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INDEX TO INSIDE PAGES

1949 International Trade Fair.....	2	On Board H.M.C.S. "Haida" at Sea Sept. 20.	5
London Immigration Offices.....	2	I:CAO Lisbon Meeting.....	5
Tribute To Count Bernadotte.....	2	7,000 Potato Harvesters.....	5-6
October Conference.....	2-3	July Trade Increase.....	6
Iceland Air Agreement.....	3	Merchandise Imports Down.....	6
Army Week Address.....	3-4	Excellent Harvesting Conditions.....	6-7
Air Vice Marshal Retires.....	4	Port Authorities To Convene.....	7

WEEK'S EVENTS IN REVIEW

MR. PEARSON'S KINGSTON SPEECH: The Secretary of State for External Affairs, Hon. Lester B. Pearson, on September 21 delivered his first public address since his appointment. He spoke before the Ontario Municipal Association at Kingston. In that portion of his speech devoted to international affairs the Minister spoke as follows:

"Among the international problems facing us at this grave and depressing moment of post war history, by far the most important, before which every other problem pales into insignificance, is the prevention of a third world war. We hoped at San Francisco that we had found an agency for this purpose in the United Nations. The hopes of those days have begun to vanish as the world divides into two opposing and unfriendly camps; the free, democratic nations on one side, the reactionary communist despotisms on the other. In the face of this division, which colours and confuses every matter brought before the United Nations, from the status of women to the status of Jerusalem, our world organization has been weakened, in political questions, to the point of impotence.

"Therefore we must regard with sombre realism, but without despair, the future of UN; a future which will be greatly affected for good or evil, by what happens at the United Nations Assembly which opened in Paris this afternoon.

"The deliberations and decisions of this Assembly - and even more the outcome of the discussions between the great powers over Berlin - will, I think, largely determine whether the two worlds - democratic and communist - can co-operate on a basis of mutual toleration, at least; or whether they will

continue to face each other with fear, suspicion and ill-will; if the latter, is there any hope for our security for peace in and through the United Nations?

"If not, should we then scrap the United Nations? No, because, with all its faults and frustrations, it remains the only forum that exists for the expression of the world's conscience; because it has made already important contributions to man's welfare; because it is our only mechanism for universal international intercourse.

"The fact, however, that the United Nations cannot guarantee our security does not mean that we need sit idly by and watch collective safety vanish. Inside the United Nations and within the terms of its Charter we can form regional security groups, the members of which will accept and carry out certain obligations for collective defence in the interest of their individual security.

"Mr. St. Laurent, then Secretary of State for External Affairs, in his address at Toronto on June 11 of this year, said:

"Victory in war requires a pooling of risks and a pooling of resources. Victory over war requires a similar pooling by the Free Nations. Such a pooling cannot take place unless we realize that the giving of aid to an ally is not charity but self-help.

"We know that, divided, the Free Nations may fall, one by one, before the forces of totalitarian tyranny working within and without their borders, but that, united, they can preserve freedom and peace for all. Let us be not only willing but anxious to unite."

1949 INTERNATIONAL TRADE FAIR: Next year's Canadian International Trade Fair will be held in Toronto from May 30 to June 10, 1949, Rt. Hon. C.D. Howe announced September 17. He stated that the inaugural Fair in 1948, attracting exhibitors and businessmen from more than seventy different countries, had gone far toward confirming the Government's expectation that a new world market-place in the tradition of the famous European "sample" fairs can be successfully established on this continent.

The plans authorized by the Government for next year are intended to utilize fully the benefit of the experience gained in 1948. The lessons learned are being applied to the improvements planned for 1949. The same three permanent exhibition buildings will be used again, providing space in excess of 750,000 square feet. Although official application forms have not yet been made available, replies have been received from 238 of last year's exhibitors who were questioned concerning their intentions for 1949. Over 95 per cent indicated their intention to exhibit again, and all but one have requested as much or greater space in 1949 than they used in 1948, an over-all average increase of 16 per cent. Inquiries and applications for space have already been received from 144 firms who did not participate in 1948.

KEEN INTEREST IN U.S.

Emphasis is being laid upon attracting still greater attendance of visiting businessmen, particularly from the United States. A keen interest has been aroused in U.S. business circles by the success of the first Trade Fair, the Minister pointed out. The August 21 issue of "Foreign Commerce Weekly", published by the U.S. Department of Commerce, devoted its cover and leading article to the Trade Fair, which it called "Canada's Great Experiment in World Trade Promotion", and expressed the possibility that a similar fair might eventually be held in the United States. It stresses the value of the Canadian example by pointing out that stimulation of soundly increased imports into the United States is an economic "must", and that the International Trade Fair is an outstanding means for fostering such imports by presenting to the rich United States' market those needed goods which foreign countries can supply.

Final figures on the 1948 Fair reveal the impressive extent of participation by world businessmen. Products of 1,455 manufacturers from 28 countries were included among the exhibits, of which 624 (or 43 per cent) were from abroad. Reports of the business done indicate numerous instances of transactions satisfactorily completed directly between representatives of other nations, in which Canada played no part except as host. This international aspect of the Trade Fair is an encouraging evidence of its usefulness in promoting world trade.

LONDON IMMIGRATION OFFICES: The Hon. James A. MacKinnon, Minister of Mines and Resources, announced September 17 the opening of new Immigration Branch offices in London, England.

Mr. MacKinnon said that a four-storey building had been obtained at 42-46 Weymouth Street West, and that it provides much more space than was available in Sackville House, the former location of the Immigration staff.

Quarters in the new building have been allotted to medical officers of the Department of National Health and Welfare, who co-operate closely with the Immigration Branch in the examination of prospective emigrants to Canada.

Space is also provided for officials of the Department of Labour, who assist the Immigration officers in dealing with British craftsmen and other persons interested in learning about labour conditions in Canada.

The offices will be under the direction of Guy G. Congdon, Superintendent of European Emigration.

TRIBUTE TO COUNT BERNADOTTE: The Acting Prime Minister, Right Honourable L. S. St. Laurent, issued to the press September 18 the following statement with regard to the assassination of Count Folke Bernadotte:

"The Canadian Government is shocked to learn that the United Nations Mediator in Palestine, Count Folke Bernadotte, has lost his life by assassination. It wishes to pay tribute to the selflessness and devotion with which the Mediator undertook and carried out his most difficult task. In endeavouring to bring about a peaceful settlement in Palestine under the conditions prevailing in that land, Count Bernadotte and his associates have not spared themselves in the cause of peace. By the sacrifice of his life as the climax of tireless efforts, Count Bernadotte has set an example of the highest public service to all nations. The Canadian Government hopes that the United Nations will continue the work of Count Bernadotte, inspired by his example and by his faith in human reason and moderation.

"The Canadian Legation in Stockholm has been asked to convey to the bereaved family of Count Bernadotte, through the Swedish Government, an expression of the sympathy of the Canadian Government and people."

OCTOBER CONFERENCE: The third Dominion Provincial conference to discuss the Canadian tourist industry will be held in Ottawa, October 18, 19 and 20, Rt. Hon. C.D. Howe, Minister of Trade and Commerce, announced September 17.

Results of the 1948 tourist season will be reviewed, the problems facing the industry from coast to coast discussed and an attempt made to find practical solutions. Among the

items on the agenda are accommodation and services, advertising, publicity, and the part the tourist trade can play in improving Canada's dollar position.

Participating in the conference will be ministers and deputy ministers of travel in the various provincial governments; officials of the transportation companies; representatives of the Bank of Canada, the National Film Board, and federal Government departments concerned with the Canadian travel industry.

Arrangements for the conference are being made by D. Leo Dolan, Director, Canadian Government Travel Bureau.

ICELAND AIR AGREEMENT: Air navigation facilities and services on the North Atlantic island of Iceland, required for the safe operation of transatlantic air traffic, will be financed internationally as a result of an agreement concluded here September 16 between the International Civil Aviation Organization and the Government of Iceland. The agreement was signed by Dr. Edward Warner, President of the ICAO Council, and Mr. Agnar Kofod-Hansen, Director of the Iceland Aeronautics Board.

According to the terms of the agreement, the sum of 7,500,000 kronur (about \$1,000,000) will be paid to Iceland for expenses incurred in maintaining the air navigation facilities, which include weather reporting and forecasting stations, area traffic control, and telecommunications networks, from 1946 until December 31, 1948. Beginning in 1949, 10 nations (including Iceland) will defray the costs of the services, up to a maximum of 4,225,000 kronur (about \$650,000) a year.

Apportionment of these payments among those of its member nations which are concerned with air transport across the North Atlantic was made at an ICAO joint support meeting held in Geneva, Switzerland, last June. Basis for the apportionment was the use each nation's airlines have already made of the facilities provided, together with the use they expect to make of them in the future. Each nation will pay the following percentages of the total costs:

	1946-1948 Total	1949
Belgium	1.2%	1.8%
Canada	9.3	7.1
Denmark	1.85	1.7
France	4.6	4.1
Iceland	----	17.5
Netherlands	5.6	4.9
Norway	1.85	1.7
Sweden	2.8	2.6
United Kingdom	11.1	9.9
United States	61.7	48.7

The new Icelandic agreement is the third joint support arrangement designed to produce air safety and regularity, which has been concluded by the International Civil Aviation Organization. Two years ago 10 member nations

agreed to maintain a network of ocean weather stations in the North Atlantic to serve as meteorological reporting stations, telecommunications relay points and search and rescue bases. Last year, five nations whose airlines make use of LORAN (long range radio aid to navigation) in flying across the North Atlantic, together with Iceland, agreed to finance a LORAN station at Vik, Iceland.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on September 9 rose to 93,493,000 bushels from last year's corresponding total of 86,692,000 bushels, according to the Bureau of Statistics. Deliveries from farms in the Prairie Provinces during the week ending September 9 totalled 31,489,000 bushels, an increase of almost 21 per cent over the previous week's total of 26,046,000 bushels.

Overseas export clearances of wheat during the week ending September 9 amounted to 1,470,000 bushels compared with 1,538,000 in the corresponding week last year.

DEPARTMENT STORE SALES: Expenditures in department stores in the past few years account for more than 11 out of every 100 dollars spent by consumers in retail stores, according to a bulletin released by the Bureau of Statistics covering sales and inventories of department stores in the period January 1941 to July, 1948. Because of the broad range of commodities handled, some reasonably close relationship might be expected between total retail trading and department store sales.

From 1930 to 1933, department store sales made up between 13 and 14 per cent of all retail sales, but in the period, 1933 to 1937, readjustments in the relationship occurred in which the proportion was reduced to 11 per cent. Since 1937 the proportion has been consistently between 11 and 12 per cent of total retail sales.

Department store sales in 1947 reached an aggregate value of \$706,845,000, well above the 1946 total of \$613,611,000, and 87 per cent in excess of the \$377,806,000 registered in 1941.

ARMY WEEK ADDRESS: The Acting Prime Minister, Right Hon. L.S. St. Laurent, delivered a radio address over a national network on the evening of September 19 as part of ceremonies marking the inauguration of Army Week. The Minister of National Defence, Hon. Brooke Claxton, also spoke and appealed for recruits for the armed forces.

In his references to Canada's responsibilities in world affairs Mr. St. Laurent spoke, in part, as follows:

"... As Canada has grown into a nation through times of prosperity and peace, and

through times of adversity and of war, our people have acquired responsibilities. The first of these responsibilities is to do what is necessary for the national security. We have learned that there is no security in isolation; security must be collective between nations because there is no other way in which we can prevent aggression and secure peace. The responsibility for security is also collective within the nation and every citizen should be ready to do his part.

"As my colleague, the Minister of National Defence has said, we are living in a world in which there is tension and insecurity. War, however, is not inevitable. We know that it is possible for men and nations to work and live together to gain a measure of security and prosperity never before attained. That is the goal towards which we wish all the nations were working. But, unfortunately, all the nations are not working for peace and welfare. In the face of the present attitude of certain nations dominated by Communism, every true Canadian must recognize the need of military forces to defend our country and to take their place in any arrangements for collective security that we may assume.

"We Canadians cannot, nor would we wish to, maintain fighting services of a size large enough to threaten anyone. No Canadian even dreams of threatening other nations. But it is only common prudence to see to it that we have defence forces which will make plain to our neighbours as well as to those in more distant places our determination to stand on guard for those things that we hold dear. We must leave no doubt that our resolve is not a matter of words alone...."

MANUFACTURING INVENTORIES: Advance indications point to a continued rise in the values of inventories held by manufacturing industries in July, though the increase appears slight, according to the Bureau of Statistics. Stocks held in the consumers' goods group appear to have risen very little; there was a larger increase in the industries in the producers' goods group, while those held in the capital goods industries have fallen.

In the non-durable consumers' goods industries, inventories of finished products appear to have risen very slightly, if at all. In the food industry there was a large seasonal increase in stocks of butter and cheese over the June level; on the other hand, inventories held by sugar refiners, slaughterers and meat packers appear considerably lower than last month. Dairy stocks were well below last year's level. Stocks held in the tobacco industries show a seasonal fall in value.

In the semi-finished non-durable consumers' goods group, stocks held by the feed and flour industry continued to show a seasonal decline, and are now at the lowest point in the post-war period. Newsprint inventories appear to have risen considerably, while pulpwood in-

ventories continued their seasonal decline. The value of semi-durable consumers' goods inventories rose slightly, the increase appearing to be reflected in every main industry grouping in this category. Stocks held in the durable consumers' goods group fell slightly in value.

CAPITAL GOODS GROUP

The fall in the value of inventories in the capital goods group, which was evident in June, continued, though the drop in July was smaller. Again the fall was due to a decrease in the value of inventories held by ship-builders and aircraft manufacturers, and to the seasonal decline of stocks held in the agricultural implements industry. There was a 10-point rise in the value of railway rolling stock inventories, and the value of stocks held in the machinery industries also rose.

Producers' materials inventories continued to rise in value in July, almost every large industry in this group having shown an increase in the value of stocks held. The largest increase appear to be in the primary iron and steel industries -- 10 points -- the brass and copper products industries -- 10 points -- and the non-ferrous metals smelting and refining industries. The coke and gas industries stocks continued their seasonal rise. Slight decreases are apparent in the sheet metal products industries and in a few of the smaller industries in this group.

AIR VICE MARSHAL RETIRES: Hon. Brooke Claxton, Minister of National Defence, announced September 20 the retirement of Air Vice Marshal A.L. Morfee, CB, CBE, Air Member for Air Plans at Air Force Headquarters, Ottawa, who is to proceed on retirement October 1. The Division of Air Plans, which has been headed by A/V/M Morfee since September 1, 1947, is responsible for the organization and establishments within the RCAF, for planning, operation requirements, and for intelligence services.

AIR MEMBER FOR PLANS: The appointment of Air Commodore C.R. Dunlap, OBE, as Air Member for Air Plans, effective October 1, was announced September 20 by Hon. Brooke Claxton, Minister of National Defence. A/C Dunlap, who assumes the rank of Air Vice Marshal upon taking over his new duties, replaces Air Vice Marshal A.L. Morfee, CB, CBE, who is retiring.

RCAF APPOINTMENT: Hon. Brooke Claxton, Minister of National Defence, announced September 20 the appointment of Group Captain W.E. Bennett of Halifax and Ottawa as a Deputy Air Member for Air Plans at Air Force Headquarters, Ottawa. G/C Bennett, now Director of Operational Requirements at AFHQ, takes over his new position October 1, with the rank of Air Commodore.

ON BOARD H.M.C.S. "HAIDA" AT SEA SEPT. 20: Coral Harbor, on Southampton Island, most northerly point touched by the R.C.N. task force on its northern cruise, has been left astern and the destroyers have only one more scheduled stop -- at Port Burwell -- on their homeward journey to Halifax.

"Nootka" and "Haida" will rendezvous Tuesday at the Ungava Bay anchorage with the Canadian Naval auxiliary tanker, "Dundalk". They will leave Thursday and are due in Halifax Tuesday, September 28.

Three adult whites, two white children and several dozen Eskimos acted as hosts to the ships at Coral Harbor and a busy time they had of it when the liberty boats put ashore. Alan Scott, who manages the Hudson's Bay Company post, required the assistance of his wife in serving the ivory-seeking customers who crowded the store. Coral Harbor has long been the centre for walrus hunters and the unlimited supply of tusks and teeth provided a happy hunting ground for the souvenir-eager sailors.

Often, with the assistance of the Missionary Father M. Rio, whose 26 years in the Arctic has made Eskimo almost his natural tongue, other seamen touched off a record sewing bee among the huts and tents of the natives.

Such sealskin slippers as existed when the ships arrived vanished in the first wave of bartering and, from that point, every seamstress in the village worked overtime on direct orders.

Coral Harbor is enclosed by low arms of tundra, which in the main are typical of the vast sweep of Southampton Island. Somewhat higher ground visible from the settlement still had last year's snow waiting to greet that of the coming winter. September's frosty air suggested that it will not have long to wait.

The harbor is guarded by a number of reefs and in the rainy weather which marked the warships' arrival these required careful navigation. Charts will be more adequate as a result of the visit, a number of new soundings having been taken.

The Eskimos were found to be much less primitive than those at Wakeham Bay. Their contact with an airstrip and wireless station established on the island during the war has apparently broadened their horizon.

PETROLEUM PRODUCTS: Canadian oil refineries turned out 7,176,000 barrels of refined petroleum products in June as compared with 6,814,000 in the corresponding month last year, an increase of five per cent, according to the Bureau of Statistics. During the first half of this year, output aggregated 36,288,000 barrels compared with 33,544,000 in the similar period of 1947, an advance of eight per cent.

Receipts of crude oil during the month amounted to 7,676,000 barrels compared with 7,161,000 in the same month last year, bring-

ing the six-month aggregate to 39,262,000 barrels compared with 35,506,000 in the like period of 1947. Domestic crude receipts rose in the month to 1,061,000 barrels from 612,000 a year ago, and imported crude to 6,615,000 barrels from 6,550,000.

ICAO LISBON MEETING: The legal aspects of allocating the cost of search and rescue operations for lost aircraft among the nations concerned will be explored by prominent air lawyers meeting at the third session of the International Civil Aviation Organization's Legal Committee, which opens September 24 in Lisbon. In anticipation of the possible adoption of ICAO standards on this subject or of the development of a special convention, the problem has been referred to the Legal Committee for study of the many legal factors which determine how such cost allocations are to be made.

Sub-committees have been meeting in Lisbon during the past week in preparation for the conference, studying present marine and aviation practices on the division of search and rescue costs. Reports have also been drafted on other items on the agenda of the Legal Committee, including revision of the present international rules limiting the liability of the aircraft operator in the carriage of passengers and cargo, the standardization of terms and definitions used in private and public air law, and the proposed changes in the procedure for amending the Convention on International Civil Aviation, the instrument under which ICAO functions.

7,000 POTATO HARVESTERS: Arthur MacNamara, Deputy Minister of Labour, announced September 21 that an order for 7,000 workers for harvesting the potato crop in Aroostook County and Southern Maine has just been received by the National Employment Service, from the Aroostook Farm Bureau Labour Association, Presque Isle, Maine, through the Employment Service of the Maine Unemployment Compensation Commission.

According to the Unemployment Insurance Commission, this is the largest single order for workers filed with the National Employment Service since its inception over seven years ago.

Of the total number of workers to be recruited, 4,800 will be from the rural areas of Quebec bordering the State of Maine, 1,600 from the urban areas of Quebec and 600 from various points in New Brunswick.

It is estimated that these 7,000 workers will earn approximately \$1,700,000 in United States funds during the harvest period. The American dollars thus earned will be of some assistance in reducing the current American dollar shortage.

This large scale movement was planned by the officials of the United States Employment Service, Washington, D.C., and of the Depart-

ment of Labour and National Employment Service, Ottawa, with the co-operation of the Maine Unemployment Compensation Commission, the United States Immigration and Naturalization Department, the Quebec Department of Agriculture which functions through the Local Parish Committees of the Province of Quebec.

MONUMENT TO CROWFOOT: A cut-stone monument in commemoration of Crowfoot, the famous Blackfoot Indian Chief who is often referred to by historians as "a statesman in paint and blanket", will be unveiled September 26 on the Blackfoot Reserve near Gleichen, Alberta. The tablet has been provided by the National Parks Service of the Department of Mines and Resources on the recommendation of the Historic Sites and Monuments Board.

JULY TRADE INCREASE: Canada's total foreign trade showed a moderate increase in July, standing at \$478,600,000 as compared with \$466,500,000 in the corresponding month last year, according to the Bureau of Statistics. Domestic merchandise exports were higher, while imports and re-exports of foreign produce both were lower in value. Aggregate value of trade for the first seven months of this year was \$3,167,600,000 as compared with \$3,068,300,000 in the similar period of 1947, an increase of 3.2 per cent.

Exports of domestic merchandise in July were valued at \$250,900,000 as compared with \$233,500,000 in the preceding month and \$236,600,000 in the corresponding month last year. The month's figures show a further gain in exports to the United States, a continuation of the decline in the value of shipments to the United Kingdom, and augmented exports to Latin American countries. Cumulative value of merchandise exports in the seven months ended July was \$1,651,000,000 as compared with \$1,565,000,000 in the like period of 1947.

IMPORTS DECLINE

Imports entered for consumption were valued at \$225,100,000 in July compared with \$233,000,000 in June and \$226,800,000 in the same month last year. There was a further decline from the high levels of a year ago in the value of imports from the United States, while purchases from the United Kingdom again were higher in value. During the first seven months of this year the aggregate value of imports was \$1,495,200,000 as against \$1,483,500,000 in the same period of 1947.

The value of re-exported commodities in July was \$2,606,000 compared with \$3,062,000 in the same month last year, and in the seven months, \$21,351,000 compared with \$19,838,000.

The favourable over-all balance of trade in July was \$28,400,000 as compared with \$3,000,000 in June and \$12,800,000 in July last year, bringing the seven-month favourable balance

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to \$177,200,000 as compared with \$101,300,000 a year ago.

Adverse balance of trade with the United States in July was reduced to \$28,600,000, comparing with \$43,500,000 in June and \$84,900,000 in July last year. In the seven-month period the debit balance fell from \$572,900,000 a year ago to \$256,800,000 this year.

In trade with the United Kingdom the favourable balance was \$27,100,000 as compared with \$28,300,000 in June and \$52,000,000 a year ago, and in the seven months, \$248,000,000 compared with \$321,000,000.

MERCHANDISE IMPORTS DOWN: Canada's merchandise imports were slightly lower in July, being valued at \$225,100,000 as compared with \$226,800,000 in the corresponding month last year, according to the Bureau of Statistics. During the first seven months of this year the total was \$1,495,200,000, moderately above last year's corresponding total of \$1,483,500,000.

Merchandise imports from the United States continued the decline of preceding months from the levels of a year ago, falling to \$149,499,000 from last year's corresponding figure of \$168,874,000. The further decrease reduced the total for the seven months ended July to \$1,033,966,000 from \$1,149,813,000 in the like period of 1947.

Purchases from the United Kingdom again were higher in July, rising to \$29,377,000 from the July 1947 total of \$17,711,000, and in the seven months to \$168,508,000 from \$102,346,000. Imports from Latin American countries in the month increased to \$21,318,000 from \$13,196,000, and in the seven months to \$128,388,000 from \$83,302,000.

EXCELLENT HARVESTING CONDITIONS: Apart from northern areas in Alberta excellent harvesting weather has generally prevailed throughout the Prairie Provinces for the past month. Rapid progress in harvesting cereals has been made in Manitoba, Saskatchewan and southern Alberta where operations are nearing completion. A large proportion of the flax crop still remains to be cut and threshed. Recent rains have held up work in northern Alberta but conditions have now improved and given good weather all crops should be under cover within three weeks. Quality of cereals is generally high throughout Manitoba and Saskatchewan. In Alberta quality is variable, particularly in northern sections where frost and wet weather have affected the sample.

Harvesting of cereal grains is practically completed in Manitoba except in west-central and northern areas where only 20 per cent remains to be done. Yields and quality of all grains are uniformly high and ideal weather has aided in rapid progress in harvesting of crops. A considerable proportion of the flax crop remains to be harvested in northern areas whereas in the Red River Valley two-thirds of

the crop is garnered and elsewhere up to 50 per cent has been harvested. The outlook is still favourable for late crops -- corn, sunflowers and sugar beets.

Dry weather has resulted in rapid progress in harvesting of grain crops throughout Saskatchewan this past month. Wheat is nearly 90 per cent harvested and coarse grains over 70 per cent completed. About 45 per cent of the flax crop is cut and about 30 per cent threshed. The quality of grain crops is high in most districts. Fall seeding is being delayed because of extremely dry conditions.

HARVESTING OPERATIONS

Harvesting operations have been further delayed in northern Alberta by recent rains but the situation has now improved and harvesting will be general again this week. Rapid progress is being made in other areas and practically all cutting should be completed by the end of September. To date, about 35 per cent of the province's wheat crop has been threshed or combined and if good weather prevails all grain should be under cover within the next three weeks. Quite serious frosts have occurred in the Peace River area and slight to considerable scattered damage has occurred elsewhere. Grades are variable with wheat running from No. 1 Northern to Feed and oats and barley from No. 2 C.W. to No. 3 Feed. Hay yields have been satisfactory and grazing is generally good.

The prolonged dry spell which contributed materially to the successful harvesting of a bumper crop of fall and spring grains has had serious effects on the development of most late crops in Ontario. Late fruit crops are undersized and root crops have been adversely affected by lack of moisture. Fortunately, some late crops such as dry beans, soy beans and corn for husking were too far advanced to be greatly affected and indications are that yields of these crops will be satisfactory. Corn for ensilage is being cut earlier than usual in many localities to save it from being dried up. Pastures throughout most of southern Ontario have suffered serious deterioration and many dairy farmers have resorted to stable feeding their cattle in an effort to maintain milk production. Continued lack of rain has delayed the seeding of fall wheat and indications are that the intended acreage will be greatly reduced. Little fall ploughing has been done to date and soaking rains are needed in most areas to enable farmers to proceed with this work.

Rainfall in Quebec during the past two weeks has been insufficient to improve pastures which are dry and short. Consequently, there has been some drop in dairy production. Harvesting is progressing and yields per acre are higher than in 1947 and compare favourably with the long-time average.

In British Columbia harvesting is underway throughout the province. Wet weather, however, has delayed operations and some spoilage of

cereals is reported. The apple crop is maturing rapidly but the size of the fruit is smaller than usual. Harvesting of hops is nearly completed.

Harvesting of grains is still in progress in the Maritime Provinces with one-third to one-quarter of the crop still to be cut. Potato blight is severe in Prince Edward Island but in New Brunswick the damage is not serious. Pastures and aftermath throughout the area are particularly good. Reduced crops of apples are expected in both Nova Scotia and New Brunswick, and in Nova Scotia apple scab and codling moth have reduced the quality of the fruit.

PORT AUTHORITIES TO CONVENE: Robert Knowlton Smith, LL.B., K.C., of Ottawa, Chairman of the National Harbours Board, and this year's President of the American Association of Port Authorities, will preside over the thirty-seventh annual convention of that body which opens in Montreal on September 28th next. This year's convention meetings will be held on the s.s. "Quebec" of the Canada Steamship Lines and visits will be made to the National Harbours of Montreal, Three Rivers and Quebec on the St. Lawrence River and Chicoutimi on the Saguenay.

Over two hundred delegates will attend the convention, representing the main port authorities of the United States, Central and South America, as well as Canada. In addition to officials from the different National Harbours of Chicoutimi, Quebec, Three Rivers and Montreal, the Harbour Commissions of Toronto and Hamilton will be represented. The delegates in the main are Harbour Commissioners, port managers, superintendents and other water-front operators and representatives of governmental policy-making bodies.

A number of special functions are planned for the Convention. On September 28 the formal opening ceremonies will be held, an inspection tour of the Harbour of Montreal will be made, a reception will be given at the City Hall by Mayor Camilien Houde and members of the City Council and a dinner will be held aboard ship with the Right Honourable C.D. Howe, Minister of Trade and Commerce and Acting Minister of Transport, as guest speaker.

GOLD PRODUCTION: Gold production during June reached the highest point since August 1943, amounting to 288,944 fine ounces as compared with 287,055 fine ounces in May and 268,900 fine ounces in the corresponding month last year, according to the Bureau of Statistics. During the first six months of this year, 1,684,741 fine ounces were produced as against 1,513,920 in the similar period last year. The output for August 1943 was 293,358 fine ounces.

"I want to develop this point a bit. The Canadian Government has made it clear that it is not only willing, but anxious, to join the other North Atlantic democracies in establishing a regional collective security pact for the North Atlantic.

"We believe that the maintenance of an overwhelming superiority of force on the side of peace is the best guarantee today of the maintenance of peace.

"As you know, representatives of the Canadian Government have been participating for over two months now in informal and exploratory discussions in Washington on the problems of security raised in the Vandenburg Resolution. These discussions have taken place between representatives of the United States, the United Kingdom, France, the Benelux countries and Canada.

AWAIT DECISION

"All the governments concerned have agreed that no information about these discussions will be made public until a decision is reached.

"It is not, therefore, possible for me to tell you today how these discussions are going. I can, however, say that the Canadian Government has every reason to believe that the discussions will be fruitful; that Canada is playing a useful part in them.

"The Canadian Government has also, since the end of July, had an observer present at the discussions in London of the Military Committee of the Brussels Powers - the United Kingdom, France and Benelux. The United States has also had observers present at these meetings. The reports of this Military Committee go to the Chiefs of Staff of the Brussels Treaty Powers and from them to the Defence Ministers of those five powers.

"The Canadian Government has taken these steps towards the creation of an effective regional security system with, I am sure, the overwhelming support of the people of Canada. The people of Canada have given this support knowing that Canada's participation in such a security system may require that, in an emergency, we share not only our risks but our resources. It would, for instance, be the task of a North Atlantic security system, once it is established, to agree upon a fair allocation of duties among the participating countries, under which each will undertake to do that share of the joint defence and production job that it can do most efficiently.

"Such a sharing of risks, resources and obligations must, however, be accompanied by, and flow from a share in the control of policy. If obligations and resources are to be shared, it is obvious that some sort of constitutional machinery must be established under which each participating country will have a fair share in determining the policies of all which affect all. Otherwise, without their consent, the policy of one or two or three may increase the risks and therefore the obligations of all.

"This does not necessarily mean that every member of a regional security pact need be represented on all levels in all organs of the regional organization. To insist on this would make some of the organs unworkable. But it does mean that every organ of the regional security organization will derive its powers from a constitutional grant of those powers to it by all the members of the organization.

FORMER PROCEDURES

"During the last war our three great allies - the United Kingdom, the United States and the Soviet Union - reserved to themselves the sole right to make the big strategic and political decisions of the war. It was the two great Western powers, and not all the Western belligerents, which appointed, for instance, the supreme Commanders in Chief. That arrogation of power by the United Kingdom and the United States may have been necessary during the critical emergency of war, especially as before the war no steps had been taken to organize for collective defence. However, it might be argued on the other hand that, even during the war, the total military, economic and moral strength of the alliance against Germany and Japan would have been greater if there had been a constitutional system under which each of the allies had a fair share in the determination of policy and under which the organs of the alliance were created by the allies as a whole and owed their authority to the allies as a whole.

"In any event, I feel sure that it would not be possible in any effective peacetime organization of collective security to accept the procedures which were adopted in the war-time organization of the grand alliance.

"It is, for instance, one thing for a group of states to accept common responsibilities, each taking its fair share in discharging them, and indeed, in adding or subtracting from them. It is, however, quite a different thing for one, two, or three states to make decisions which may have far-reaching consequences for all countries and all peoples, and then, one, two, or three of them ask other countries to jump in and help in solving the problems which those decisions have raised. There are times, no doubt, when the requirements for consultation and for co-operative decisions must be subordinated to the necessities of a grave emergency. But those occasions must be reduced to a minimum, before there can be any genuine collective action. That is one reason why I hope that the North Atlantic Regional System for security and progress will soon be formed so that within its framework the decisions which affect all will be taken by all. Only then will the common responsibility for carrying out those decisions be clear and unequivocal.

"Canada is facing today the necessity of making grave decisions on its political and military relations with the other North Atlantic democracies. Canada is also facing the

necessity of making decisions concerning its financial and economic relations with the United Kingdom and the other North Atlantic democracies. These decisions cannot wisely be considered in isolation from each other.

"Each of the specific questions which arises is neither purely economic, nor purely military nor purely strategic. In making decisions on any one of the related questions, it is necessary to weigh the political, economic, strategic and psychological factors.

"If the decision is to be a wise one, it must therefore follow a very careful balancing of such political, economic, strategic and psychological factors. All of these factors are difficult to calculate; many of them are intangible.

"The problems also involve a weighing of short run against long run considerations. In the short run, certain decisions may be preferable to others either because they do not disturb an economy too much or because they produce results immediately. However, these decisions, though preferable if one is looking forward only one or two years, may not be as beneficial as other possible decisions if one is looking forward five, six or seven years.

"The purpose of balancing the various kinds of factors - short run and long run, political, economic, strategic and psychological - is to arrive at a policy which will best serve the interests of the people of Canada.

"But the interests of the people of Canada cannot be considered in isolation from the interests of the peoples of the other North Atlantic democracies - nor can their interests be considered in isolation from ours.

COURSE OF REALISM

"The only course of realism today for the North Atlantic democracies is for each of them to consider problems arising out of their relations with one another as problems between friends and associates. This does not mean that each of us should do everything that any other member of the group says is in the interests of the whole association. It does, however, mean that each of us, before taking action in the political, economic or military field, must consider what the effect of its action will be on the total strength of the group as a whole - its total military, economic and moral strength.

"Each of us must make these decisions, realizing that, though war is by no means inevitable, there is a risk that war may break out at any time. The extent of this risk is incalculable, but its existence cannot be denied. It is greater today probably than at any time since the war ended a short three years ago.

"That, gentlemen, is a depressing statement to make. It is, however, based, I think, on a sober appreciation of the facts and the trends of today. You would not wish me to preach a doctrine of sweetness and light when I do not feel that way. Nor, on the other hand, do I feel that we need fall into despair and assume

that nothing can be done to save the situation. Not at all. There is nothing inevitable in the relations between states; nothing fixed or frozen or permanent.

"Living, however, as we will in the years ahead, in an atmosphere of international tension, punctuated by recurrent crises, we and our friends in the other Western democracies will need steady nerves and stout hearts. We will need to be unshaken in our determination to pursue a consistent, firm and unprovocative policy against any power or group of powers which threaten by direct or indirect means the world's peace. In the pursuit of such a policy lies our best hope for the future."

DOMINION-PROVINCIAL CONFERENCE: The fifth Dominion-Provincial conference on municipal statistics held its opening session September 22 at Ottawa, with the welcoming address by G.J. McIlraith, Parliamentary Assistant to the Rt. Hon. C.D. Howe, Minister of Trade and Commerce.

Herbert Marshall, Dominion Statistician was chosen chairman of the conference, L. Jacobs, Director, Municipal Auditing and Accounting for Saskatchewan, vice-chairman, and James H. Lowther, Chief, Public Finance Division of the Bureau of Statistics, secretary.

The main objective of the conference is the further development of the comparability of the statistical data of the several provinces in the field of municipal statistics. In this regard the principal work of the conference will centre around the report and recommendations of the continuing committee established at the conclusion of a similar conference held last fall.

The subjects to be covered by the conference include those dealing with the revision in revenue and expenditure classifications, the reporting of other municipal data such as area, population and assessment, and the standardization of reports.

The following provincial representatives are attending the conference: Prince Edward Island, W.E. Massey, Deputy Provincial Treasurer; Nova Scotia, U.J. Harrington, Municipal Commissioner; New Brunswick, L.T. Leeman, Commissioner of Municipal Affairs, and R.S. Carpenter; Ontario, W.A. Orr, Deputy Minister of Municipal Affairs, J.T.F. Orr, Supervisor of Audits, and S.J. Kelly, statistician; Manitoba, A.D. McRae, Municipal Auditor; Saskatchewan, L. Jacobs, Director, Municipal Auditing and Accounting; Alberta, A.W. Morrison, Senior Municipal Inspector; and British Columbia, B.C. Bracewell, Deputy Minister of Municipal Affairs.

Representatives of the Dominion Government: Bureau of Statistics, Herbert Marshall, Dominion Statistician; James H. Lowther, G.A. Wagdin, J.A. Barclay, Miss B.I. McFadden, N. Leseelleur; Department of Finance, J.H. Perry, and K. Carr; Bank of Canada, J.E. Howes.

JOINT STATEMENT ON SIR STAFFORD CRIPPS TALKS

CONTINUING COMMITTEE: The Acting Prime Minister, Mr. St. Laurent, and the Chancellor of the United Kingdom Exchequer, Sir Stafford Cripps, on September 24 issued the following joint statement.

During the past three days discussions have taken place between the Chancellor of the Exchequer, accompanied by senior officials of the United Kingdom Government, and the Acting Prime Minister and the following members of the Canadian Government: The Ministers of Trade and Commerce, Agriculture, Finance, National Revenue and External Affairs. Canadian Ministers were assisted by senior officials.

The discussions ranged over the whole field of economic and financial relations between the United Kingdom and Canada and included an examination of their likely course during the continuance and on the completion of the European Recovery Plan.

Discussion centred on the difficulty of the dollar-sterling balance of payments problem and the efforts which would be required on both sides to help to narrow to manageable proportions the gap in the exchanges between the two countries.

The United Kingdom will make every effort to expand the volume of its exports to Canada so as to raise them materially above the pre-

sent level.

It will no doubt be necessary to make some adjustments in United Kingdom import programmes of recent years, but both governments will do everything they can to avoid any sudden change in the pattern of trade between the two countries.

The two governments are satisfied that, in spite of present difficulties, there is a prospect of a large continuing trade between the two countries and that Canadian raw materials and foodstuffs will continue to play a vital part in the recovery of the United Kingdom.

With this object in view it has been agreed that recommendations will be made to each government for the establishment of a continuing committee of representatives of the two countries to meet regularly in Ottawa and in London. The members of this committee would review progress and consult together with a view to submitting recommendations for the adjustment of the imports and exports between the two countries in the light of changing circumstances. The appointment of this committee would facilitate the free and prompt exchange of the fullest information on commercial and economic matters of mutual concern.

DISCOVER TWO ISLANDS: Addition of more than 5000 square miles to Canada's territory, the result of discovery of two previously unknown Arctic islands by an RCAF photo survey plane, is announced by Air Force Headquarters, Ottawa. The two islands, the larger of which is between two and three times the size of Prince Edward Island, lie close together in Foxe Basin off the west coast of Baffin Island, north of Hudson Bay, and were found by the crew of a Lancaster of 413 Photo Survey Squadron from Rockcliffe, engaged in the aerial photography of Baffin.

Discovery of the islands came on July 14 when the Lancaster photo plane was returning to its base at Frobisher, on the southern end of Baffin Island, after a photo trip over Melville Peninsula. While flying over Foxe Basin Flying Officer A.E. Tomkinson, DFC, of (634 Admirals Rd.) Victoria, B.C., the navigator, sighted land through a break in the

clouds. Thinking his navigation had gone amiss, for the aircraft should have been above water according to existing air charts, he revised his estimated time of arrival at Frobisher. The Lancaster was still 60 miles from base, however, at the revised and expected time of arrival, and it was decided that night after the aircraft had landed that an unknown land area, taken to be part of Baffin Island, had caused the error in navigation.

A reconnaissance was later made of Foxe Basin and the two islands were marked on the map and photographed from the air. It was thought at first that the islands were mud flats or shoals which appeared only at low tide, but further flights showed them to be definite land masses, covered by the usual northern vegetation of moss and lichen, with numerous small lakes. The larger of the two islands is approximately 85 miles along and 75 miles wide, the smaller being 20 miles long and 10 miles wide.