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WEEK'S EVENTS IN REVIEW

<u>P.E.J. GENERAL ELECTIONS:</u> In the Prince Edward Island general elections yesterday, the Liberal Covernment of Premier Walter Jones was returned to power with an increased majority. It was the Liberals fourth successive victory. The 16 C.C.F. candidates lost their deposits.

Results yesterday as compared with those in the 1943 provincial elections, were:

· · ·	1947	1943	
Liberals	; 23	20	
Liberals Prog. Cons	6	10	
Leading: Prog. Cons			
-			
Total	30	30	

<u>NEW AID FOR COLD</u>: Finance Minister Abbott announced in the House of Commons last night a new scheme to stimulate gold production. The new plan replaces the \$7 per ounce subsidy announced Nov. 17 (C.W.B. Nov. 21, P. 2) and is effective from Dec. 1, 1947.

Under it, the government will undertake to make through the department of mines and resources a payment to each gold mine designed, to assistit in defraying part of its increased costs of production:

This payment will be determined by taking half of the amount by which the mine's current cost of gold production per fine ounce exceeds \$18 per ounce and applying this to the amount by which production in the current year exceeds two-thirds of production in the base year, that is, the 12 months' period ending June 30, 1947.

In the case of new mines, the payments will apply to the entire production in the first year. In the two succeeding years they will apply on the amount by which current production exceeds two-thirds of the first year's production.

<u>Reduced to simple terms</u>, the new plan, it is explained, means this:

If a mine's cost of production is \$28 a fine ounce of gold, the excess over \$18 is \$10. Half of \$10 is \$5 and the payment to be made is therefore \$5 a fine ounce. In determining how much is to be paid to the mine, the production in the base year must be worked out.

Now, take 1,200 ounces as being the production in the base year. Two-thirds of 1,200 ounces is 800 ounces. This means, then, that for every ounce the mine produces in excess of 800 ounces it receives \$5.

Thus, if the mine produces 1,500 ounces it receives a payment of \$3,500 or \$5 for each of the 700 ounces it has produced over the 800ounce requirement.

<u>FOOD TALKS CONTINUE</u>. The Minister of Arriculture told the House of Commons yesterday negotiations for renewal of the Anglo-Canadian food contracts are continuing.

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<u>NAVAL APPOINTNENTS</u>: In a series of appointments which will become effective in late Lecember and early January, a number of officers of the Royal Canadian Navy have been appointed to new duties and new commands, it is announced at Naval Service Headquarters.

Bound for Washington, D.C., as communications officer to Naval Member Canadian Joint Staff is Lieutenant-Commander Michael G. Stirling, R.C.N., of Halifax, N.S., who will succeed Lieutenant-Commander John A. Cherles, K.C.N., formerly of Rouleau, Sask, Lieutenant Commander Charles goes to command H.M.C.S. "Crescent" (destroyer) at present stationed at Esquimalt, 1.C. Her present commanding officer Lieutenant Commander John C. O'Prien, K.C.N., of Victoria, E.C., has been appointed to Halifax, where he will be Officer-in-Charge, Communications School in the east coast training establishment, f.M.C.S. "Stadacona".

<u>ROYAL COLOVELS IN CHIEF</u>: Their Majesties the King and Queen, and Her Royal Highness Princess Elizabeth, Luchess of Edinburgh, KG, CI, have been graciously pleased to accept Colonelcies-in-Chief in five well-known Ontario and Quebec units of the Canadian Army Reserve Force, it is announced by the Minister of National Defence, Mr. Erooke Claston.

Regiments so honoured, and their new Colonels-in-Chief, are as follows:

His Majesty the King -- The Covernor-General's Foot Guards of Ottawa, and the Canadian Grenadier Guards of Montreal.

ter Majesty the Queen -- The Elack Watch (Royal Highland Regiment) of Canada, Montreal, Her Royal Highness Princess Elizabeth --48th Highlanders of Canada, Toronto, and Le Regiment de la Chaudiere of Lake Megantic, Que.

All five regiments fought with distinction overseas during the recent war, the 48th Highlanders in Italy and Northwest Europe with the 1st Brigade of the 1st Canadian Infantry Livision; the Elack Watch in Northwest Europe with the 5th Brigade of the 2nd Canadian Infantry Division; Le Regiment de la Chaudiere also in Northwest Europe (D-Day) with the 8th Frigade of the 3rd Canadian Infantry Livision; and the Covernor-Ceneral's Foot Cuards and the Cunadian Grenadier Guards throughout the Northwest Europe Campaign with the 4th Armoured Irigade of the 4th Canadian Armoured Division.

is Najesty the King is nor Colonel-in-Chief of two Canadian Corps (Artillery and Signals) and seven units of the Active and Reserve Forces, Her Najesty the Queen is now Colonel-in-chief of two Canadian units (The Toronto Scottish Regiment being the first), and in her two new appointments the Princess Elizabeth becomes Colonel-in-Chief of Canadian Army units for the first time.

UNEMPLOYMENT INSURANCE: Initial and renewal claims filed at local offices of the Unemployment Insurance Commission in October totalled 29,369 compared with 20,883 in Contember.

RACE TRACK DETTINC

548 MILLION WAGENED: Luring the 329 days morse racing in Cenada at 36 meetings in 1947, a total of \$48,519,909 was wagered, a decrease of \$147,835 from the amount wagered at 305 days' racing at 33 meetings in 1946. Prize money paid in 1947 totalled \$2,323,675, an increase of \$508,585 over 1946.

Of the total of \$48,519,909 wagered in 1947 Ontario accounted for \$29,034,232, with 125 days' racing. Pritish Columbia was second with \$8,895,929 wagered during 70 days' racing; Manitoba was third with \$4,134,448 wagered at 28 days' racing; Alberta fourth, with \$3,220,-272 over 40 days' racing; Quebec fifth with \$2,491,268 and 50 days' racing; Saskatchewan sixth with \$743,760 wagered during 15 days' racing.

There is no pari-mutuel betting at race tracks in the Maritime provinces under the supervision of the Dominion Department of Agriculture.

TORONTO LEADS CITIES

The statistics for cities show that Toronto was the leader in the amount wagered, by a big margin, with \$18,841,284, Vancouver was second with \$7,858,619; Fort Erie, third with \$4,-611,072, followed by Winnibeg with \$4,134,448; Hamilton, \$3,274,154; Niegara Falls, \$2,307,-534; Edmonton, \$1,725,584; Montreal, \$1,689,-444; Calgary, \$1,494,688; Victoria, \$1,037,310; Ottswa, \$801,824; Regina, \$399,309; Saskatoon, \$340,197; Moose Jaw, \$4,254; Seaforth, Ont., \$130 and Mitchell, Ont., \$68, the last two each having had one day's rating.

From every dollar wagered at race meetings the Dominion Government takes five per cent, the tax deducted by the provinces ranges from five to 10 per cent and each racing association is allowed a percentage ranging from seven down to three per cent according to the total amount wagered. All betting at race meetings in Canada for what is known as running horses must be under the pari-mutuel system. It is carried out under the direction of J.D. Higginson, Supervisor of race track betting for the Lominion Department of Agriculture.

FARMERS A GCCC RISK

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LOAN BOARD'S REPORT: In the 18 years of its existence, the Canadian Farm Loan Foard (a Dominion (overnment agency) has lent more than \$57,500,000 to 27,875 farmers in Canada and, of that amount, \$34,100,000 has been repaid. Interest in arrears for more than six months on outstanding first mortgages amounted, at the time the loard's 18th annual report was compiled, to only \$6,360.

Of the total money lent 53 per cent went to farmers in the four western provinces and 47 per cent to Eastern Canada.

The chief purposes for which farmers have been borrowing from the Loard have changed somewhat in recent years. In 1940-41 about 77 per cent of money borrowed was used to pay debts and 9 per cent to buy land, while in 1946-47, 52 per cent was used to pay debts and 22 per cent to buy land. Borrowings to make improvements to buildings, and other purposes, have increased.

Loans by the Board are made to pay debts, buy livertock, equipment and farm lands, erect buildings and make other farm improvements.

HOW LOANS ARE MADE

The maximum amount which the Eoard may lend to any one farmer is \$5,000 on first mortgage or \$6,000 on first and second mortgages. Loans are repayable over periods of five to twentyfive years by equal yearly or half-yearly payments. The rate of interest is 4% per cent on first mortgage and 5 per cent on second mortgage. First mortgage loans may be prepaid in whole or in part at any time after two years without notice or bonus. Prepayments within two years are accepted subject to a bonus equal to three months' interest on the amount of the prepayment. Second mortgage loans may be prepaid in whole or in part at any time without notice or bonus.

During the first ten years, the Board lent an average of \$3,860,000 per year. There was a big decline during the war years but applications have increased steadily since the end of the war and it is anticipated that, in the current year, the amount approved for loans will almost equal the pre-war average.

The Foard, organized in 1929, carries on the business of making loans to farmers on farm mortgages throughout Canada.

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BOUNDARY COMMISSION APPOINTMENT: The Secretary of State for External Affairs announced Dec. 6 that the Government has appointed James M. Wardle, C.E.E., to be the Canadian member of the International Eoundary Commission in place of Noel J. Ogilvie, who has retired. The appointment was effective November 15, 1947. Mr. Wardle is also Director of Special Projects in the Department of Mines and Resources. In addition to his departmental duties, he was a member of the International Fact-Finding Committee appointed by Canada and the United States to study the construction of a highway to Alaska. From 1938 to 1941 he was a member of the British Columbia-Yukon-Alaska Highway Commission.

The International Boundary Commission was set up under several treaties between Canada and the United States to demarcate various parts of the boundary and to maintain an effective boundary line between the two countries. The three treaties involved are:

- Article VI of the Alaska Boundary Convention signed January 24, 1903;
- The International Boundary Demarcation Treaty signed April 11, 1908; The Boundary Demarcation Treaty signed February 24, 1925.

CANADA THIRD IN EXPORTS

<u>UNITED NATIONS FIGURES</u>: Most countries in which the value of imports exceeded the value of exports before the war had larger trade deficits in 1946 than in 1938, according to a special table in the November issue of the Monthly Bulletin of Statistics, published by the Statistical Office of the United Nations.

The United States, with exports valued at nearly \$10 billion, was the largest exporting country in 1946. The United Kingdom was second with nearly \$3.9 billion, followed by Canada with \$2.2 billion, Argentina with \$1.2 billion, and Erazil with just under \$1 billion.

The table will show the values of 1946 exports and imports, converted to U.S. dollars, for forty different countries, as well as the percentage relation between exports and imports for each country in 1938 and 1946. The figures do not represent balances of international payments, the Statistical Office points out, as they refer only to merchandise and exclude bullion and specie as well as payments for services, foreign investments, and other types of transfers. Hence the data do not reveal the "dollar crisis" facing many countries, although the balance of merchandise trade represents an important factor in the availability of foreign exchange in general.

FOREIGN TRADE DEFICITS

The increase in the relative size of trade deficits between 1938 and 1946 was most striking in continental European countries. In the Netherlands, for example, the value of exports in 1938 was 74 per cent of the value of imports, but was only 33 per cent in 1946. In Belgium and Denmark, where pre-war exports almost equalled imports in value (being 95 and 94 per cent, respectively), exports in 1946 amounted to only a little more than half the value of imports (55 and 57 per cent). Sweden, France, Norway and China also ended 1946 with substantially larger trade deficits than in 1938.

The United Kingdom and Portugal, on the other hand, had smaller trade deficits in 1946 than in 1938. In both these countries exports amounted to just about 50 per cent of imports in 1938 but in 1946 were valued at 74 per cent of imports in the United Kingdom and 67 per cent in Portugal.

Among the countries which had large export balances in 1938, several had even larger balances in 1946. The United States, for example, which had exports valued, at 158 per cent of imports in 1938, exported nearly twice the value of its imports in 1946. Cuba, Czechoslovakia, Bolivia, Iran and Indo-China also had larger export balances in 1946 than in 1938.

Several other countries which exported substantially more than they imported in 1938, however, had smaller export balances in 1946. In Chile, Algeria and Peru, for example, the

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value of exports in relation to imports declines substantially from 1938 to 1945, while Canada and several other countries showed smaller reductions.

Argentina, Turkey, Brazil and New Zealand, where imports and exports were approximately in balance in 1938, found themselves with large export balances in 1946, exports amounting to more than twice the value of imports in Argentina, 180 per cent in Turkey, 146 per cent in Brazil and 137 per cent inNew Zealand. Mexico, on the other hand, exported only 69 per cent of the value of her imports in 1946, although her pre-war merchandise trade was' almost exactly in balance.

JAP WAR CRIMINALS

<u>COMMUTED SENTENCES</u>: The Secretary of State for External Affairs, Mr. L.S. St. Laurent, issued a statement Dec. 8 regarding the commutation of the sentences of two Japanese war criminals who had been convicted of war crimes involving the inhumane treatment of Canadian Service personnel.

The Minister explained that arrangements had been made for the trial of Far Eastern war criminals accused of atrocities against Canadians by United Kingdom and United States Military Courts in their respective areas of jurisdiction. Canadian War Crimes Detachments provided assistance in the way of collecting evidence, aiding in the prosecution, etc.

The two individuals involved in this instance were Col. Isao Tokunaga and Capt. Shunkichi Saito who had been Commander and Medical Officer respectively of all Prisoner of War Camps in the Hong Kong area. They had been accused of war crimes, and in accordance with the procedure described above, were tried by a British tribunal, No. 5 War Crimes Court, in Hong Kong. The prosecution was conducted by a Canadian Officer, Maj. G.B. Puddicombe, while another Canadian, Maj. Jean T. Loranger, K.C., was a member of the Court.

Col. Tokunaga was found guilty of eight of the ten charges brought against him. Three of the findings on these charges found him guilty of being concerned in the deaths, resulting from inhumane treatment, of Canadians. Capt. Saito was found guilty of four of the five charges brought against him. Two findings found him guilty of being concerned in deaths, resulting from inhumane treatment, of Canadians.

Both accused were sentenced to death by hanging.

The Acting General Officer Commanding at Hong Kong, on July 11, 1947, commuted Col. Tokunaga's sentence to life imprisonment and Capt. Saito's sentence to twenty years' imprisonment.

At the request of the Department of National Defence, the Department of External Affairs asked the High Commissioner for Canada in the United Kingdom to endeavour to ascertain from the appropriate United Kingdom authorities whether the basis upon which these sentences were commuted could properly be ascertained or disclosed. The Canadian High Commissioner has now received a reoly from the United Kingdom authorities, reading in part as follows:

"The general position is that, according to the applicable regulations, the commutation of a death sentence is a matter within the discretion of the Confirming Officer in these cases the General Officer Commanding Hong Kong, or his, duly appointed deputy. Any decision by a Confirming Officer is of course made after careful consideration of the available evidence, and it should be emphasized that, before coming to a decision in cases of this kind, that Officer has the benefit of the advice of the Deputy Judge Advocate General at his own headquarters, or at the headquarters of a higher formation. Moreover, it is true to say that, as a general rule, a Confirming Officer is naturally reluctant to interfere with the. sentence of a Military Court unless he is convinced that to let the sentence stand would result in a miscarriage of justice. The matter, however, rests entirely within the discretion of the Confirming Officer who cannot be asked to disclose the grounds for his decision.

"For the reason just stated it is not possible to say what were the precise considerations which guided the Acting General Officer Commanding, Hong Kong, in making his decision in the cases of Tokunaga and Saito. It is possible that in Saito's case he was influenced by the fact that, although Saito was guilty of the highest degree of criminal neglect, his were offences of omission, rather than of:commission.

"However that may be.... the relatives of others who suffered as the result of these war crimes, with whom the fullest sympathy is felt, and to whom the substance of this letter may, if desired, be communicated, may be assured that the decision was taken only after the most careful consideration of all the evidence, and with a full sence of responsibility, by the authority legally competent to commute the sentences."

BULGARIAN CAPITAL LEVY: The Department of External Affairs announces that the deadline for filing returns under the Eulgarian capital levy tax law has been set for December 31, 1947, for persons residing outside of Eulgaria.

According to the provisions of the law, assets, including real property, bank accounts, securities, etc., in Eulgaria owned by foreign nationals are subject to the tax.

Special forms for making returns may be obtained from Eulgaria. In view of the shortage of time, however, it is suggested that any Canadians owning property in Bulgaria may wish to submit declarations in the form of detailed lists of assets to the Eulgarian Legation, 2841 McGill Terrace, N.W., Washington, D.C., U.S.A. <u>STATE OF PARTIES</u>: When Parliament opened on December 5, the state of parties in the two Houses was:

THE SENATE
Libs 65
Pro. Cons 22
Vacant
·
Total
•
HOUSE OF COMMONS
Libs 126
Pro. Cons
C.C.F
Ind. C.C.F 1
Soc. Credit 13
Union des Electeurs 1
Ind. Lib 2
Independent
Bloc. Pop
Vacant
Total 245

(Redistribution of seats in the House of Commons does not become effective until the present Parliament is dissolved. The House of Commons elected in the next general elections will have a membership of 255).

<u>PARLIAMENTARY ASSISTANTS</u>: Since last session, sixparliamentary assistants to Ministers have been appointed. There are now ten parliamentary assistants, all being members of the House of Commons. They are:

R.W. MayhewTo	Minister of Finance
	Défence
W.A. TuckerTo	Minister of Veterans Affairs
G.J. McIlbraithTo	
	Reconstruction and Supply
Ralph MaybankTo	Minister of National Realth and Welfare
W.E. HarrisTo	
P.E. Coté	
Robert McGubbin To 1	Minister of Agric- ulture
Gleason BelzileTo !	Minister of Finance
Robert H. Winters To !	

(For list of Cabinet Ministers see C.W.B. December 5, Page 8).

<u>PLAN TO SPEED WORK</u>: Mr. Speaker Fauteux has presented a plan to speed work in the House of Commons. During the Summer, Speaker Fauteux, accompanied by Dr. Beauchesne, Clerk of the House, visited the United Kingdom and studied; procedure in the Parliament at Westminster. The United Kingdom House, Speaker Fauteux observes in his report, has gone further than us in modernizing some of its rules. Although we may take a leaf out of its book, I am aware that we have developed a parliamentary practice of our own based on British principles and yet clearly Canadian. Let me lay stress on the statement that while we appreciate the long experience of the United Kingdom House and seek to profit therefrom, we are the absolute and independent masters of our own procedure and this must be related to our circumstances and to our own needs.

Mr. Speaker further points out that it is the undoubted rights of members to alter, reject or adopt his suggestions. Until they are approved by a majority, either in their entirety or in their modified form, they have no binding power.

MAJOR SUGGEST. IONS

One of the Speaker's main suggestions would divide session into three sections: (1) Oct. 25 to Christmas, (2) Christmas to Easter, (3) Easter to prorogation.

During the first sections, the House would dispose of the debate on the Address; pass non-controversial Bills; introduce and give first reading to long controversial bills and consider private members' notices of motion. During the second period, the House would take up supply and such of the Government's measures as have been given first reading. In case of urgency, other Government Bills could also be introduced and passed through all stages. During the third period, the Budget would be brought down. As Easter falls around April 1, which is the beginning of the financial year, Mr. Speaker comments, there could not be a better time for the Finance Minister to make his annual statement.

Other suggestions include:

1. Continuous sittings of the House of Commons from the time of meeting till adjournment, with suppression of the present two-hour intermission from six to eight p.m. The Speaker estimates that suppression of the intermission would save 250 hours in a session of average length.

2. That a system of teletypes be installed in offices of party leaders, cabinet ministers, whips, the press gallery, the parliamentary restaurant and cafeteria and at the main entrance to provide members with a summary of proceedings during unavoidable absences from the chamber.

3. That once a debate has lasted more than two days the speaking time of private members be cut from 40 to 20 minutes if they have no text and to 10 minutes if they read from a text.

4. That speeches, when the Commons forms itself into a committee of the whole house, be limited to 20 minutes.

5. That a special committee be established to consider Covernment-prepared estimates of expenditures with a view to recommending possible savings.

6. That a resolution to a bill requiring expenditure of public money be presented at the same time as the bill itself to prevent duplication of debate on the resolution and the bill.

7. That the Finance Minister present his budget speech to a committee of the whole House rather than while the speaker is in the chair to avoid repetition of debate on resolutions providing for the tax changes provided for in the budget.

8. That the United Kingdom practice be adopted to prevent appeals of the speaker's decisions.

IMPORTANCE OF QUESTIONS

9. Instead of seeking information from ministers on the calling of Orders of the Day, the House should adopt a separate standing order giving questions a special place on the Order Paper, thus making them a distinct part of procedure and recognizing that questions are not asked by leave but in the exercise of an inalienable right. Questions should be taken every day except Wednesday, a short sitting day on which the House adjourns at 6 o'clock.

10. That motions calling for the House to adjourn its ordinary business to discuss a matter of public urgency be debatable only between 8 p.m. and 11 p.m. instead of from 3 p.m. to 11 p.m.

The Speaker does not suggest adoption of voice amplifiers until experiments now being made in the United Kingdom are shown to give satisfaction.

He further remarks: Our members have always been opposed to regimentation in any form, they have always been reluctant to restrictions imposed by precise rules which may lessen their freedom and deprive them of their adaptability to meet new and varying conditions or unusual combinations and might also have the effect of restricting rather than safeguarding their privileges.....

FREEDOM OF SPEECH SACRED

The mere object of shortening sessions must not be the aim of any revision of our rules. Although every effort ought to be made to economize time, every shade of opinion has the right to find expression and members who desire to give their views should not be deprived from doing so.

A two-month session, if it is dismanaged, is more wasteful of time than a six-month session during which no time has been lost. Debates have to be free and they must also be relevant. In Parliament every corner of the country is represented and no rule should silence elected representatives when they think they have a message to deliver.

Freedom of speech is a sacred orinciple and if there is a place where it should be fully respected that place is the Parliament of the nation, and I feel it is my responsibility as Speaker of the House to see that this principle is not infringed upon.

LOAN FROM U.S. Mr. Bracken (Opposition Leader) asked in the House of Commons, Dec. 5, if there were any conditions attached to the \$300 million loan from the United States to the effect that Canada would undertake negotiations for a special trade treaty.

Mr. Abbott (Minister of Finance): I may answer that right away. There is no such condition attached to the loan.

EXCISE TAX CHANGES: In the House of Commons, Dec. 8, Minister of Finance Abbott announced the following excise tax changes which Parliament will be asked to make effective as from Nov: 18: The tax on electric or gas refrigerators, refrigerating components, oil burners and oil burning equipment generally, will apply only when these items are adapted to household use or for use in apartment houses, places of entertainment, amusement or recreation such as, for example, rinks, halls, clubs and auditoria. At the same time the tax will be extended to cover air-conditioning, cooling or filtering equipment for the same uses. In the case of electric and gas stoves, ranges and heaters, the tax will be withdrawn. Organs for churches will be exempt from the tax on musical instruments. Tooth brushes will not be included in the toilet articles subject to tax. On pleasure boats the tax will apply only to the engines for use in such boats.

NON CONFIDENCE MOTIONS

<u>OPPOSITION ATTACKS</u>. Session opened breezily. Government endeavours to secure early postponement of Debate on the Address and consideration of emergency legislation were attacked by the Opposition as attempts to stifle debate and make a puppet of Parliament. A Government procedural motion was adopted only after two hours debate. The vote was 139 to 69, a government majority of 70. The C.C.F. supported the Government. Progressive Conservatives and Social Credit voted against.

After two days discussion, debate on the Address itself was adjourned till after the Christmas recess. Non-confidence amendments were moved by both the Progressive Conservative and C.C.F. leaders. Decision on the amendments, as on the main motion, stands over till the New Year.

In debate on the Address, John Bracken (Opposition Leader) described Finance Minister Abbott's recent emergency measures as an insult to Parliament. He declared that the Government by delaying action, when shrinkage of Canada's U.S. dollar reserves was common knowledge, multiplied the gravity of the situation many times.

I indict the Government, Mr. Bracken said, on the following counts:

1. The Government has been wilfully neg-

ligent of the public interest. It has let this crisis develop, in fact helped it to develop. It delayed action and then deliberately set out to confuse the issue in the minds of the public.

- 2. The government has carried out illconceived and hastily prepared stop-gap measures which have worked great harm and will continue to work great harm to the nation.
- 3. The government has resorted to arbitrary and tyrannical methods in an attempt to overcome its past mistakes.
- 4. This is perhaps the most serious of all: the government is rapidly losing our overseas markets which have been for decades the markets of half of our exports.

In amendment to the Address, Mr. Bracken, seconded by Gordon Graydon (P.C. Peel) moved "that Your Excellency's advisers do not possess the confidence of the Canadian people".

PRIME MINISTER REPLIES

Prime Minister Mackenzie King opened with the remark that the present Administration had won every by-election in the past year. This showed the confidence the people had in the Government.

Mr. Bracken: What about the sixth?

Mr. Mackenzie King: The sixth may be a general election and may come sooner than my hon. friend expects.

I am not saying that it will, the Prime Minister added, but what I do say is that my hon, friend the Leader of the Opposition would be the most surprised and disappointed person were it to come at any time in the position in which he is, as leader of his party, at the present time.

Speaking of his visit to Europe, the Prime Minister said members would have learned, from reading the Press, how deplorable conditions in France had become within the recent past, a condition which was no doubt due in part to suffering of the people which had not yet been relieved but which, he believed, was due in larger part to Communistic influences which had been fomenting trouble and which, unless they were checked, would help to undermine the progress and security of the nation.

In Eelgium, the people had made a marvellous recovery in many directions. If there were no cloud overhanging their borders, if they were not threatened with penetration from within by subversive forces, the Prime Minister believed it would be no time at all before Belgium would find herself pretty much where she was before the war.

Mr. Mackenzie King spoke of the lively appreciation in the Low countries of the help rendered by Canada in the war.

In outward appearance, London showed improvement on each successive visit. But behind those outward appearances of improvement there could be no doubt the great mass of the people were suffering from privation and lack of goods.

COMMUNISM FOMENTS UNREST

He spoke of the Council of Foreign Ministers in London. Thus far, the Council had not got very far in making peace with Germany and Austria. The impression seemed to be that Russia was aiming at a centralized government in Germany, one government which would have control of the whole of Germany but which, according to the views of many, would be directed from Moscow. And if Russia did not succeed in that, we might have a long period in which no peace settlement could be made with Austria and Germany.

Mr. Mackenzie King added: Then there is the impression that everything is being done that can be done to foment unrest, particularly in Western Europe, and to make it impossible for the Marshall plan to succeed. In other words. it is felt that this is part of the deliberate policy of Communism as it is being spread throughout Europe at this time, that there must be such unrest stirred up in all countries as to make it impossible for a settlement to be reached at the present time. There seems to be little doubt in the minds of those who are close to the matter that if Western Europe cannot be saved from appalling position in which it is at the present time, if there are to continue to be millions of people with insufficient food and clothing, if there is to continue to be social unrest fomented from underground sources, the whole continent may get more or less out of hand altogether. .

I do not wish to say more at the present time. I think I have said sufficient to indicate that I believe there has not been a time, except prior to the recent war, when matters were shaping in such a threatening manner as they are at the present time. While it is difficult to suggest what can be done to meet the situation, perhaps the first step in that direction is to realize that the situation is indeed a serious one.

Mr. Coldwell's proposals.

M. J. Coldwell (C.C.F. Leader) moved a subamendment to the Progressive-Conservative amendment, providing that:

This House regrets that your Excellency's advisers have failed to use the powers provided by Parliament to control prices, and by their actions have caused alarming increases in the cost of living and a dangerous lowering of the living standards of the Canadian people.

In his speech, Mr. Coldwell made the following proposals:

- 1. We ask for the re-imposition at the earliest date of price controls on all basic necessities of life: food, clothing and fuel.
- 2. The renewal of the subsidies on milk, butter, bread, feed grains, cotton and wool.
- 3. The closing of the Winnipeg grain exchange and the elimination of all speculation in foods.
- 4. Reconstruction of the Wartime Prices and Trade Board in such a manner that it can

adequately administer the price controls. 5. Continuation of the Excess Profits Tax after December 31. 1947.

SOCIAL CREDIT PLANS

Solon E. Low (Social Credit leader) proposed that the Government should launch a \$2,000,000,000 domestic loan to provide Britain with dollars to buy food and other supplies in Canada. This, Mr. Low held, would off-set inflation and provide an outlet for Canadian production.

Mr. Low registered very strong objections to limiting imports of citrus fruits and fresh vegetables.

Mr. Low added: We also register the strongest possible objections to the very heavy excise taxes imposed upon many things domestic as well as imported, which have come to be looked upon as necessities of life in this day.

Surely it must be evident that these taxes will have a great inflationary affect in Canada, a thing we have been trying to avoid.

As a means of correct remedying the economic situation, Mr. Low urged the Government to restore confidence among farmers by immediate tax reduction, subsidies to boost the fixed wheat price to the world level, bonuses to boost livestock returns and compensated price discounts to consumers to bring down the cost of living.

FINANCE MINISTER REPLIES

The Minister of Finance, Mr. Abbott. defended the Government's recent action in removing feed grain price ceilings and reiterated intention to stand by dollar parity. The policy of paying subsidies on feed grains he said was a temporary one. There had been clear indications the Government did not intend to continue it. Its removal, first scheduled for September, had been deferred to October because of the meat strike. Ithad been desirable as a temporary subsidy to enable price ceilings to be held but it was not a proper type of subsidy to be continued permanently because it went to one class of farmers only.

To drop the dollar by ten per cent would mean putting a ten per cent tariff on everything Canada bought from the United States. It would not get Canada any more U.S. dollars and would not increase Canadian sales in the United States.

In continuing its policy of orderly decontrol, Mr. Abbott proceeded, the Government was carrying outits pledges to the electorate.

Our experience during wartime, he added, leads us to the conclusion that price control is likely to break down at vital spots unless the Government is in a position to enforce its directions upon producers The application of any general form of price control, particularly if it were accompanied by a rollback of prices as is suggested in some quarters would involve the allocation of scarce goods, rationing and so forth Any system of over-all price control involves over-all detailed direction of the Canadian economy Unless this country is prepared to embark upon a completely controlled and completely directed economy, then we cannot go back in peacetime to over-all price ceilings. That is entirely apart from whatever our rights might be under the constitution as it exists.

Mr. Abbott moved adjournment of the debate which was agreed to on division.

GENEVA TRADE AGREEMENT

<u>MOTION FOR APPROVAL</u>. In the House of Commons, Dec. 9, Prime Minister Mackenzie King moved for approval of the Geneva Trade Agreement, including the protocol of provisional application (C.W.B. Nov. 21, P. 6-9).

The Prime Minister described the Geneva agreement as the widest measure of agreement on trading practices and for tariff reductions that the nations of the world had ever witnessed. It represented the culmination of several months of negotiations. It was an accomplishment of the most far-reaching importance for Canada and the world. Together, the agreement and the Charter for the proposed International Trade Organization represented a balanced and inclusive effort to promote world peace by prosperity and economic cooperation.

For Canada, the importance of the agreement could hardly be exaggerated. The freeing of world trade on a broad multilateral; basis was of fundamental importance for our entire national welfare.

Fundamentally, Mr. Mackenzie King continued, we are concerned not only over the level of our external trade. We have also a fundamental concern for the level of external trade of other countries. The character of our trade, with surplus of exports to certain countries, and excesses of imports from other countries, requires a condition in which surpluses on one account can be converted to offset deficiencies on another account. This means that a bilateral approach to trade is not enough. We cannot prosper on the basis simply of reciprocity agreements with single countries. Perhaps more than any other country we stand to prosper from the prosperity of others.

PRINCIPLE OF PREFERENCES

Tariffs, when applied by Liberal regimes in Canada, except in very special cases and in difficult, disturbing periods, Mr. Mackenzie King said, had been for revenue purposes, with protection only incidental. They had the basic purpose of stimulating trade through reduction of duties rather than by increasing the tariff on goods of other countries. Liberal governments had also regarded preferences as purely a voluntary undertaking, not as something contractual.

The so-called Ottawa trade agreements of 1932 changed the whole principle. The general schedules of tariff rates were, by these agreements, substantially increased. Even the British preferential rates were raised in many cases against Commonwealth products. The preference was accorded through raising duties against all other nations to unprecedented heights. Within this framework, the countries of the Eritish Commonwealth granted certain preferences to each other.

The basic principles of agreement at Geneva on preferences were: No new preferences were to be created; no existing preferences were to be enlarged; preferences remaining in effect were to be negotiable, that is to say, they were to be capable of being reduced or narrowed by negotiating with foreign countries in return for concessions to one, or other (or both) of the preference parties.

Canada followed at Geneva the basic principles adopted in the origins of the preferences under Sir Wilfrid Laurier. We strongly opposed any narrowing of preferential margins by the device of raising preferential tariff rates. In all the provisions in schedule V, there was only one instance of raising a duty under the Eritish preferential tariff. In all other cases, where the preference was narrowed, a reduction was achieved by reducing the tariff rate applicable to non-British countries.

Canada was prepared to see the same principle applied with regard to preferences for her products in other countries of the Commonwealth. Canada agreed in several cases to the reduction of preferential margins previously enjoyed.

In an exchange of notes with the United Kingdom, under date Oct. 30, 1947, the U.K. and Canada mutually recognized the right of each to reduce or eliminate preferences remaining after the conclusion of the general agreement. The effect of the exchange of notes was to give freedom of negotiation and to make it possible to return to the original basis of preference.

MR. BRACKEN'S CRITICISM

John Bracken (Progressive-Conservative leader) held that in the Geneva trade agreement some of our preferences with Britain had been lost. No preference was left on apples although some preferences had been left, namely on lumber.

The exchange of letters with Britain, however, paved the way for the end of this preference and of others. Under the exchange of letters, we laid the basis for shutting out the balance of British preferences for good.

Article V of the Geneva agreement had the effect of granting to United States highway transportation the privilege of carrying U.S. goods across Canada. In its essence, this would mean the sacrifice of the jobs of many Canadian railway employees for the sake of benefitting a few United States truckers.

Mr. Bracken continued: The chief folly of the Government is, in our judgment, the destruction of the Imperial Preference system by their letter of Oct. 30 to the government of the United Kingdom. The treaties forbid any increase in existing preferences, and forbid any new preferences; but the Government has gone beyond this and appears to have embarked upon a campaign of destruction of our best and greatest market, the market which maintains the employment and income of thousands of Canadians everywhere. As we see it now, we are opposed to the agreement contained in the letters of exchange between this Covernment and the United Kingdom. It is foreign to and quite outside the Geneva agreement and gives the finish to the empire preference system. By these letters, the Government invites the end of the great preferential trade structure.

POSITIVE MEASURES SUGGESTED

Mr. Bracken suggested the following as positive measures:

- 1. We should explore the possibility of preserving more of our greatest markets than the Government's present policies are likely to preserve. Our essential market for farm and primary products has been and is in the sterling area.
- 2. We should relieve our present shortages and ever-mounting inflationary pressures by getting production going in Canada with the same determination and energy we showed in the war.
- 3. We should try to arrange with the U.K. for the production on a priority basis of those supplies from which we are now cut off through no fault of the Canadian people.
- 4. We should accept the opportunity offered in article XXIV of the Geneva agreement to try to protect our great stake in the sterling area by exploring the possibilities of an acceptable customs union with the other British nations or some modified form thereof on a basis which will secure both our own individual interests and the interests of the group as a whole.
- 5. We should attempt to get a greater return in jobs and profits out of our natural resources.

M.J. Coldwell (C.C.F. Leader) said that no matter how beneficial the Geneva agreement was, it could not become fully effective until Europe had been fully rehabilitated, until the nations of Europe were in a position to trade with other countries.

Mr. Coldwell believed that the future of Canada's trade and the future welfare of the world depended upon the willingness of the United States to accept the new role that the world had assigned to her as the result of two great wars. In tying ourselves to the United States economy, as we were doing under the treaty, we must beware lest the United States did not fulfil that role.

Mr. Coldwell suggested that the whole matter should be referred either to the Eanking and Commerce Committee or to a special committee of the House.

Luring further debate. Dec. 10, the Minister of Reconstruction and Supply, Mr. Howe, said a vast new field of markets for Canadian products would be opened by the Geneva agreement. He felt that the agreement would provide the avenue to a permanent and satisfactory solu-

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tion to Canada's dollar shortage.

Looking into Canadian-American trade in the past, it was apparent that whenever Canada had been prosperous her adverse balance of trade with the United States had prown and that it approached a more equal balance only in periods of depression and low income.

Of the methods of achieving balance, he said:

One way is to achieve a balance at a low level of trade, as has been done in the past, when Canadian industrial activity was at such a low ebb, and Canadian incomes were so reduced, that our purchases from the United States fell even more drastically than our sales to them.

BALANCE AT HIGH LEVEL

The alternative way and, I need scarcely add, the way that accords with this Government s fundamental views on trade, is to achieve the balance at a high level, by our selling more.

Even our import controls will be administered to contribute to this end; imports of capital goods for non-essential construction will be drastically curtailed, but imports which will contribute to the development of the Conadian economy, the expansion of our export trade, and the conservation and production of exchange, will have high priority.

It is a fortunate coincidence that at the same time we are faced with a critical balance of payments situation, agreement should have been reached, across such a broad front, with the other chief trading nations of the world on practical ways and means of expanding trade.

It is to constructive and expansive development in Canada, stimulated by these agreements, that we look for a permanent and satisfactory solution of our chronic dollar shortage--a solution which will not be at the expense of Canadian living standards and incomes but which will in the long run fortify and develop both.

Howard C. Green (P.C. Vancouver S.) moved that the resolution be referred to the committee of the whole H^{-} is with instructions to divide the subject ter into two resolutions (1) relating to the general agreement on tariffs and trade including the protocol of provisional application with the complementary agreement of Oct. 30, 1947 with the U.S. and (2) the complementary agreement of the same date between Canada and the U.K.

....te adjourned.

<u>13MY'S POPULAR WAR HISTORY</u>: A popular official history of the Canadian Army in the Second Great War is now in the hands of the printers and will be insued by the King's Printer early in the new year.

Prepared by Canadian Army historical section, under direction of Col. C.P. Stacey, OEE, the book summarizes military activities of Canadian soldiers in the United Kingdom, at Hong Kong and Dieppe, and in Sicily, Italy, France, Holland and Cermany. The book will give the first complete official account to be published of the Dieppe operation, which is covered in detail.

This one-volume "Official Historical Summary" is based on an examination of Canadian, British and Allied Official records, as well as enemy documents and the interrogation of enemy generals. Fifteen four-colour maps and 12 full-colour reproductions of war artists' paintings are included. It is believed the book will be the first comprehensive official historical account of the recent war to be published by any country.

Future plans of the Army historical section call for a detailed definitive history of the war in three volumes, with a target date of late 1950. A fourth volume is planned which will cover the organization and employment of all three armed forces.

No further work is being done on the history of World War I but all records in connection therewith have now been placed at the disposal of historians, a move which recently prompted a letter of appreciation to the Minister of National Defence from the Canadian Historical Association.

TREEKLY SECURITY PRICE INDEXES: The following are security price indexes of the Dominion Eureau of Statistics, on the base 1935-39=100, for the week ending December 4, 1947, a week and month earlier: Tec 4 Nov. 27 Nov. 6

4	<u>, 4</u>	<u>NOV. 27</u>	1101. 0
INVESTORS' PRICE INDEX	:		
(100 Common Stocks)	106.1	107.3	106.7
74 Industrials		101.3	100.2
18 Utilities	112.4	112.8	115.3

135 8

133 5

135 6

0 taiks 199.0	. 100.0	133,3
MINING STOCK PRICE INDEX		
MINING STOCK PRICE INDEX (27 Stocks)	89.3	88.4
23 Colds	78.7	78.8
4 Base metals 106.3	108.3	105.2

8 Banks

<u>NEW B.C. LIBERAL LEADER</u>: Byron Johnson, who started his business career as the driver of a horse-driven dray, has been chosen leader of the British Columbia Liberal party and premier designate of the province.

He was the choice of 600 delegates at the convention of the B.C. Liberal association called to choose a successor to Premier John Hart, who retired from the leadership, and who plans to resign as premier early next week.

<u>DEATH OF SENATOR BENCH</u>: The death occurred at St. Catherine's Ont., Dec. 9 of Senator Bench at the age of 42. Senator Bench was the youngest member of the Canadian Senate. He was only 37 when appointed.

His death leaves the party standing in the Senate: Libs. 64; Progressive Conservatives, 22; vacant, 10. <u>NEAR-RECORD PROPORTIONS</u>: Narked by a renewed expansion of both imports and exports, Canada's foreign trade in October reached near-record proportions for a peacetime period, being valued at \$508,200,000, only \$3,300,000 under the peak figure of \$511,500,000 for May this year, according to figures released today by the Dominion Eureau of Statistics.

The October total reverses a general downward trend in the preceding three months, comparing with \$429,700,000 in September, \$429,400,000 in August and \$466,400,000 in July. The value for October last year was \$393,000,000.

External trade during the first ten months of this year aggregated \$4,435,600,000 -- the highest for any similar period, and 29 per cent in excess of last year's corresponding total of \$3,436,900,000.

October imports advanced sharply to \$254,-500,000 from \$208,100,000 in September to reach the highest monthly level yet recorded for a month. Highest previous figure was \$240,-300,000 for May this year. Imports for October last year stood at \$186,400,000. For the ten months ended October imports aggregated \$2,-150,700,000 in the sagainst \$1,547,200,000 in the similar peric! of 1996.

Showing a substantial but lesser increase than imports, domestic exports in October were valued at \$250,800,000 as compared with \$218,- 600,000 in September. In October last year exports totalled \$204,200,000. Luring the ten months ended October merchandise exports were valued at \$2,255,600,000 as compared with \$1,868,100,000 in the like period of 1946.

Foreign commodities were re-exported in October to the value of \$2,900,000 compared with \$3,000,000 in the preceding month and \$2,500,000 in the corresponding month last year, bringing the ten-month total to \$29,-300,000 as compared with \$21,600,000 in the same period of lest year.

Canada had an adverse overall balance of trade in October of \$800,000 commared with a favourable balance of \$13,400,000 in September and \$20,200,000 in October last year. Deficit in trade with the United States was \$86,200,-000, while trade with the United Kingdom showed a favourable balance of \$48,700,000.

For the ten months this year, Canada had a favourable balance of trade with all countries aggregating \$134,200,000 as compared with \$342,500,000 in the corresponding period of 1946. Aggregate deficit with the United States was \$804,400,000 as against \$378,500,000 last year, and the aggregate credit balance with the United Kingdom, \$460,200,000 compared with \$306,300,000.

The following table, prepared in the Dominion Bureau of Statistics, summarizes Canada's foreign trade for the ten months ended October:

	AVERAGE 1935.39	1938	1942	1943	1944	1945	1946	1947
			(Millions	of Dollar	s)	······		<u> </u>
TRADE OF CANADA	: TEN MO	NTHS END	ED OCTOBE	R				
MPORTS	582.3	569.9	1,380,5	1,439.9	1,490.1	1.322;2	1,547,2	2, 150, 7
DOMESTIC EXPORTS	70 8, 2	682.7	1,889,8	2,379.0	2,860.6	2,744 9	1,868,1	2,255,6
FOREIGN EXPORTS	10.0	9.3	15.5	21.0	34,9	44.9	21.6	29.3
TOTAL TRADE	1,280,4	1,261,9	3, 2 85,7	3,839,9	4,385,5	4,111.9	. 3,436,9	4,435,6
BALANCE OF TRADE	+ 156.0	+ 122.1	+ 524.8	+ 960.1	+1,405.4	+1,467.6	+ 342,5	+ 134.2
BALANCE OF TRADE UNITED KINGDOM	+ 180.3	+ 178,8	+ 484.4	+ 727.5	+ 967.4	+ 741.7	+ 306.3	+ 460.2
BALANCE OF TRADE UNITED STATES	- 78.6	- 133,7	- 416.3	- 257.8	- 145.0	+ 25.0	- 378.5	- 804.4
NET EXPORTS, Gold	102.3	133.6	157.9	121.0	93.7	80 . O	83.1	81,1
DUTY COLLECTED.	77.2	77.2	130.4	142.8	150,8	138,6	178,9	270,3

<u>FOULD OUTLAW COMMUNISTS</u>: Wilfrid LaCroix (Lib. (uebec-Montmorency) has again introduced in the iouse of Commons his kill to declare the Communist party, the Labor-Progressive party and "any association, society, group or organization naving similar aims or purposes" illegal organizations. The Kill provides however that no association, society group or

organization, except the Communist party and the Labor-Progressive party shall be deemed to be an illegal organization unless a Superior Court of criminal jurisdiction has previously, upon a reference submitted by the Governor in Council, expressed the opinion that it is an illegal association. ON TRI-SERVICE BASIS: "Both Royal Military College at Kingston, Ont., and HMCS Royal Roads, Vancouver Island, B.C., will be operated on a tri-Service basis as a major step in the all-important work of training officers", the Minister of National Defence, Mr. Erooke Claxton revealed today. At the same time the Minister announced details of courses and requirements of admission to both colleges, and said that when referred to collectively the two colleges will be known as the Canadian Joint Services Cadet Colleges.

"Officer cadets will begin combined operations by training together and getting to know each other on a first name basis", Mr. Claxton added.

The duration of the course at Royal Roads is two years and that at Royal Military College, opening next September, will be four years. With the exception of the final year at RMC, which has no summer term, each year includes 11 months of instruction divided into fall, winter and summer terms, and courses will be equivalent at both colleges during the first two years. Subsequently either a general course or an engineering course may be taken at RMC, with specialization starting in the third year.

DETAILS OF COURSES

In the case of Naval cadets of the Executive and Engineering (Marine) branches, the course will be two years in length and may be taken at either college. Other Naval cadets and all Army and Air Force cadets will take the fouryear course, the first two years of which may be taken at either college and the last two at RMC. During the fall and winter, 85 per cent of the instruction will be academic, the remainder being service subjects including physical training. The 16-week summer term will be devoted entirely to practical service training at the various Armed Forces' training establishments. Naval cadets will spend a large portion of this time at sea and Air Force cadets will receive aircrew training.

Courses at both colleges are designed to train officer cadets for commissioned rank in any of the three Services, and all accepted candidates will be obligated to serve as officers in either the reserve or full-time forces of one of the three Services, whichever they may elect, if so required.

Service qualifications obtained at the colleges will be dependent upon the particular practical training taken during summer terms, but, subject to this restriction, all graduates will be qualified for commissions in the nontechnical branches of the Canadian Army Active Force and the Royal Canadian Air Force. Officer cadets who elect for service in the executive or engineering branch of the Royal Canadian Navy, and who successfully complete their second year, will proceed for further training as midshipmen with the Royal Navy. Graduates from RMC, if so recommended by the college, may enter the final year in civil, chemical, mechanical or electrical engineering at certain Canadian universities with a view to obtaining a degree in one year. The Law Societies of certain provinces also admit RMC graduates for the study of law and call to the bar on the same basis as university graduates in the faculty of arts.

All graduates accepted for permanent technical commissions in the R.C.N. (with the exception of marine engineers) and for permanent commissions in the Royal Canadian Engineers, Royal Canadian Corps of Signals, Royal Canadian Electrical and Mechanical Engineers, selected graduates in other corps and those accepted for permanent technical commissions in the Royal Canadian Air Force, will be sent at public expense to a university for one year to obtain their degree.

Half of the candidates for Royal Roads and the Royal Military College will be selected on provincial quotas determined by population, and the remainder in open competition. In both cases, selection will be based on academic standing and the recommendations of local boards as to the physical and personal characteristics of the candidates. A Joint Board of Selection will be the final authority.

ADMISSION REQUIREMENTS

Candidates for admission to either of the Joint Services Cadet Colleges must be Canadian citizens or other Eritish Subjects normally resident in Canada. They must have reached their 16th but not their 20th birthday by January 1 preceding entrance, if they are Army or Air Force candidates, and must be less than 19 on the same date if they are Naval candidates. In all cases a high standard of physical fitness will be required.

Academic requirements for admission call for junior matriculation or its equivalent, including French and chemistry; and senior matriculation or equivalent in English, physics, mathematics and two of either chemistry, history or a language; and a satisfactory standard in a qualifying examination in mathematics and English or French, held during the latter part of May each year.

All applications for entrance must be made before March 31 in the year registration is desired, on application forms obtained from The Registrar, Royal Military College, or from the Commanding Officer, HMCS Royal Roads.

There will be an annual tuition fee at the colleges of \$100 in addition to payments for board, uniforms, books, laundry, etc., of \$450 in the first year and \$200 in each of the subsequent years.

During the summer term, officer cadets will be paid as junior officers at the rate of \$135 monthly, in addition to quarters and board, while training at the various Active Force establishments of the Service selected.