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INDEX TO INSIDE PAGES

Field Crop Estimates Lowered	2	Medical Services Advisory Board	7
Population 13,545,000	2-3	Fisheries Commissioner	7
Services' Communications	3	Mr. Pearson Elected Chairman	8
Export and Import Prices	4	Harvesting Report	8
To Commemorate BCAIP	4	New Housing Programme Announced	9-10
"Noronic" Disaster Probe	5	Foreign Ministers' Visits	10

WEEK'S EVENTS IN REVIEW

DEVALUATION OF THE DOLLAR: The following is the complete text of the statement made by the Minister of Finance, Mr. Abbott, in the House of Commons, on Monday evening, September 19, on the devaluation of the Canadian dollar:

Honourable members are aware, of course, of the details of the important announcement which was made yesterday afternoon (September 18) by the Chancellor of the Exchequer of the United Kingdom, and which has been followed by announcements from other capitals.

As the Chancellor has said, the United States and Canadian representatives to the tripartite discussions in Washington were informed at the outset of the ministerial talks that the Government of the United Kingdom had taken the decision to devalue the pound sterling. However, at that time the United Kingdom Government had not yet decided what the extent of the devaluation would be. The proposed new parity of the pound sterling was communicated to us in a message from Mr. Attlee to the Prime Minister on Friday.

The Government had immediately to consider Canadian policy in the light of this development. It was clearly not possible to give full consideration to this matter until we had more knowledge of how many, and what countries, would follow the action taken by the United Kingdom and the extent of the exchange rate adjustment, if any, that they would put into effect. We felt it desirable to await the more

complete information which would be available during the course of today. Consequently, I issued the following statement last evening:-

"In view of the decision reached by the United Kingdom Government, to devalue the pound sterling by 30%, and of similar action which has already been taken by a number of other countries, the Government of Canada has instructed the Chairman of the Foreign Exchange Control Board to advise all authorized dealers and agents of the Board not to deal in foreign exchange in Canada until the rates effective as from the opening of business Tuesday, September 20, are communicated to them by the Board."

Before I go on to inform honourable members of the decision of the Canadian Government, I should like to say a word of comment in regard to the British action itself. For some time it has been clear that a fairly radical re-alignment of some currencies was a necessary element in the re-adjustments required to balance international trade. The decision, however, was one which the countries concerned had themselves to take. The action which the United Kingdom has now taken constitutes a courageous and positive effort by the British people to do their part in the common endeavours that are necessary to provide the basis for a real and enduring recovery of world trade.

FIELD CROP ESTIMATES LOWERED

WHEAT. 371,600,000 BUSHELS: Canada's 1949 wheat crop is now placed at 371,600,000 bushels by the Bureau of Statistics in its second estimate of principal field crops. This estimate is almost 20,000,000 bushels below the first estimate in mid-August. This year's production is being obtained from a seeded area estimated at 27,500,000 acres yielding at the rate of 13.5 bushels per acre.

Oat production is currently estimated at 322,000,000 bushels, barley at 125,100,000, mixed grains at 55,000,000, rye at 10,400,000 and flaxseed at 2,300,000 bushels. The outturn of hay and clover is placed at 11,200,000 tons and alfalfa at 2,500,000 tons.

With the exception of oats and rye, the second estimates of production of grain crops, potatoes and hay and clover are somewhat lower than the estimates released on August 16. In the case of most grain crops, abnormally high temperatures during August caused premature ripening over large sections of the Prairie Provinces with attendant losses in both yield and quality. Barley and flaxseed estimates have been lowered by 1,400,000 and 300,000 bushels, respectively, while the estimated production of oats has been increased by 4,700,000 bushels and of rye by 300,000 over the August levels.

These estimates are based on conditions existing at August 31 and, for late crops particularly, which are not harvested until after that date, the estimates should be considered as forecasts which may be subject to significant revisions. A substantial proportion of the country's grain crops had been harvested by the end of August and in these cases the yield estimates are based to a large extent on actual threshing returns. Part of the western grain crop, however, still remains

to be cut and threshed, and favourable weather will be required if present yield estimates are to be fully realized.

The 1949 wheat crop, as currently estimated at 371,600,000 bushels, is 22,700,000 bushels below the 1948 outturn and 38,400,000 below the 10-year (1939-48) average. In the Prairie Provinces the wheat crop is now expected to reach 342,000,000 bushels as compared with 363,000,000 in 1948 and 386,300,000 for the 10-year average. The anticipated average yield of wheat in the Prairie Provinces this year is 12.9 bushels per seeded acre, with Manitoba averaging 18.6, Saskatchewan 11.9 and Alberta 12.7 bushels per acre. In the remainder of Canada production of wheat is placed at 29,600,000 bushels, with Ontario's estimated outturn of 25,200,000 (24,100,000 of which is fall wheat) accounting for the principal part.

Following are the estimates of the total production of the principal grain crops for 1949, in bushels, with 1948 figures in brackets: Wheat, 371,644,000 (393,345,000); oats, 322,017,000 (358,807,000); barley, 125,069,000 (155,018,000); rye, 10,361,000 (25,340,000); dry peas, 878,000 (1,477,000); dry beans, 1,717,000 (1,641,000); soy beans, 2,019,000 (1,824,000); buckwheat, 3,354,000 (4,031,000); mixed grains, 55,047,000 (61,947,000); flaxseed, 2,262,000 (17,683,000); shelled corn, 14,756,000 (12,417,000). The average yields per acre, in bushels, are estimated as follows, with the 1948 figures in brackets: Wheat, 13.5 (16.3); oats, 28.3 (32.0); barley, 20.8 (23.9); rye, 8.8 (12.0); dry peas, 15.2 (18.0); dry beans, 18.4 (17.8); soy beans, 23.0 (19.4); buckwheat, 19.8 (21.6); mixed grains, 32.7 (40.2); flaxseed, 7.0 (9.4); shelled corn, 54.3 (49.2).

000 in the preceding year, 275,000 in 1947, and 188,000 in 1946. Newfoundland's population shows a rise of 26,000 from the 1945 census figure of 322,000.

There were increases in the population of all provinces except Prince Edward Island between 1948 and 1949. Largest numerical increase of 114,000 was registered in Ontario, followed by Quebec with a gain of 95,000, British Columbia 32,000, Alberta, 25,000, Manitoba 21,000, New Brunswick 13,000, Nova Scotia 10,000, and Saskatchewan 7,000. Prince Edward Island's population was down 3,000, while figures for the Yukon and Northwest Territories were unchanged.

Estimates for the provinces and territories are as follows, with 1948 figures in brackets: Ontario, 4,411,000 (4,297,000); Quebec, 3,887,000 (3,792,000); British Columbia, 1,114,000 (1,082,000); Alberta, 871,000 (846,000); Saskatchewan, 861,000 (854,000); Manitoba, 778,000 (757,000); Nova Scotia, 645,000 (635,000);

000); New Brunswick 516,000 (503,000); Newfoundland, 348,000 (322,000 in 1945); Prince Edward Island, 90,000 (93,000); Northwest Territories, 16,000 (16,000); Yukon, 8,000 (8,000).

Canada's population in 1941, according to the census of that year, was 11,507,000. Following are estimates for succeeding years: 1942, 11,654,000; 1943, 11,812,000; 1944, 11,975,000; 1945, 12,119,000; 1946, 12,307,000; 1947, 12,582,000; 1948, 12,883,000; 1949, 13,545,000.

BUDGETARY SURPLUS: The Minister of Finance, Mr. Abbott, released on September 17 the regular monthly statement of the Comptroller of the Treasury covering revenues and expenditures for the Government of Canada for the month of August and the fiscal year to date.

Total revenues of the Government for the month of August amounted to \$187.8 million compared with \$194.9 million for the same month last year. Total revenue receipts for the first five months of the current fiscal year amounted to \$1066.6 million compared with \$1115.2 million for the same period a year ago.

The declines in revenues for the month reflected the reductions in excise tax and personal income tax rates announced in the last budget. Reductions in revenue from these sources were partly offset by an increase in collections under the Corporation Income Tax. Customs revenue was higher for the month than for August, 1948 while Excise Duties remained at approximately the same figure.

In regard to total expenditures, the figure for August, 1949 was slightly higher than for August, 1948 - \$147.1 million as compared with \$138.1 million. Total expenditures for the first five months of the year amounted to approximately \$772 million representing an increase of \$102 million over total expenditures of the preceding fiscal year.

Revenues for August exceeded expenditures by \$40.7 million. This brought the so-called budgetary surplus for the first five months of the fiscal year to \$294.6 million compared with a budgetary surplus of \$444.7 million in the corresponding period of last fiscal year.

This budgetary surplus does not take into account certain outlays and certain receipts which are not expenditures or revenues in the true accounting or budgetary sense. The comptroller's statement shows that there were non-budgetary expenditures, comprising outlays for loans, advances and investments, amounting to \$18.0 million in August and \$97.5 million in the first five months of the fiscal year.

LABOUR LAW IN NEWFOUNDLAND: The Minister of Labour, Mr. Mitchell, announced on September 16 that federal labour legislation would come into force in the Province of Newfoundland on September 19.

The Minister tabled an Order in Council in the House of Commons which provided for a proclamation declaring that The Industrial Relations and Disputes Investigation Act and the Conciliation and Labour Act be applied in Newfoundland.

Under the terms of Union of Newfoundland with Canada it was provided that federal legislation should come into force by Act of Parliament or proclamation issued from time to time.

Necessary arrangements having been completed, the Minister said, the federal labour legislation would come into effect on the date stated but only in the federal legislative field covering employees and employers engaged in navigation and shipping, railways, telegraphs, steamship lines, longshore work, air transportation, radio and other activities of an interprovincial or international nature. Persons engaged in manufacturing and other works or businesses would, as in the case of the other provinces, remain within the jurisdiction of the Province of Newfoundland.

SERVICES' COMMUNICATIONS: The final step in the coordination of existing communications centres of the three services into a National Defence Communications System was announced on September 16 by the Minister of National Defence, Mr. Claxton. The System, stretching from coast to coast, will integrate the main lines of communications of the Armed Forces and is expected to go into operation before the year's end. It will have as its main feature a series of tri-Service communications centres across the country which will allow Service messages to be handled in larger quantity and at greater speed than previously, employing the most modern techniques and equipment.

The system will provide valuable training for Service personnel in handling a large quantity of traffic at high speed. It will greatly enlarge Canada's present defence communications, and will be capable of rapid expansion in event of war. Communications centres will be established at Halifax, Ottawa, Winnipeg, Edmonton, and Vancouver, and will operate on a tri-Service basis.

NEW SCALLOP BED: Discovery of a new scallop bed in the Northumberland Strait area on Canada's east coast should provide a new source of income to Maritime fisherman, the Department of Fisheries announced on September 16.

The new bed, which indicates good commercial fishing, was discovered by the Fisheries Research Board of Canada during its exploration of scallop resources of the southern Gulf of St. Lawrence.

The principal production of Nova Scotia scallops is from beds in the Bay of Fundy area off Digby.

The oval-shaped bed, about three miles long and one and one half miles wide, lies six and one-half miles south of Wood Island, P.E.I., and four and one-half miles north-west of the western end of Pictou Island at a depth of eight to 15 fathoms.

RETAIL TRADE UP 5 P.C.: Sales of Canadian retail merchants were estimated at \$664,000,000 in July, an increase of five per cent over the total of \$630,000,000 for July last year, according to the Bureau of Statistics. The seven-month total for this year was \$4,213,000,000 as compared with \$3,936,000,000 in the like period of 1948, a rise of seven per cent.

The advance in July was due in the main to heavy purchases of motor vehicles, sales of motor vehicle dealers showing an overall increase of 44 per cent. Appliance and radio dealers have shown a stronger sales position in recent months with a sales gain of 16 per cent in July. Small increases were reported for other trades, including food, department, lumber and building, restaurant and jewellery trades. The decreases, while more numerous, were of minor proportions in all cases except coal and wood dealers with a decline of 21 per cent.

Almost all trades showed a higher dollar volume of sales in the first seven months of this year, furniture and coal and wood dealers with respective declines of one and nine per cent being the only exceptions. Increases in the seven-month period were uniformly moderate, only the automotive trades showing gains of 10 per cent or more.

EXPORT AND IMPORT PRICES: Prices of Canadian domestic produce exported and those of commodities imported into Canada for consumption during 1948 were both more than twice as great as the average prices of the years 1935 to 1939, the rise in export prices being slightly more than in import prices, according to a new series of price indexes for commodity exports and imports prepared and recently released by the Bureau of Statistics. Both export and import prices advanced considerably more than wholesale prices in Canada over the same period.

Based on 1935-39 equals 100, the new indexes indicate that Canada's exports of domestic produce as a whole were 114.5 per cent higher last year than in the base period. Prices of the year's imports for consumption were close behind in rate of gain with a rise of 113.7 per cent.

TO COMMEMORATE BCATP: The partnership of Canada, the United Kingdom, Australia and New Zealand in the famed British Commonwealth Air Training Plan will be commemorated at RCAF Station, Trenton, Ont., on September 30 when memorial gates will be presented to Canada by the other three nations which participated in the plan. Presentation of the gates will be made to the Prime Minister, Mr. St. Laurent, by the Rt. Hon. Arthur Henderson, British Secretary of State for Air, and Rt. Hon. F.M. Forde and Hon. James Thorn, the Australian and New Zealand High Commissioners in Canada. The ceremony will be attended by top ranking government and air force officials from the four Commonwealth countries which took part in the plan, and also from the United States, many of whose young men joined the RCAF before their own country entered the Second World War.

Included in those expected to attend the ceremony from outside Canada are Marshal of the Royal Air Force, Lord Tedder, Chief of the Air Staff; Sir James H. Barnes, Permanent Under-Secretary of State for Air; A/C J.L. Findlay, representing the New Zealand Chief of the Air Staff and G/C C.W. Pearce, representing the Australian Chief of the Air Staff.

CANADIANS TO ATTEND

Among the Canadians who played a prominent part in the BCATP, the Rt. Hon. W.L. MacKenzie King, former Prime Minister; Hon. C.G. Power, and Hon. Colin Gibson, Wartime Ministers of National Defence (Air) and Air Chief Marshal L.S. Breadner and Air Marshal Robert Leckie, former Chiefs of the Air Staff will also attend the ceremony.

The gate structure consists of double main gates and posterns made from ornamental hand-wrought iron, processed in the United Kingdom, with four stone pillars and a flanking wall to the highway level. The gates bear the coats-of-arms of the four nations that participated in the BCATP. The pillars and wall are made from Queenston Limestone quarried in the Niagara Peninsula. The walls will be inscribed as follows:

"These gates have been given to the Government of Canada by the Governments of the United Kingdom, Australia, and New Zealand to commemorate their partnership with Canada in the British Commonwealth Air Training Plan and the service of the airmen who helped to bring victory to the Allied cause in the Second World War."

The inscription is in both English and French.

Trenton was one of the RCAF's major centres for both ground and air training during the Second World War, and is an appropriate location for such a memorial.

"NORONIC" DISASTER PROBE: The following statement on the S.S. "NORONIC" disaster, was made by the Minister of Transport, Mr. Chevrier, in the House of Commons on September 19:

"I should like to refer to the very unfortunate disaster which occurred in Toronto on Saturday morning, September 17, when the Canada Steamship Lines S.S. "NORONIC" took fire at her berth, with a loss of life reaching well over 125, according to latest reports. I understand that all of the passengers have not been accounted for, and the list of persons missing over and above those whose bodies have been recovered stands at approximately 70. I am sure that all the Members of this House will join with me in extending to the families and relatives of those who have lost their dear ones our most sincere sympathy in their hour of grief.

"The passenger list of the S.S. "NORONIC" was made up of nearly 500 United States and some 20 Canadian citizens. It is deplorable that such an accident occurred where loss of life affects so many families of our friends in the United States, and I am fully conscious of their sorrow and tribulation for the fate of their next of kin. I would like to pay tribute to the authorities of the City of Toronto for the magnificent way in which they marshalled their various emergency organizations to assist in this tragedy and to alleviate as much as is possible in such circumstances the physical and mental burden of those afflicted.

PRELIMINARY INQUIRY

"As soon as the extent of the tragedy became known, I immediately appointed Captain W.N. Morrison, Supervising Examiner of Masters and Mates, Toronto, to hold a preliminary inquiry, under the provisions of the Canada Shipping Act. He will be assisted in his duties by Captain G.C.L. Johnson, Assistant to the Supervisor of Nautical Division here in Ottawa. The inquiry was started this morning (September 19) in Toronto. Also under the provisions of the Canada Shipping Act, I have appointed the Honourable Mr. Justice R.L. Kellock of the Supreme Court of Canada to act as Commissioner in a formal investigation which will get under way as soon as it is humanly possible to do so.

"I would like to inform the public in both the United States and Canada that I examined the report of the Steamship Inspection of the S.S. "NORONIC" and found that the vessel had complied with the steamship requirements of the Canada Shipping Act. On April 23, the Master of the ship was given his certificate authorizing him to operate the vessel on the Great Lakes and connecting waters carrying up to 600 passengers and 200 of a crew. This certificate is issued after it has been found that the engines, the boilers, the fire extinguishing equipment, and life-saving apparatus are operating efficiently and in accordance with the Act. The report also indicat-

ed that the owners had installed a new fire alarm system. The certificate issued by the Steamship Inspection Service of the Department of Transport is recognized by the United States Coast Guard Service. I am also advised that when the S.S. "NORONIC" called at a United States port early in the navigation season, a representative of the United States Coast Guard inspected the ship, and as he was satisfied with the condition of the ship, he likewise issued a certificate under the provisions of the American Act. I think I should state that the owners of the vessel had complied with the requirements of the Canada Shipping Act and of the United States Coast Guard Inspection Service insofar as it applied to Canadian ships.

"This terrible disaster is of such gravity that it has been considered advisable to appoint a Justice of the Supreme Court of Canada to hold an inquiry. As the investigation will be proceeding immediately, it would be improper for me to make any further statement at this time. However, the inquiry will be a public one at which all the facts will be fully disclosed, and if there is any blame or negligence on the part of anyone, it will be brought to light."

FOREIGN VEHICLE ENTRIES: Foreign vehicles entering Canada on traveller's vehicle permits in August totalled 426,700, showing an increase of five per cent over the same month last year, according to the Bureau of Statistics. This raised the cumulative total for the first eight months of this year to 1,453,070 from 1,319,870, or by slightly more than 10 per cent.

There were increased entries shown for nearly all provinces in August, the Maritimes and Prairie Provinces continuing to show higher percentage gains than the Central Provinces and British Columbia. In the eight-month comparison, the greatest proportionate gain was registered in the Prairie Provinces.

COAL PRODUCTION: Continuing the downward trend of recent months, production of coal in Canada was 10 per cent lower in August than in the corresponding month last year, but was up one per cent in the first eight months of the year. Imports were down 51 per cent in the month and 25 percent in the cumulative period.

According to figures issued by the Bureau of Statistics, the all-Canada output in August totalled 1,243,100 tons as compared with 1,383,700 a year earlier. During the eight-month period, 11,430,700 tons were produced as against 11,327,500 in the same months last year. Imports were down to 2,102,600 tons in August compared with 4,370,200 a year ago, bringing total imports for the year to date to 14,492,000 tons against 19,236,800 in the like period of 1948.

(Continued from P.1)

(C.W.B. September 23, 1949)

Since the end of the war we have been confronted with repeated dollar crises, each threatening to produce a breakdown in the economic relations between the democracies of the Western world. These crises had their origins in the widespread economic dislocations and heavy losses caused by the war. Honourable members are familiar with the co-operative measures taken in the past to deal with these difficulties. First, there was the work of relief undertaken by UNRRA and the military authorities; then we had the establishment of the two international monetary institutions at Bretton Woods; this was followed by the extension of large loans and credits by the United States and Canada to the United Kingdom and other European countries. Finally there was the adoption of the Marshall Plan which has provided further substantial financial help from the United States. These measures have been highly successful not only in averting the incalculable consequences of economic and political collapse, but have been essential elements in the successive stages of physical reconstruction. With the help of these measures the peoples of Western Europe have been able to perform the remarkable feat of repairing, in a few short years, the physical ravages of the most destructive war in history.

UNBALANCE IN WORLD TRADE

Although physical production has been largely restored we have continued to face a most serious unbalance in world trade. The so-called dollar shortage has continued to get worse and has become all but universal. How to overcome the widening disequilibrium between the dollar and non-dollar world was the central task of the Washington discussions. Each of the participants was keenly and deeply aware of the consequences of failure. Unless the trend could be reversed the free world would, through the force of events, divide itself into two economic blocs. With this division there could not be a sound or lasting basis for political co-operation and security.

The problem was approached in the realization that these great issues were at stake. The atmosphere of co-operation and understanding in which the discussions proceeded could not have been better. Each side was prepared to re-examine its policies in the light of the adjustments that are required. The United Kingdom, the Sterling area, and other non-dollar countries had to find ways and new incentives by which their dollar earnings could be quickly and substantially expanded. The dollar countries on the other hand would have to follow policies which would enable that expansion in dollar earnings to take place; and wherever possible undertake the removal of obstacles which stand in the way. The decisions taken by the Government of the United Kingdom to achieve this common purpose were announced yesterday by the Chancellor of the Exchequer. The courses of action adopted

by the dollar countries are clearly set forth in the communique issued at the conclusion of the Washington talks. Honourable members will agree that these decisions and courses of action constitute a positive and comprehensive effort to achieve a soundly balanced and expanding world trade upon which the prosperity of Canada so greatly depends.

The action taken by the Government of the United Kingdom, and followed by many other countries, has, aside from the longer-run effects, important immediate implications for Canada, as well. It is clear, now, that a widespread and substantial readjustment of currencies is under way.

The Canadian economy is bound to be affected by changes in the exchange rates of countries which take so large a part of our exports. We are bound to be affected also by any changes in prices which prevail in our most important markets and sources of supply.

In considering the immediate and prospective impact upon Canada we have to look particularly at our balance of payments and foreign exchange position. Because of the dislocations in world trade which have prevailed since the end of the war, foreign exchange policy has been a major factor in our affairs. Honourable members will recall the heavy loss in foreign exchange reserves which we experienced during 1947, owing to the inability of our customers in Europe to pay for a large part of their imports from us. The measures which we were obliged to take in November of that year to stop the drain were highly successful. A substantial current account surplus in our balance of payments was achieved during 1948, and our reserve of gold and United States dollars was increased from a low of \$461 millions in December, 1947 to \$998 millions at December 31, 1948.

CURRENT ACCOUNT SURPLUS

However, at the beginning of 1949 it was clear that the worsening world dollar situation and our rising imports from the United States would result in a sharp reduction in our current account surplus. The current account surplus in our balance of payments has in fact been declining and it is now estimated that for the year as a whole, it will in any case be very small. Consequently any developments which tend to bring about a reduction in the total value of our exports or an increase in our imports is likely to create a deficit in our international accounts. Such a deficit would result in a loss of exchange reserves.

While, as I have said, our exchange reserves have recovered substantially since the end of 1947, they have not been restored to the level which is adequate for our needs. In these circumstances it is highly desirable to pursue policies which would help to prevent a deficit in our trading position.

The substantial devaluation of currencies throughout the sterling area, and in many

other countries as well, cannot fail to have important implications for our balance of payments position. Many of our exports are bound to face increased price competition in both the non-dollar and dollar markets. At the same time the extensive exchange adjustments abroad will tend to result in an increase in the total value of our imports. While we stand ready to co-operate with the efforts of overseas countries to expand their sales to us we cannot receive more imports from all sources without going into deficit in our international accounts.

In these circumstances the Government has decided to adjust the exchange value of the Canadian dollar to the extent considered necessary.

Canada's basic position will continue to be strong. Our exports have been and will continue to be competitive. Our production is efficient and our costs are relatively low. Because of these underlying factors the Government has felt that an adjustment of 10% is appropriate. Such a change requires consultation with but not the approval of the International Monetary Fund. This consultation took place today. An Order-in-Council has therefore been passed adjusting our exchange rates on the basis of a 10% premium on the U.S. dollar. The Chairman of the Foreign Exchange Control Board has been instructed to advise all authorized dealers and agents of the Board that rates effective as from the opening of business Tuesday, September 20, will be as follows:

	<u>Buying Rate</u>	<u>Selling Rate</u>
U.S. dollars -	\$1.10 per U.S. dollar	\$1.10½ per U.S. dollar
Sterling -	\$3.07½ per £	\$3.08½ per £

MEDICAL SERVICES ADVISORY BOARD: The formation of a Defence Medical Services Advisory Board was announced on September 20 by the Minister of National Defence, Mr. Claxton.

The Board will consist of the medical chiefs of the three armed services, the Director General of Dental Services and representatives of other government departments and of civilian organizations concerned with defence planning from the medical point of view.

Surgeon Captain Archie McCallum, O.E.E., V.R.D., Royal Canadian Navy, Medical Director General of the Royal Canadian Navy, the present Chairman of the Inter-Service Medical Committee, has been appointed to serve as initial Chairman of the Board.

Duties and functions of the Board will be to advise the Defence Minister on matters connected with defence requirements in the medical and dental fields and particularly the provision and assignment of medical, dental nursing and hospital personnel, hospital facilities and supplies.

The Board has been established following discussions with leading Canadian medical authorities, in which it was agreed that such an organization was highly desirable.

In composition and scope the Board will be similar to the wartime Medical Procurement and Assignment Board and Committee on Hospitalization. The former classified and allocated trained medical personnel; the latter attended to the allocation of supplies and installations.

BUYING ABSENTEE OWNERS' FARMS: The Department of External Affairs has been advised that the Japanese Government has enacted special measures for the establishment of owner farmers. The Japanese Government is purchasing agricultural properties of all absentee owners of Japanese nationality.

Exemption is provided, however, for owners of such land who, according to records in Japan, have renounced or lost their Japanese nationality prior to October 21, 1946.

It is further provided that persons who are registered as Japanese nationals in the records of Japan, as of October 21, 1946, but who in reality had lost Japanese nationality and had become foreign nationals prior to that date, may submit to the Japanese Government applications for the cancellation of the purchase. Such applications should include evidence supporting the absentee owner's loss of Japanese nationality.

Applications for exemption may be submitted immediately, or within a period of twelve months of the date an Order to Purchase is received, and should be sent direct to the Japanese Government (Minister of Agriculture and Forestry).

CANADA SAVINGS BONDS: The item headed Canada Savings Bonds appearing on page 7 of Vol. 4, No. 45 of September 16, commencing the third paragraph, should read, "Because of these favourable investment features, not more than \$1,000 of Fourth Series Canada Savings Bonds may be registered in any one name. Bonds may be bought in the name of each member of a family, whether adult or child, up to this limit."

FISHERIES COMMISSIONER: Announcement was made on September 20 by the Minister of Fisheries, Mr. Mayhew, that George Clark, Director of Pacific and Inland Fisheries, has been appointed a member of the International Fisheries Commission. The Commission is a joint Canada-U.S. body which deals with the preservation of the halibut fishery of the northern Pacific Ocean and Bering Sea.

Mr. Clark, whose headquarters are at Ottawa, replaces Stewart Bates, Deputy Minister of Fisheries.

RADIOLOGISTS' CONFERENCE: Leading radiologists and health physicists of Canada, the United Kingdom and the United States will attend a conference on radiation tolerances to be held at the Canadian Atomic Energy establishment at Chalk River, Ontario, September 29-30, the Atomic Energy Control Board announced on September 22.

The conference will be held under the Technical Co-operation Programme of the three countries, which was established early in 1948 and is under the general direction of the Combined Policy Committee created in August, 1943. The subjects to be discussed at the conference will be in the area of health and safety.

One of the primary purposes of the conference will be to hold discussions leading toward the establishment of uniform radiation tolerance standards between the atomic energy projects of the three nations.

The Canadian representatives will be under the leadership of Dr. W.B. Lewis, Director of Research, Atomic Energy Project, Chalk River. The United Kingdom group will be led by Professor J.S. Mitchell of Cambridge University, while the American delegation will be headed by Dr. Shields Warren, Director of the Division of Biology and Medicine, United States Atomic Energy Commission, Washington.

CANADIAN COMMERCIAL CORPORATION: Business activities of the Canadian Commercial Corporation during the year ended March 31, 1949, involving more than \$200 million, were reviewed in the annual report of the Crown-operated agency, tabled in the House of Commons on September 20 by the Minister of Trade and Commerce, Mr. Howe.

A total of 65,308 contracts, amounting to some \$145 million, were placed by the Canadian Commercial Corporation on behalf of the Department of National Defence. These contracts were for manufactured goods, construction and service, and included \$16.5 million for the construction of 1,624 houses.

All the work of the Corporation involved in the negotiation and awarding of contracts on behalf of the Department of National Defence was carried out at a cost of approximately one half of one per cent of the total contract value.

Foreign governments and agencies used the services of the Canadian Commercial Corporation to make purchases in Canada valued at more than \$35.7 million. These purchases included metals, industrial, agricultural and automotive equipment, ships, ammunition, fertilizers, chemicals, communications and electrical equipment, foodstuffs, petroleum products, aircraft, medical stores and clothing and textiles.

The Corporation's services were retained for this purpose by the Governments of China, Czechoslovakia, the United States, the Netherlands East Indies, the Netherlands, Portugal, Pakistan, India, Mozambique, the United Kingdom, Bi-Zonal Germany, France and South Africa as well as by the International Refugee Organization, the United Nations International Children's Emergency Fund, and the United Nations Relief for Palestine Refugees.

MR. PEARSON ELECTED CHAIRMAN: Canada's Secretary of State for External Affairs, Mr. Pearson, was elected Chairman of the UN General Assembly's First (Political and Security) Committee on September 20. The UN Press Bureau reported the event as follows:

At 12:02 p.m. the President adjourned the Plenary Meeting, and called to order the First (Political and Security) Committee for the election of its Chairman.

Dr. José Arce (Argentina) nominated Lester B. Pearson (Canada). This nomination was supported by Paul van Zeeland (Belgium).

Stefan Wierblowski, of Poland, nominated Dr. Adolf Hoffmeister (Czechoslovakia).

As there were no further nominations, the President called upon the members of the First Committee to cast their ballots.

The result was as follows, with 58 valid ballots (three abstentions) and a majority of 29 required:

Mr. Pearson	49
Dr. Hoffmeister	5
Joseph Bech (Luxembourg)	1

The President declared Mr. Pearson elected as Chairman of the First Committee.

Paul Martin (Canada), speaking on behalf of Mr. Pearson, first explained that the newly-elected Chairman had been unavoidably detained in Canada. However, said Mr. Martin, Mr. Pearson would leave for New York tomorrow (Wednesday).

In conclusion, on behalf of Mr. Pearson and of the Canadian Delegation, Mr. Martin expressed appreciation to the delegates of the General Assembly for having elected Mr. Pearson as Chairman of the First Committee.

HARVESTING REPORT: Harvesting in Manitoba and Saskatchewan is nearly finished, although wet weather has delayed completion of cutting and threshing in some northern areas, particularly Saskatchewan. The harvest is about completed in southern Alberta, but in central and northern areas of the Province cool, wet weather has retarded progress to the extent that threshing will not be finished before early October. Heavy frosts have caused considerable grade and yield loss to coarse grains in this area, the Bureau of Statistics reported on September 20.

NEW HOUSING PROGRAMME ANNOUNCED

ASSISTS HOME OWNERSHIP: Following is the partial text of the statement in the House of Commons, by the Minister of Reconstruction and Supply, Mr. Winters, on September 21, on the proposed new housing programme:

"...It is proposed to seek amendments to the National Housing Act this session to provide financing facilities to assist home owners in down payment requirements. It is considered that such financing facilities would widen the bank of potential home owners. It is proposed that the present level of loans to house builders would be little changed. However, it is proposed to seek amendment to the Act extending authority to Central Mortgage and Housing Corporation to make a loan to the home owner purchasing the house from the builder in an amount of one sixth of the loan which has been made to the builder, provided that the sale price to the home owner is fair and reasonable. This would have the effect of providing financing for the home owner to the extent of approximately half of his present down payment requirements. Because of the danger in such an arrangement that the increased loan to the home owner would have the effect of increasing the sale price of the house, the provision of such extra financing for the home owner would be limited to houses which have been sold at a fair and reasonable price. There would be no restrictions upon the builder as to the price at which he may sell the house. However, the extra loan would only be made to the home owner if at the time of application for such extra loan, we were satisfied that the sale price was fair and reasonable. Although this larger N.H.A. loan would take the form of two advances, the first to the builder and the second to the home owner, the original mortgage deed under which advances would be made to the builder would be written at an amount sufficient to avoid additional registration and legal costs if a further loan was made to the home owner.

HOME BUILDERS

"The same principles would be applicable to individuals who are making arrangements to construct their own homes and are not buying them from builders. Larger loans would be available to such individuals provided that the cost to the home owner of building his house was fair and reasonable...

"It is proposed also to seek changes to the section of the National Housing Act dealing with co-operatives. In the light of present conditions this section is not effective. Investigation is now going on in three Provinces where co-operative housing is general, and I am hopeful that at the time other amendments are introduced, we will be ready to proceed with amendments to the co-operative section of the National Housing Act.

"We also propose to introduce legislation to enable the federal Government to enter into agreements with the Provinces for publicly assisted housing projects. These projects may take the form of the assembly of land and services to enable an increased volume of housing by private builders. They may take the form of the federal Government and Province proceeding with moderate priced houses for sale to home owners. They also may take the form of rental projects, in which event the federal Government and the Province would seek local management for the completed project.

"During our conversations the Provinces favoured the first two forms of project. They appreciated that there is a demand for redevelopment and slum clearance. However, with the present high cost of acquisition of land for redevelopment, the high cost of construction for centrally located fireproof residential development, as well as the difficulty in rehousing families presently occupying land suitable for redevelopment, there is reason for the conclusion that whereas rental housing of this kind may be desirable, now is not the time to proceed on a large scale. I would point out, however, that the terms of the enabling legislation will be broad and flexible enough to enable arrangements with the Provinces which would include rental projects either on an economic or a subsidized basis. Subject to the very real difficulties which I have just mentioned, the federal Government is prepared to proceed with rental housing projects in co-operation with the Provinces.

SAFEGUARDS PROVIDED

"With safeguards that the residential units to be built are of a modest type, the legislation contemplates agreements between the federal Government and the Provinces to enter into projects in municipalities where need exists, and where suitable arrangements can be made with the help and co-operation of the municipality. Under the agreement both the federal Government and the Province would have to be satisfied with the nature of the project whether it takes the form of land assembly, houses for sale, or rental units. All costs of any project developed under this joint arrangement would be a charge against the project. In developing a project each of the two senior Governments would be responsible for those operations which they are best able to handle. The Province would see to the acquisition of the land and make arrangements for services. The Province would receive requests from municipalities and other bodies for public assistance in housing. This meets the wishes of the Provinces and it is appropriate that they should deal directly with their own municipalities.

"The federal Government, as its share of the joint undertaking, would see to the planning, design and construction of the projects. It is recognized that a number of operations within the spheres of the federal Government and the Province will overlap. For that reason it is contemplated that there would be joint management of the development of each project by the federal Government and the Province. Generally each partner would contribute managerial assistance within its own sphere.

"Funds for the financing of each project would come 75% from the federal Government and 25% from the Province. The project would be charged with a rate of interest slightly higher than long term federal rates in respect to the federal Government's share of the investment. In respect to the Province's share, its long term interest rate, with a like differential, would be a charge against the project. Amortization of the original investment by the Province and the federal Government over appropriate periods would be a charge against the project. In the case of land being assembled for sale to private builders, and in the case of houses for sale, it is likely that the investment by both Governments would be relatively short term. Where the project takes the form of rental units, appropriate amortization periods ranging from 30 to 50 years would be established.

"The annual profit or loss resulting from each project, whether land assembly, home ownership or rental units, would be shared 75% by the federal Government and 25% by the Province.

"It is proposed that the municipalities would receive as a payment in lieu of taxes an amount equivalent to taxes received by them on the basis of normal assessments and normal tax rates for comparable property...."

FOREIGN MINISTERS' VISITS: The Department of External Affairs announced on September 22 that the Foreign Minister of Italy, Count

Carlo Sforza, the Foreign Minister of Belgium, Mr. Paul van Zeeland, and the Foreign Minister of France, Mr. Robert Schuman, are coming to Ottawa at the invitation of the Canadian Government in the course of the next two weeks. Countess Sforza will accompany Count Sforza. The Canadian Government understands that Mr. Ernest Bevin, Secretary of State for Foreign Affairs of the United Kingdom, will also visit Ottawa at the beginning of October.

Count and Countess Sforza will arrive in Ottawa on Friday, September 23 and will stay with the Italian Ambassador. After calling on Their Excellencies the Governor General and Lady Alexander at Government House on Friday morning, they will be entertained at a luncheon by the Italian Ambassador. During the afternoon Count Sforza will lay a wreath at the National War Memorial, and following a reception at the Italian Embassy he and Countess Sforza will be entertained at a dinner given by the Prime Minister on behalf of the Government of Canada. The University of Ottawa will confer an honorary degree on Count Sforza on Saturday morning. Before returning to New York, Count and Countess Sforza will spend the weekend at Boucherville, Que., as the guests of Mr. Desy, Canadian Ambassador in Italy, and Mme. Desy.

Mr. Paul van Zeeland, Foreign Minister of Belgium, will arrive in Ottawa at noon September 29 returning to New York on the afternoon of September 30. He will stay with the Belgian Ambassador. A dinner will be given in his honour by the Prime Minister on behalf of the Government of Canada on Thursday evening.

Mr. Robert Schuman, Foreign Minister of France, will arrive by air from New York on the morning of Saturday, October 1, remaining until Sunday afternoon, when he will fly to Quebec City. Mr. Schuman will be entertained at a luncheon by the Prime Minister and at dinner by the newly arrived Ambassador of France, His Excellency Hubert Guerin, who is presenting his Letters of Credence on Monday, September 26.