955.