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WEEK'S EVENTS IN REVIEW

DISPOSAL OF FORMER ITALIAN COLONIES: The following is the text of Canada's first general statement of the Deputies of the Council of Foreign Ministers on the disposal of former Italian colonies under arrangements outlined in Annex XI of the Treaty of Peace with Italy:

"The Canadian Government, having been invited by the Deputies of the Council of Foreign Ministers, in a communication from the Secretary-General dated May 13, 1948, to present its views on the disposal of the former Italian colonies, desires to submit in writing the following observations:

"It is the understanding of the Canadian Government that until the African territories formerly administered as Italian colonies are placed under trusteeship or until they achieve independence or are incorporated in the territory of an independent state or states, they fall within the scope of Chapter XI of the United Nations Charter. This means that, in considering the disposition to be made of Eritrea, Somalia and Libya, the interests of the inhabitants should be recognized as paramount, according to the principle enunciated in Article 73 of the Charter, and that arrangements to ensure the future political, economic, social and educational advancement of the peoples concerned should be based on the ascertained condition of each territory and the needs and the wishes of its inhabitants.

"The Canadian Government has therefore been gratified to learn that it is the intention of the Deputies to send to interested Governments copies of the reports of the Four-Power Commission of Investigation as soon as these are

available and that interested Governments will be accorded the right, after examining the reports, to present supplementary views to the Council of Deputies, either in writing or orally. Thus the contribution made by all interested Governments to the ultimate decision of the Council of Foreign Ministers may be based on a knowledge of the facts, without which it would be difficult to reach conclusions serving the best interests of the populations concerned.

"Should the reports of the Commission of Investigation indicate that any of the territories formerly administered as Italian colonies are not ready for independence, or that the majority of the inhabitants do not desire incorporation in a neighbouring territory or a neighbouring independent state or states, the Canadian Government will support the application to these territories of the international trusteeship system under Chapter XII of the Charter. In the selection of administering authorities the Canadian Government will support the appointment of those best qualified to achieve the basic objectives of the trusteeship system as set forth in Article 76, i.e., (a) to further international peace and security; (b) to promote the political, economic, social and educational advancement of the inhabitants and their progressive development towards self-government or independence; (c) to encourage respect for human rights and fundamental freedoms; and (d) to ensure equal treatment for all members of the United Nations and their nationals, and equal treatment for the latter in the administration of justice."

WARM GREETINGS FOR RCAF: Congratulatory messages from Chiefs of the Air Staff of the Royal Air Force, the Commonwealth Air Forces and the Chief of Staff of the United States Air Force have been received by Air Marshal W.A. Curtis, CB, CBE, DSO, ED, Chief of the Air Staff of the RCAF, on the occasion of Air Force Day, it was announced in Ottawa.

Marshal of the Royal Air Force, the Lord Tedder, GCB, states, "June 12 is Royal Canadian Air Force Day and I extend to you warmest congratulations and heartfelt good wishes of the Royal Air Force. In our daily work we are continually reminded of the great achievements of our Canadian comrades, but it is most fitting that a special day should be set aside upon which we are able to recall the splendid record of the Royal Canadian Air Force and in particular the distinguished and gallant part they played in the struggle which less than three years ago ended in a common cause. The good wishes of the Royal Air Force are with you in peace as in war for the future as always in the past."

GREETINGS FROM U. S.

General Hoyt S. Vandenburg, Chief of Staff of the United States Air Force says, "I am most happy to extend my personal greetings and the best wishes of the United States Air Force to the Royal Canadian Air Force on the occasion of its second annual Air Force Day.

"The unity of purpose and the spirit of friendly co-operation which have prevailed throughout the course of our close association have contributed substantially to the accomplishment of our mission, in peace and war, and it is my sincere hope that this fellowship between our organizations will continue unabated in the future."

From Australia Air Marshal George Jones sent the following message: "In commemorating Air Force Day, 1948, the RCAF can recall with justifiable pride the magnificent part it played during the recent world conflict.

"The RAAF particularly remembers the excellent co-operation experienced as partners in the Empire Air Training Scheme, in training Australian aircrew and the hospitality afforded them during their stay with you.

"This close association that still exists between our two Air Forces will prove of inestimable value should we ever again be called upon to defend ourselves against aggression.

"On behalf of the RAAF I send the RCAF best wishes for Air Force Day and every success in the future."

SEVEN NEW INDUSTRIES: At least seven new industries have been brought to Canada as a direct result of the Canadian International Trade Fair. Businessmen from Sweden, Norway, Greece, Belgium, Holland, France and Great Britain plan to manufacture a selection of goods ranging from carbon paper to steel scaffolding as soon as conditions will permit.

Representatives of interested firms are being given every assistance in choosing possible manufacturing sites, and all available statistics and information has been placed at their disposal.

Quite apart from the birth of new industries in Canada as a result of the Canadian International Trade Fair, many established industries have been given the opportunity to make rapid strides in their development. Mr. W.H. Austill, President of Paper Converters Limited of Oakville said that he has already booked a year's production in his plant as a result of a week's participation in the Fair. Mr. Austill's company is displaying a new type of printing press which employs rubber instead of lead plates.

1949 ICAO AT MONTREAL: By unanimous agreement the 1949 Assembly of the International Civil Aviation Organization will be held in Montreal, it was announced from Geneva. In order to ease the heavy burden such meetings cause the Organization and members the agenda of this next Assembly will be limited to administrative and financial matters and urgent questions demanding immediate consideration. The next full assembly will be held in 1950.

The Second Assembly also unanimously approved the Austrian and Finnish applications for membership in ICAO. Conforming to the ICAO Constitution, the Finnish application must still be referred to the General Assembly which has already approved Austria. Sir Frederick Tymms, moving for the Austrian election said "The delegation from the United Kingdom welcomes the opportunity for moving that Austria be admitted to participate in the work of the Organization. Her admission is in accordance with our policy of encouraging the widest possible membership in ICAO. The collective experience of ICAO will in turn be of the greatest use to Austria in setting the pattern for the development of the civil aviation of that country."

Mr. Russel B. Adams, of the United States, moving for the Finnish election said "the continued strength and growing effectiveness of ICAO depends in part upon the inclusion of membership of all states of the world which in spirit and action have demonstrated interest in the orderly development of international civil air transport as an instrument of peaceful commerce. The Republic of Finland is such a State. The democratic principles upon which this Organization is founded have long been principles upon which the Government of Finland rests. The United States considers it a privilege to urge this Assembly to take the necessary action to admit Finland."

ICAO presently includes 48 members. The Ceylon membership becomes effective July 1; that of Austria within 30 days.

BUFFALO FOR LONDON: Two young buffalo bulls requested by the Zoological Society of London, England, are on their way from Elk Island National Park, Alberta, to the Whipsnade Zoo. They were loaded on the S.S. Hillcrest Park, at Montreal on June 3rd. A park warden accompanied the animals to the seaport and he advised a member of the ship's crew regarding feeding and care on the ocean voyage. The animals have been "gentled" for several weeks by corral feeding. Their diet on the journey will be hay and oats and, of course, plenty of water and salt. These animals come from one of the finest herds on the North American continent. There are now some 1200 buffalo at Elk Island National Park and recent medical tests indicate that they are in excellent health. The park was enlarged by approximately one-third last year to provide additional grazing land for the buffalo. It now covers more than 75 square miles and contains, in addition to buffalo, several hundred other animals, including elk, moose, and deer.

HIS MAJESTY HONOURS CHAPLAINS: His Majesty the King has granted the title "Royal" to the Canadian Army Chaplain Corps, which in future will be known as the "Royal Canadian Army Chaplain Corps", Army Headquarters announced June 11.

During World War II, the chaplains of the Canadian Army greatly enhanced their traditional record of unstinted service and gallantry and their corps has been honoured accordingly. Of 771 chaplains who served in the recent conflict, there were 12 fatal casualties and some 130 others who were awarded decorations, including one Victoria Cross and one Distinguished Service Order.

The Canadian chaplain who won the British Empire's highest award for valor is Honorary Major John Weir Foote, VC.

Major Foote, 44, a native of Madoc, Ont., and resident of Port Hope before the Second World War, won his Victoria Cross on the fire-swept beaches of Dieppe on August 19, 1942.

Major Foote retired from the Canadian Army Active Force last month in order to participate in the Ontario provincial election, in which he was successful. Until his retirement, he held the position of Protestant Chaplain for Central Army Command.

STEEL PRICES: To offset increased costs of labor, materials, and freight, the Wartime Prices and Trade Board has announced increases in steel prices ranging from \$5. for rods to \$12. for plate, effective June 11.

These increases, which will apply in varying amounts to plate, skelp, bars, sheets and rods will also result in a reduction or elimination of certain subsidies which have been paid to maintain maximum production.

Consumer prices will not be affected as a result of this move, the Board said.

EMPLOYMENT TREND: The trend of employment among hourly-rated wage-earners employed in leading manufacturing plants was moderately downward at April 1 as compared with March 1; the hours worked and their hourly wages were also lower, the declines being due in part to the celebration of the Easter holidays.

The latest survey of man-hours and hourly earnings made by the Dominion Bureau of Statistics showed a total of 777,540 hourly-rated wage-earners on the staffs of the 6,390 factories furnishing data, in which the hours worked in the week preceding April 1 numbered 32,350,929, while the wages paid for services rendered in these hours amounted to \$28,759,531.

At March 1 the same plants had employed 780,408 hourly-rated wage-earners, working 33,714,821 hours, for which they received \$29,658,702. There was accordingly a decrease of 0.4 per cent in the number of their wage-earners paid at hourly rates, accompanied by that of three per cent in their aggregate weekly wages, while the reported hours showed a reduction of four per cent.

GOLD PRODUCTION: Continuing the gains recorded in January and February, gold production in Canada during March rose to 288,060 fine ounces compared with 263,869 fine ounces in March last year, bringing the output for the first quarter of the year to 823,029 fine ounces for a gain of 14 per cent over the 1947 first-quarter production of 721,023 fine ounces, according to the monthly figures released by the Dominion Bureau of Statistics. Quarterly totals show increases for all the main producing areas, with largest gains in Quebec, British Columbia and the Northwest Territories, while in March all except Ontario reported higher output.

Production in March by provinces and territories, with totals for March 1947 in brackets, was as follows: Nova Scotia, nil (444) fine ounces; Quebec, 64,285 (53,072); Ontario, 172,344 (173,978); Manitoba and Saskatchewan, 15,287 (14,499); British Columbia, 27,415 (16,727); Yukon, 47 (432); Northwest Territories, 8,682 (4,708). Following are the comparative quarter totals: Quebec, 178,108 (127,115) fine ounces; Ontario, 498,466 (488,678); Manitoba and Saskatchewan, 44,508 (43,141); British Columbia, 80,434 (47,012); Yukon, 594 (808); Northwest Territories, 20,919 (13,165).

REFINED PETROLEUM PRODUCTS: Output of refined petroleum products in March totalled 5,251,500 barrels compared with 5,066,000 in the corresponding month last year, bringing the first quarter total to 16,109,500 barrels compared with 14,897,000 in the similar period of 1947. Refineries used 5,708,400 barrels of crude oil in March compared with 5,290,800 a year ago. Receipts of crude oil during the month totalled 5,910,600 barrels, including 5,115,500 of imported oil and 795,100 from Canadian sources of supply.

(C. W. B. June 18, 1948)

APRIL FOREIGN TRADE \$442,000,000

4 MONTHS AGGREGATE \$1,707,000,000: Foreign trade of Canada in April was valued at \$442,000,000 as compared with \$428,000,000 in the preceding month and \$419,000,000 in the corresponding month last year, according to the Dominion Bureau of Statistics. Aggregate for the four months ending April was \$1,707,000,000 as against \$1,583,000,000 in the similar period of 1947, an increase of 7.8 per cent.

Merchandise imports in April increased in value to \$226,700,000 from the March total of \$197,100,000, showing a similar movement to that of the two preceding years when April figures, contrary to the pre-war trend, were substantially higher than those for March. The month's total was slightly above the April 1947 figure of \$225,600,000. During the four months ending April, imports totalled \$812,000,000 as compared with \$785,400,000 in the like period of 1947, a rise of 3.4 per cent.

Featured by further gains in sales to the United States, Canada's merchandise exports in April were valued at \$212,300,000 as compared with \$228,400,000 in March and \$190,900,000 in April last year. Total for the four months ending April was \$884,400,000 compared with \$788,000,000 a year ago, an increase of 12 per cent.

BALANCE OF TRADE

The balance of trade with all countries was unfavourable to Canada in April to the extent of \$11,600,000 as compared with a favourable balance of \$33,900,000 in March and an adverse balance of \$32,200,000 in April last year. In the first four months of this year, however, the favourable balance rose to \$83,400,000 as against \$12,200,000 in the like period of 1947.

The month's debit balance with the United States was \$48,000,000 as against \$24,200,000 in March and \$91,600,000 in April last year, and the four-month debit balance declined to \$155,900,000 compared with \$294,800,000 in the similar period of 1947.

As the result of larger dollar purchases of British goods, the favourable balance with the United Kingdom in April was reduced to \$19,800,000 as compared with \$37,700,000 in March and \$30,400,000 in April a year ago, with the four-month total standing at \$134,800,000 compared with \$135,100,000 in the same period of 1947.

Chief features of Canada's import trade in April were a substantial decline in purchases from the United States as compared with the high levels of last year and a continuance of the upward trend in imports from the United Kingdom. On the commodity side, there were marked advances in the arrivals of farm and other machinery, crude petroleum and petroleum products, raw and unmanufactured wool, and sharp decreases in those of cotton, flax, hemp and jute products.

Imports from the United States were valued at \$159,500,000 as against \$181,600,000 in April last year, the decline of \$22,100,000 comparing with a drop of \$26,800,000 in March. Aggregate imports for the four months ending April were \$584,600,000 compared with \$622,000,000 in 1947, the substantial reductions in March and April and a small decline in February being partly offset by higher figures for Jan.

Shipments received from the United Kingdom advanced from \$21,600,000 in March to \$24,600,000 to reach the highest post-war month's figure. This compares with \$12,700,000 in April last year and the 1935-39 April average of \$8,400,000. Cumulative total for the January-April period rose to \$85,700,000 this year as against \$51,400,000 in 1947.

FROM LATIN AMERICA

Aggregate imports from the Latin American countries also rose sharply in April to \$20,100,000 compared with \$13,000,000 last year, largest increases being in purchases from Cuba, Mexico, San Domingo and Venezuela while those from Argentina were sharply lower. Imports from European countries were almost unchanged from 1947, standing at \$4,280,000 as against \$4,242,000, while the aggregate for other foreign countries was moderately higher.

Among British countries other than the United Kingdom, imports from Australia increased to \$2,483,000 compared with \$679,000; and New Zealand, \$1,761,000 against \$824,000. Imports from India and Pakistan together fell off to \$476,000 compared with \$3,700,000 a year earlier, and from Ceylon to \$482,000 compared with \$1,104,000.

Among the commodity groups, imports of non-metallic minerals and products in April were sharply higher at \$45,400,000 compared with \$31,800,000 last year, crude petroleum increasing to \$16,900,000 compared with \$9,300,000 and petroleum products to \$7,200,000 compared with \$3,900,000 and moderate gains being shown for coal and coal products. The iron and iron products group increased to \$70,300,000 compared with \$66,700,000, farm implements and machinery jumping to \$15,000,000 from \$9,700,000 last year and household machinery, mining, metallurgical, business, printing and other non-farm machinery making smaller gains. Imports of passenger and freight automobiles declined to \$1,500,000 from about \$5,000,000, while automobile parts were slightly lower at \$8,600,000.

Imports of fibres and textiles declined in April to \$33,100,000 compared with \$39,900,000, cotton products falling to \$7,100,000 from \$15,000,000 and flax, hemp and jute products to \$789,000 from \$3,600,000 while raw and unmanufactured wool rose from \$1,600,000 to \$5,300,000 and wool products and raw cotton and linters moved moderately upward.

RETAIL TRADE UP 13 PER CENT: A gain of 13 per cent in retail trade occurred in April compared with the corresponding month last year. This advance conformed closely to the average percentage rise in earlier months of the year, sales in the first four months of 1948 standing 12 per cent above those in the same period of last year. Unadjusted general index for 14 retail trades, on the base 1935-39=100, stood at 254.5 for April, 244.2 for March, and 224.5 for April, 1947.

Department stores continued the series of marked increases of the past months when sales moved 20 per cent above April 1947 volume. Women's apparel shops ranked second with a gain of 19 per cent and were followed by food and men's clothing stores with increases of 15 per cent and 14 per cent, respectively. Only these four trades recorded gains exceeding the average rise in sales, each of the remaining 10 trades reporting increases of smaller proportions.

On the whole, gains for the individual trades in April were strikingly similar to their average gains for earlier months of the year with little indication of any recent shift in the pattern of consumer purchases.

COST-OF-LIVING: The Dominion Bureau of Statistics released on June 10 cost-of-living indexes for eight regional cities for May 1, together with those for April and May 1, 1947. Between April 1 and May 1, six of the eight city cost-of-living indexes showed advances slightly greater than the Dominion increase of 1.7 points. Winnipeg and Edmonton failed by a slight margin to equal the Dominion change. The largest increases were recorded in the Montreal and Vancouver indexes, both of which advanced 2.5 points. Of the group indexes those for food and clothing increased in all of the eight cities. Food prices increased quite substantially while clothing prices gained only slightly.

PROPERTY REHABILITATION: The Department of External Affairs reminds Canadian citizens who have claims for restoration and rehabilitation of their property situated in Hungary, Roumania or Finland that, in order to avoid any risk of forfeiting their rights under Treaties of Peace with these countries, a formal claim must be filed with these respective Governments not later than September 19, 1948. Claimants should communicate without delay with the Department of External Affairs, Ottawa, for information on the procedure to be followed. Claimants are advised that, notwithstanding any action taken previously by them, applications for restoration of property must now be resubmitted.

In order to allow time for the transmission of such claims, all completed submissions should be sent to the Department of External Affairs before July 31, 1948.

TWO CANADIANS HONOURED: The Royal Geographical Society on June 14 in London presented two of its most coveted medals to Dr. Charles Camsell, C.M.G., LL.D., F.R.S.C., former Deputy Minister of Mines and Resources, and Inspector Henry Larsen of the Royal Canadian Mounted Police for their contributions to the advancement of the science of geography. It is a singular honour that these two medals come to Canada in the same year.

Dr. Camsell was awarded the Founder's Medal for his contribution to the geology and geography of the Canadian North and for his work in advancing geographical science in the Dominion. The award was made by His Majesty the King two years ago but owing to the difficulty of obtaining gold for minting, the presentation had to be delayed until this year.

Inspector Larsen, who navigated the R.C.M.P. schooner St. Roch eastward and westward through the famed Northwest Passage along Canada's Arctic shores, was awarded the Patron's Medal for this outstanding achievement.

Dr. Camsell sailed for London earlier in the month to receive his award and at the request of Inspector Larsen he accepted the Patron's Medal on behalf of the R.C.M.P. navigator.

BUTTER AND CHEESE: Creamery butter production in May amounted to 30,698,000 pounds as compared with 31,487,000 in the corresponding month last year, a decrease of 2.5 per cent, according to the Dominion Bureau of Statistics. During the five months ending May, 77,422,000 pounds were produced compared with 82,853,000 in the like period of 1947, a decrease of 6.6 per cent.

Cheddar cheese output in May totalled 9,606,000 pounds as against 13,393,000 in the same month last year, while the five-month figure stood at 16,603,000 pounds compared with 25,046,000. Production of concentrated milk products in May amounted to 45,234,000 pounds compared with 37,382,000 a year ago, and in the five months, 120,710,000 pounds compared with 115,679,000.

FARM WAGES HIGHEST RECORDED: May wage rates for farm workers in Canada in 1948 were the highest recorded since the inception of the Bureau's farm wage survey in 1940. With board provided by the employers, the average farm wage rate per day for all Canada at May 15 was \$3.93 as compared with \$3.59 at the same date in 1947. When no board was provided, the daily rate was \$4.89 as against \$4.55 a year earlier. The average monthly wage rate with board for all Canada was \$83.26 as compared with \$77.01 a year ago. When workers provided their own board the average rate for men hired by the month rose from \$103.96 in May last year to \$113.07 in May 1948. Provincial wage rates, in each case, were lead by British Columbia.

MR. ST. LAURENT'S TORONTO ADDRESS

TO TRADE FAIR EXHIBITORS: Speaking at an exhibitors' dinner in connection with the Canadian International Trade Fair in Toronto, on June 11, the Secretary of State for External Affairs, Mr. St. Laurent, said in part as follows:--

"... Six weeks ago, speaking in the House of Commons, I said that the free nations, or some of them, might soon find it necessary to consult together on how best to establish a new collective security league under Article 51 of the Charter. I said that Canada should be willing to enter such a league. I referred to entry into such a league as a fateful decision for Canada.

"Why was it that the proposal met with unanimous support in the House of Commons from members of all political parties? I suggest it is because we, in Canada, are agreed upon the essential bases of our foreign policy.

"We are agreed, to begin with, that totalitarian communist aggression constitutes a direct and immediate threat to every democratic country, including Canada. It endangers our freedom and our peace. It puts in jeopardy the values and virtues of the civilization of Western Christendom of which we are heirs and defenders.

"Secondly, we have come to a common realization of what Communist totalitarianism means to the people subjected to its tyranny. We have seen the Bolsheviks create in Russia the most omnipotent and pervasive state in history. We have seen them take over what was the worst feature of the Czarist regime, the secret police, and expand it. The Soviet Government, though proclaimed by Communist parties to be the champion of the oppressed, is itself an oppressor on a scale surpassing even Nazi Germany.

SUPPRESSED FREEDOM

"It has already, in ten countries of Eastern Europe as well as in the Soviet Union itself, suppressed the freedom of millions of men and imposed a police regime upon them. It has demonstrated to us that the goal of social justice can never be reached by the Communist methods of terror and violence. It has demonstrated that the division today is not, as the Communists vainly assert, between the forces of reaction with the Fascists on the extreme right and the forces of progress with the communists on the extreme left.

"The reactionary parties are those which advocate a police state; and they are reactionary whether they call themselves Nazi, Fascist or Communist. The parties of progress are those which advocate a free society. The police state, by coercion and regimentation, ultimately makes progress impossible. Only in a free society can there exist a firm foundation for social and spiritual progress. There-

fore, the things that divide the democratic parties of the free nations, by whatever names they call themselves, are as nothing compared with the gulf that separates them all from the Communists and the regimenting totalitarians.

"It is, I suggest, because virtually all the people of Canada have come to realize these things that there are today no fundamental differences between them on questions of foreign policy.

"We do not believe in the blasphemy that a Third World War is inevitable. No war is inevitable. We shall do our best to diminish the possibility of a war breaking out.

"We shall do that by pursuing unprovocatively, constructively, and obstinately in the United Nations, in the specialized agencies and elsewhere policies which seem to us best calculated to remove causes of friction between nations and to provide opportunities for fruitful cooperation between all the nations and peoples of the world.

BELIEF IN UNITED NATIONS

"We believe in the maintenance of the United Nations as a possible bridge between the Russian world and the Free World. We have faith in the possibility of a spiritual transformation of the Russian people based on their feelings for justice and human emancipation and the deep human and religious resources which are inherent in this great people. We believe, as the distinguished Catholic philosopher Jacques Maritain has put it, that, while a Nazi people, aiming at world conquest and domination through war, can only be cured of racial paganism by a crushing defeat of their undertakings of aggression; ... it is possible for a people now communist to be cured of materialistic atheism by some internal transformation, however hard and difficult such a process may be.

"In the interests of the peoples of both worlds - the Communist and the Free - we believe that it must be made clear to the rulers of the totalitarian Communist states that if they attempt by direct or indirect aggression to extend their police states beyond their present bounds by subduing any more free nations, they will not succeed unless they can overcome us all.

"The best guarantee of peace today is the creation and preservation by the nations of the Free World, under the leadership of Great Britain, the United States and France, of an overwhelming preponderance of force over any adversary or possible combination of adversaries. This force must not be only military; it must be economic; it must be moral. Just as in the last war, so also today, we are engaged in a struggle for the control of men's minds and men's souls...."

MR. GORDON'S BALTIMORE SPEECH: Addressing the National Industrial Advertisers Association at Baltimore on June 15, Donald Gordon, Deputy Governor of the Bank of Canada, exhaustively reviewed Canada's growth, economic development, and wartime accomplishments, concluding his talk as follows:--

"This brings me to the point where I might refer to the idea of Customs Union, of which we hear much these days. It would be fair to say that Canadians appreciate the interest which prompts this idea, and most of them feel that it should be thoroughly examined. But in thinking of this idea one or two points should be kept in mind as a safeguard against hasty conclusions. Apart from the many real and practical difficulties in the way, I believe that the new maturity of the Canadian people is one of the real factors for consideration in any such plan.

"From what has been said of Canadian achievements and Canadian character it will be clear that those who study the idea of Customs Union should define exactly what they mean. If, for example, the idea assumed eventual political union, then Canadian opinion, both past and present, has been stated on more than one occasion. Canadians are proud, and justifiably proud, of their accomplishments as a nation. Moreover, the review I have given will indicate that Canadians have reason for faith in their own future. We are also convinced that we have a serious part to play as a self-governing nation in world affairs. Consequently I venture to suggest that Canadians will not lightly surrender their position as a free and independent nation no matter how attractive the material benefits can be made to appear.

TRADE BARRIERS

"The real point that needs consideration in the eyes of Canadians is the extent to which trade barriers between our two countries may now be out of step with the times. In 1947 Canada, with a population of a little better than 12 million people purchased two billion dollars worth of goods from the United States, exclusive of services. In the same year the United States, with a population of 145 million people, purchased one billion dollars worth of Canadian goods. If trade barriers are in any way responsible for such a wide contrast, then I think reasonable men would agree that the structure is no longer appropriate.

"Now in this brief recital of Canadian facts, conditions and aspirations my purpose has been to show that your northern neighbour accepts to the full her responsibilities as a nation and, even more importantly, that she measures up to the standards which must be expected of a country which might claim a form of partnership with the United States of America. In our mode of living, in our thinking and actions about the kind of democratic institutions and ideals which make for a better life, we in Canada share completely the rules of conduct which are observed by the United

States. We know that to be a high standard indeed and that the position of moral authority possessed by the United States represents the only hope which many peoples of the world have for ultimate salvation from the brute force and tyranny which still threatens to engulf the world. There cannot be the slightest doubt that the United States is the sure bulwark against the spread of Communism, and public attitudes in your country will determine whether or not the four freedoms of the Atlantic Charter are going to survive as a pattern for individual freedom. As I said earlier, the generous and inspired realism with which the United States is facing her new world responsibilities is something about which every citizen has a right to take pride and if we in Canada speak in similar terms about our accomplishments we can, I think you will agree, do so not in an atmosphere of reflected glory but as a full time partner with you in one of the most glorious efforts history has ever recorded."

SAVING OF DOLLAR EXCHANGE: The Honourable Douglas Abbott, Minister of Finance, on June 15 made available some figures indicating how Canada's imports have been affected by the Emergency Exchange Conservation Measures introduced last November.

Mr. Abbott went on to explain that the tables accompanying his statement present comparisons between imports in the first quarter of 1948 and the corresponding period of 1947 of goods covered by Schedules I and II of the Emergency Exchange Conservation Act.

"I am glad to say that these comparisons show a satisfactory record of progress to date in the saving of dollar exchange. Furthermore, it is probable that the reduction of hard currency imports under the two schedules will be even greater in subsequent quarters of this year since imports in the latter part of 1947 were heavier than the first quarter", Mr. Abbott said.

"Imports from Scheduled countries under Schedule I and Schedule II, which are administered by the Department of Finance, were \$59.1 million less during the first quarter of 1948 than the first quarter of 1947. Goods which were prohibited from importation under Schedule I accounted for \$20.9 million of the decrease. The reduction in items which were placed on quota under Schedule II amounted to \$38.2 million. Consequently, the decrease in imports from Scheduled countries, mainly the United States, under the two Schedules combined averaged \$19.7 million per month during the first quarter of 1948 as compared with the first quarter of 1947.

"On the other hand, imports from Non-Scheduled Countries, which include the United Kingdom, of goods covered by Schedules I and II were 25 per cent higher in the first quarter of 1948 than in the first quarter of 1947.

"The results to date indicate that imports

CANADA AT THE UNITED NATIONS

from soft currency countries have not been adversely affected by the Emergency Exchange Conservation Measures. British trade has been affected scarcely at all by the prohibitions under Schedule I and it has already begun to benefit considerably from the operation of quotas under Schedule II...."

DEFENCE MINISTER'S ADDRESS: "Armed Forces in Churchill", was the subject of an address by the Minister of National Defence, Mr. Claxton to the Ottawa Rotary Club on June 14, in which he told of scientific findings on the problems of living in the Arctic.

He said at the outset:--

"There has been so much speculation, a good deal of it quite irresponsible and exaggerated, about our defence activities in the far north that I thought I might take this opportunity of telling you what we are doing there. Pictures have been painted of vast encampments of troops ready to launch a devastating attack at a moment's notice, all equipped with push-buttons.

"If this excited view is taken in North America, you can imagine what the Russian writers make of it. In an article, "Polar Fever in America", by V. Golant in ZEVZEDA for November 1947, it was said: "... Uncle Sam's flyers practice bombing walrus and polar bears... enormous military enterprises... No small parts of these funds (\$12,000,000,000) will be spent for military construction in the Arctic and adjacent regions... From 1943-45 huge winter manoeuvres took place in the Arctic regions of Canada in which representatives of the Canadian, English and American armies, navies and air forces took part... and so on.

"Of course, there is nothing whatever like this...."

Later, he said:--

"The extent to which military and civilian activities go hand in hand is well illustrated by a list I made up some time ago of our major activities in the north. These are:--

1. The Canadian Army maintains the Northwest Highway System, that is, the Alaska Highway; and the RCAF maintains the Northwest Staging Route.
2. The Canadian Army provides tele-communication services through the Northwest Territories.
3. The RCAF this year will photograph 300,000 vertical and 300,000 miles tri-camera, which would bring the total in the last four years to 757,500 miles of vertical and 827,000 miles of tri-camera photography. At Rockcliffe they process about 100,000 photographs a month. These are then turned over to Mines and Resources to be made into maps

for mining and fishing and tourist travel as well as for military purposes. Army engineers and civilians will fix triangulation points. Last year the RCAF carried a party from the Dominion observatory which re-located the magnetic pole.

4. A number of weather stations and Loran stations have been established.
5. This year the Royal Canadian Navy will have an exercise in the course of which the aircraft carrier "Magnificent" and a tanker will proceed as far as Wakeham Bay in Hudson Straits north of Ungava accompanied by two destroyers, the destroyers coming on as far as Churchill itself. The Navy is to build a large powerful icebreaker for northern use.
6. Health, welfare and educational activities have been extended through the northwest. More health and welfare work is being done each year since the war than was done in all the time up to the war put together.
7. There has been a great increase in scientific attention - by geographers and geologists, by experts surveying wild life and taking steps to conserve and enlarge the animal population.
8. Recent years have in fact been marked by a great increase in knowledge and in public interest in the north."

ASSIST GOLD OUTPUT: Honourable James A. MacKinnon, Minister of Mines and Resources, on June 15 announced the establishment of Regulations under The Emergency Gold Mining Assistance Act by Order in Council P.C. 2664 of June 11th, 1948.

The Act, which is designed to encourage a greater output of gold by assisting the producers in meeting the higher costs of production, is expected to be proclaimed shortly.

Certain forms are prescribed for making application for assistance payment but each operator must make declaration of ownership of the mine and its operation during the base and designated year with a detailed break-down of costs.

No mine shall receive assistance payments unless it keeps suitable books and produces more than 50 troy oz. of gold annually which gold must represent seventy per cent or more of the total value of the products of the mine.

Mines are allowed as cost of production an amount for depreciation and pre-production expenses computed by applying the same normal rate of percentage per annum as is employed for that purpose by the mine during that period for the purposes of the Income Tax Act but in no case shall it exceed fifteen per cent per annum....

ATOMIC ENERGY STATEMENT: The following is the statement on the Atomic Energy Commission made by General A.G.L. McNaughton, Canadian Permanent Delegate to the United Nations, in the Security Council, on June 11:--

"The attitude of the Canadian delegation to the three reports of the Atomic Energy Commission as a whole, as well as to their several parts, has been stated from time to time in the Atomic Energy Commission, and are on the record. I should, however, like to state briefly the views of the Canadian delegation regarding the general situation in which the Atomic Energy Commission finds itself at the present time, and which the Commission now has to report to the Council.

"It is a matter of profound disappointment that the Atomic Energy Commission, after two years of sincere effort to fulfil the mandate given to it by the General Assembly in its Resolution of January 24th, 1946, now has to report that it has reached an impasse.

"The reason for this state of affairs is set out clearly for all to see in the three reports which are before the Council for its consideration, and which we must also transmit to the General Assembly which established the Commission and defined its responsibilities.

DANGEROUS CONDITION

"The situation, in the opinion of the Canadian delegation, does not call for recrimination, but for a serious effort to face up to realities. For no one can fail to realize the dangers resulting from international rivalry in the field of atomic energy, and in particular, from competitive efforts to obtain and develop atomic weapons. This dangerous condition will confront the world so long as a universally acceptable and enforceable agreement for the international control of atomic energy does not exist.

"The divergence of view, which months of patient discussion in the Commission has failed to bridge, as we all know, has arisen in consequence of the insistence of the Soviet Union that a convention outlawing atomic weapons and providing for the destruction of these weapons must precede any agreement for the establishment of a system of international control. The majority of the Commission, on the other hand, have considered, and continue to hold the view, that such a convention, unless accompanied simultaneously with effective safeguards, would offer no protection to the nations of the world. As we know, the Soviet delegation in June of last year came around to the position that certain controls, based upon 'periodic' or 'special' inspection of national operations in the field of atomic

energy, would be necessary to provide a check on the compliance of States with the outlaw convention which they had proposed. Unfortunately the Soviet conception of these controls falls far short of what the majority of the Commission believe to be essential to ensure that atomic energy will not become a matter of international rivalry and a menace to world security. The main condition which the majority regards as essential for the purposes of international security, is that all dangerous activities in the field of atomic energy should not be operated by national authorities but should, in the interest of common security, be entrusted exclusively to the international agency which has been proposed. Unfortunately it is this essential main consideration which is unacceptable to the Soviet.

"Throughout the whole of the efforts of the Commission I can claim that the Canadian delegation has devoted itself to the search for a method of control which would give security to all nations. We have, I hope, shown that we were willing to examine with an open mind any and all proposals put before us, including those which were advanced by the Soviet delegation.

NO CONFESSION OF FAILURE

"We had hoped that the scientific and technological facts, as revealed in the discussions in the Scientific and Technical Committee and through the testimony of experts, would point the way to what was necessary for effective control and thereby provide a basis for agreement. If these efforts have not yet proved successful, I would emphasize that this should not be regarded as an acceptance of defeat, or a confession of failure on the part of the United Nations to achieve an effective system of international control of atomic energy.

"It is clear that the majority of the members of the Commission have been convinced that the proposals evolved in the three reports do provide the essential basis for the establishment of an effective system of international control of atomic energy. It is, I believe, appropriate that those who have been associated with evolving these proposals, through months of hard and patient work, should now submit the results of their efforts to the test of opinion in a wider forum, not only in the Security Council, but also in the General Assembly of the United Nations.

"Moreover, as is provided in the recommendations contained in the third report, while discussion is suspended in the Commission, efforts to achieve agreement should be con-

1948 WORLD WHEAT OUTLOOK FAVOURABLE

tinued through other means in order to search for a basis on which further work might be resumed by the Atomic Energy Commission. From the conclusions of the Atomic Energy Commission recorded in the third report, it is indicated that the main reasons why agreement has not so far been reached are to be sought in the wider field of international relations and are therefore outside the competence of the Commission itself.

"If the work of the Atomic Energy Commission is now to be suspended, however, the challenge to the peoples of the world to find a solution to the problem of the control of this force, potentially so destructive to mankind, if uncontrolled, still remains. Indeed, the reports of the Commission must be a stimulus to further effort. For we have in these reports the fundamental elements required for a plan for effective control. We also have set out the essential facts of atomic energy, and these facts are obstinate and cannot be validly denied. All the nations represented on the Commission, except three, have been able to draw the same conclusions from these facts. Perhaps those who now disagree with us may yet come to share our views. We earnestly hope that this will be so."

PALESTINE STATEMENT: The following is the statement by General McNaughton on sending observers to Palestine, in the Security Council, On June 10:--

"I think that from what we have heard of the splendid initiative shown by our Mediator, we can have every confidence in his proper interpretation of the Security Council's resolution of 29th May. In this resolution the Mediator is instructed to supervise the observance of the truce in concert with the Truce Commission. If we turn to the previous resolution of the Security Council dated 23rd April, we find that the function of the Truce Commission is to assist the Security Council in supervising the implementation by the parties of the resolution of the Security Council.

"It follows logically that the members of the Truce Commission are under obligation to provide the assistance and the facilities which are needed for this task, and it is most satisfactory to observe that these nations are discharging this responsibility as a duty to the Security Council and the United Nations. There cannot properly be any question of the right of a country to participate, as has been suggested by the representative of the Ukrainian Soviet Socialist Republic.

"I believe that the resolutions, which are now on the record of the Security Council, are correct, that they are appropriate and that they are being properly, correctly and wisely interpreted by our Mediator on the spot."

IN PARLIAMENT

RAPID PROGRESS: Rapid progress was made this week in Parliament toward cleaning up the work of the session. Every effort is being put forth to prorogue by the end of June and the press has declared Saturday, June 26, to be a likely date for the termination of the present session. A notice on the Order Paper heralds Saturday sittings commencing this week. Many items of important but unspectacular legislation were advanced during this past week's sittings.

LABOUR INCOME: Labour income in Canada in March is estimated at \$533,000,000, down \$7,000,000 from the February figure, but up \$8,000,000 from March 1947, according to the Dominion Bureau of Statistics. Although increases were registered in the wages, salaries and supplementary labour income earned in agriculture, mining, transportation and services, the gains were not sufficient to counterbalance the drop in the total payments of the logging, manufacturing and construction industries. During March there was a seasonal contraction of operations in the woods and a minor slump in employment, generally accompanied by slightly lower levels of average weekly earnings in these industries.

For the first quarter of 1948, the total labour income was \$194,000,000 greater than that in 1947. A larger working force and considerably higher levels of average weekly earnings raised the 1948 quarterly total to \$1,607,000,000 as compared with \$1,413,000,000 in the same period last year. Over the three-month period average weekly earnings in the nine leading industries were about 13 per cent higher in 1948 than in 1947.

PRODUCTION OF AUTOMOBILES: Production of automobiles in Canada in 1947 amounted to 248,015 units compared with 171,528 in the preceding year and 132,645 in 1945, according to preliminary figures issued by the Dominion Bureau of Statistics. Despite the gain over immediately preceding years, unit output was lower than in the year 1941, when production for the armed forces was at a high level. Value of vehicle output in 1947 was \$298,518,669 compared with \$164,015,668 in 1946.

Reflecting the reconversion of this industry from wartime to peacetime production, 167,257 passenger cars were produced in 1947 against only 91,871 in 1946. Output of trucks and buses totalled 90,758 units, showing an increase over the 1946 output of 79,657 units, but a decline from the 130,777 in 1945, 158,038 in 1944 and 178,064 in 1943.

Of the 258,015 vehicles made in 1947, 191,395 units were made for sale in Canada and 66,620 units were intended for export.

845,000,000 BUSHELS IN U.S.: The outlook for the 1948 world wheat crop continues generally favourable, with encouraging conditions in the four major exporting countries and indications of substantially larger crops than last year in Europe and Asia, according to the monthly review of the world wheat situation by the Dominion Bureau of Statistics.

In the United States -- which will be the first of the four major exporting countries to harvest the new crop -- the May 1 forecast placed the winter wheat crop at 845 million bushels, down 15 million bushels from the April 1 estimate but nearly 23 per cent above the 10-year average of 689 million bushels, and late reports indicate that conditions were quite well maintained through the month of May.

No official estimates are available yet for the United States and the Canadian spring wheat crops, but reports to date are generally optimistic as to prospects. The season is extremely late in much of the Canadian West but excellent seeding and growing weather in recent weeks has done much to offset the effects of a cold, wet spring. Intended acreages of spring wheat are down somewhat from 1947 levels in both countries.

In Australia and the Argentine harvest time is still many months away, but good progress has been made with seeding. A report from Australia indicates that a long drought in the west has been broken by steady rains but there have been some losses in early wheat fields; elsewhere conditions have been satisfactory for planting germination and a good acreage is expected.

Further rains have fallen over much of the

continent, states a late report from Europe, and the general situation is very favourable. Harvesting has begun in some southern countries and with good weather will become active shortly.

In Roumania the wheat acreage is estimated at 6,715,000 acres, somewhat above the goal announced late last year and, barring drought or rust, the yield is expected to be about 14 bushels per acre compared with nine bushels last year, which would provide a wheat outturn of 94,681,000 bushels as against the official estimate of 52,320,000 bushels last year. Trade reports indicate that hot weather has followed beneficial rains in the Soviet Union, where the general crop outlook appears to be favourable. Realization of these good prospects on an acreage reported larger than last year should result in significant quantities of grain being available for export from Russia in the 1948-49 season. A recent private estimate places the probable French wheat crop at 292 million bushels, which is far above last year's unrevised estimate of 150 million bushels and compares with the 1935-39 average of 286.5 million. In Italy the winter wheat acreage is somewhat above the 1947 level and indications in mid-May, according to a trade source, were for a wheat crop of about 232 million bushels; last year's unrevised production estimate was 205 million and the 1935-39 outturn was 279 million. In Germany near normal yields are anticipated, and in Spain a good average crop of wheat and barley is expected.

Both India and China also expect significantly greater wheat crops in 1948 than were harvested in 1947.

CROP CONDITIONS IN CANADA

WELL MAINTAINED ON PRAIRIES: Crop conditions over the greater part of the Prairie Provinces have been quite well maintained during the past week, with timely showers benefiting many districts in Saskatchewan and southern Alberta. Recent heavy rains, however, in the Claresholm, Cardston area of southwestern Alberta have delayed seeding to the point where it is estimated that total crop acreage in that district may be as much as 15 to 20 per cent below normal. Seeding is practically completed in Manitoba and Saskatchewan with a small percentage of coarse grains remaining to be sown in Alberta. Temperatures during the past week have ranged generally above normal.

Precipitation since April 1 in Alberta and Manitoba is still above normal but has dropped 22 per cent below normal in Saskatchewan. Subsoil moisture reserves are deemed to be quite

generally satisfactory over most of the Prairies as yet. With the exception of a few areas where moisture supplies are still excessive, general rains would now be welcome in all three provinces to replenish top-soil moisture supplies and to facilitate germination and growth of late seeded crops particularly. Insect infestations are not serious except in south-central, west-central and north-western regions of Saskatchewan where grasshopper damage is continuing and extensive control measures are under way. Serious wireworm damage is also reported from western Saskatchewan.

Serious floods in British Columbia have evidently prevented correspondents from assessing the damage in the Fraser and Kootenay Valleys although it is known to be severe. In the Okanagan Valley, however, conditions are still promising.

WORLD HEALTH ASSEMBLY: The Secretary of State for External Affairs and the Minister of National Health and Welfare announced June 17 that approval has been given to Canadian representation at the First World Health Assembly which will meet in Geneva beginning on June 24. The World Health Organization has hitherto met as an Interim Commission but with the ratification of its constitution by the requisite number of member states, this Organization will now become a fully constituted specialized agency of the United Nations.

The Canadian delegation will be composed as follows:

Chief delegate: Dr. G. D. W. Cameron,
Deputy Minister of Health, Department of National Health and Welfare

Delegates: Dr. G. F. Amyot,
Deputy Minister of Health, Province of British Columbia

Dr. T. C. Routley,
General Secretary, Canadian Medical Association

Technical Advisers Dr. Armand Frappier,
University of Montreal

Mr. L. A. D. Stephens,
Department of External Affairs

Mr. J. G. H. Halstead,
Department of External Affairs

The World Health Organization, with an annual budget of about six million dollars, will consider in Geneva its programme of activities for next year. This programme will include study and action in many fields of public health, including malaria, maternal and child welfare, tuberculosis and venereal diseases. Committees of experts will be appointed to consider and to make recommendations on such specialized problems as public health organization, mental health, tropical hygiene and virus diseases. The World Health Assembly will very likely continue and expand its establishment of medical fellowships to the world's great medical centres for students and research

workers from war-devastated areas.

Among the more urgent tasks of the World Health Organization is the international standardization of therapeutic, prophylactic and diagnostic agents, and the development of an international pharmacopoeia. The WHO has established and will extend its controls over potential international epidemics including cholera, plague, smallpox, typhus and yellow fever, and will have under review the most effective measures for the supervision of quarantine in the world's sea-ports.

The World Health Organization has been one of the most effective and least controversial of the United Nations specialized agencies. Its sessions so far have been marked by a spirit of objective co-operation on the part of all member states, irrespective of their political convictions. The Canadian contribution to the work of WHO for next year will be approximately \$200,000.

CONSUL IN SAN FRANCISCO: The Department of External Affairs announced June 17 the appointment of Charles Norman Senior as Consul in San Francisco.

Mr. Senior was born in Toronto on October 22, 1891. He enlisted in 1916 with the Divisional Signal Corps, C.E.F., and was later assigned to duties with the Military Hospitals Commission Command as publicity representative for the Department of Soldiers Civil Re-establishment. From 1908 to 1935 Mr. Senior was a newspaperman serving successively as reporter, city editor, editorial writer, political and Press Gallery correspondent for the Toronto Star, Toronto Mail and Empire, Victoria Times, Vancouver World, and finally the Vancouver Sun.

From 1935-1948 he was Private Secretary and Executive Assistant to the Right Honourable Ian Mackenzie, Minister of National Defence and later Minister of Pensions and National Health and of Veterans Affairs. In this capacity he attended the Imperial Conference in 1937 and on various occasions accompanied government missions dealing with repatriation. From 1943-46 he was Secretary of the General Advisory Committee (Inter-Departmental) on Demobilization and Rehabilitation.

Mr. Senior is the author of the book "When the Boys Come Home" which was published in 1944. He joined the Department of External Affairs on April 19, 1948.