



# CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION  
DEPARTMENT OF EXTERNAL AFFAIRS  
OTTAWA - CANADA

Vol. 3 No. 2

November 21, 1947.

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## WEEK'S EVENTS IN REVIEW

**LOWER TARIFFS AND IMPORT CURBS:** Long-range and short-range policies of international trade were announced during the week. The long-range policy is embodied in a multilateral agreement on Tariffs and Trade concluded at Geneva in the Summer but not made public till a few days ago. The agreement provides for reciprocal tariff reductions and greater opportunities for Canadian trade.

The short-term policy --- an emergency and temporary policy --- is designed to meet Canada's shortage in U.S. dollars. It provides for prohibitions of certain imports, for quota restrictions on others. It curbs pleasure travel in the United States. Gold production is to be stimulated, an excise tax imposed on a wide range of durable consumer goods which contain a high percentage of parts or materials from the United States. On the other side are tax reductions intended to lower prices of some essential goods.

Main features, with explanatory notes, on pages 2-9 of this issue.

**THE PRIME MINISTER HONORED:** His Majesty, the King, has conferred the Order of Merit on the Prime Minister, Mr. Mackenzie King. Yesterday, the Prime Minister represented Canada at the wedding in Westminster Abbey of Princess Elizabeth and Prince Philip, Duke of Edinburgh (Lieut. Philip Mountbatten). Mr. Mackenzie King subsequently described the wedding service as surpassing in solemnity and beauty anything one had expected.

He plans to be back in Ottawa before the opening of Parliament on December 5.

**UNITED NATIONS:** Proceedings of the General Assembly of the United Nations are drawing to a close. During the week, Canadian attitude was indicated on such varied questions as Korean independence; the International Court and interpretations of the UN Charter; the Little Assembly; treatment of Indians in South Africa; Franco Spain and use of the veto in the Security Council (P. 10-13).

In the Palestine Committee yesterday, Sir Alexander Cadogan (United Kingdom) rejected the proposal in the Palestine partition plan to share administration with the five member UN commission during the transitional period of the next few months. So long as Britain held the Palestine mandate, Sir Alexander said, she must insist on undivided control of the country.

He added: No better way could be found of creating confusion and disorder in Palestine than to establish an authority which would operate concurrently with the existing mandatory administration. . . . Even in a stable political situation, confusion of authority is dangerous. In Palestine it would obviously have disastrous consequences. . . . I should also make it no less clear that my Government have every right to relinquish the mandate at an early date.

**DEATH OF DEPUTY COMMISSIONER:** The death has occurred in his 55th year of Henri Albert Gagnon C.B.E., Deputy Commissioner, R.C.M.P. Mr. Gagnon took a leading part in R.C.M.P. investigation of Russian espionage activities.

## SWEEPING IMPORT RESTRICTIONS

**CORRECTING U.S. DOLLAR SHORTAGE:** The Dominion Government announced Nov. 17 severe emergency measures to correct Canada's shortage of United States dollars. The announcement followed, at few hours interval, disclosure of details of the General Agreement on Tariffs and Trade concluded at Geneva in the Summer.

Broadcasting from London, the Prime Minister Mr. Mackenzie King recognized that Canadians would read the news with mixed feeling. The seeming contradiction between emergency and long-term policies was, however, confronting, in some degree, nearly every country in the world.

You will, the Prime Minister continued, be greatly pleased to learn of the vastly enlarged opportunities for Canadian trade. You will be disappointed to learn of the necessity for immediate though temporary restrictions to prevent a too rapid depletion of our reserves of United States dollars.

### TRADE AGREEMENT'S WIDE SCOPE

The Prime Minister spoke of the General Agreement on Tariffs and Trade as the widest measure of agreement for the freeing of world trade that the nations have ever achieved. He continued: Canada has joined with other nations of the British Commonwealth, with the United States, and with many countries of Europe and Latin America, in this great effort to promote peace by prosperity and economic co-operation. The Agreement clearly charts our long-run course. It confirms, on a world scale, the objectives towards which our country's trade policies have been steadily directed, at least for so long as it has been my privilege to be associated with their guidance. The new Agreement contains a firm promise of real reciprocity in tariff reductions. It paves the way for full international co-operation in maintaining high levels of employment and expanding economic activity. It opens up to Canadian exports a larger and more equal access to the markets of the world than they have ever enjoyed. By virtue of these larger export opportunities, it will permit us, as a country, to concentrate our efforts on the production of those things that we can best produce or manufacture, and so secure the highest level of real national prosperity.

### TAKING A SHARP DETOUR

At the very moment when the goal towards which we have worked over the years is at last coming in sight, we are unfortunately compelled to take a sharp detour over what I fear we shall find to be rough and difficult ground. This action is rendered necessary by the facts of our balance of payments position.

Precisely because we are compelled, in the short-run, to take measures which cut directly across our fundamental trade policies, it is especially important that we keep these policies directed towards the long-range object-

ives of the General Agreement on Tariffs and Trade. As a nation, our stake and interest lie in the fullest co-operation with like-minded countries in a programme of freer and ever expanding trade. But to play our part properly in this great forward movement, we must be able to stand on our own feet, carry our own burdens, and pay our debts as they fall due.

Subsequent to the Prime Minister's broadcast, the Minister of Finance, Mr. Abbott, after outlining the terms of the new international agreements, gave some details of the programme designed to correct Canada's position in foreign exchange. Necessity for immediate action was emphasized when Mr. Abbott revealed that, as of Thursday of last week, Canada's supply of gold and U.S. dollars had fallen to \$500 million, a reduction of approximately \$745 million since the end of 1946.

### PROPOSALS IN BRIEF

He announced:

Sweeping restrictions (prohibitions and quotas) on imports and pleasure travel. Main feature of travel restrictions will be fixing of annual ration for pleasure travel of \$150 in U.S. currency.

\$300 million credit from the United States.

Twenty-five per cent excise tax, effective immediately, imposed on a wide range of durable consumer goods containing high percentage of parts or materials from the United States. Present ten cent tax on automobiles raised to 25 per cent on the first \$1200 and to higher rates on amounts above.

Gold production stimulated: Government intends to defray for three years cost of additional gold production above the amounts produced in the years ended June 30, 1947, to the extent of \$7 for each fine ounce of additional production.

No depreciation of Canadian dollar.

Tax reductions designed to lower prices of some essential goods are:

Removal of the one cent per pound excise tax on sugar.

Removal of the import duty on tea imported from principal sources.

Reduction of the duty on coffee.

Elimination of the sales tax of eight per cent on electricity and gas used for domestic purposes.

### PROPOSED TAX MEASURES

**CURB ON LESS ESSENTIAL PURCHASES:** In connection with the tax measures proposed to supplement the programme of import restrictions Mr. Abbott stated:-

Import restrictions alone will not be enough to keep down our use of goods which contain a high proportion of parts or materials from the United States. Many of these goods are produced on a large scale in Canada and we cannot

properly limit and ration the imported parts and materials. I am, therefore, proposing to use the same fiscal devices as we used during the war to restrict purchases of this type of goods. The Government will ask Parliament to place an excise tax of 25% on a wide range of these durable consumer goods, the purchase of which can normally be postponed by the average family if necessary and most of which are of a less essential character. This tax will apply to sporting goods, outboard motors, pleasure launches, firearms, oil burners, motor cycles, musical instruments, cameras, radios, phonographs and to most types of electrical home appliances. In some cases there is already a 10% tax that is to be increased to 25%. In the case of automobiles, the present 10% tax is to be increased to 25% on the value up to \$1,200 with 50% applying to the additional value up to \$2,000 and 75% on the excess over \$2,000. These taxes of course will apply on the manufacturer's price not the retail price.

### TAXES DESIGNED TO LIMIT PURCHASES

These new or additional taxes are not being proposed for the purpose of raising revenue. Their purpose is to limit expenditures on these goods and thereby on the steel and other imported materials or parts which they contain. We should partially defeat our objective if, after banning many such imports, domestic production of the same type of articles were to expand to fill the gap at the cost of further substantial imports of components and materials.

### TAX REDUCTIONS

While the cold facts of our dollar position make it necessary to impose these special types of taxes, we are proposing to remove or reduce certain other taxes in cases where this should result in a lowering of the prices of essential goods which have to be purchased by all Canadian families. With this in mind I am proposing that the excise tax of one cent a pound on sugar be removed, that the import duty on tea from the normal sources be removed, that the duty on coffee be reduced, and that electricity and gas used in dwellings be exempt from the 8% sales tax.

Now that the Government's proposals have been announced, we propose to follow the usual budgetary practice of asking Parliament to make them effective from the time of announcement, and taxes at the new rates will therefore be collected on all sales by manufacturers and on imports, beginning tomorrow morning.

**NOTE:** Estimated annual revenue loss from tax reductions is estimated at about \$21,000,000, as follows:-

Sugar.....	\$13,000,000
Gas and Electricity...	6,000,000
Tea.....	1,500,000
Coffee.....	500,000
	<hr/>
	\$21,000,000

## IMPORT RESTRICTIONS

**EXPLANATORY NOTE:** The Government has placed a wide range of goods under import control by an Order in Council passed November 12. These goods are classified in three groups, which will likely become known to importers and businessmen as the Prohibited List, the Quota List and the Capital Goods List. The Order in Council came into force on November 18, 1947.

The Prohibited List covers a wide variety of commodities and consumer goods which the Government has decided can no longer be permitted to draw on Canada's reserves of foreign exchange. For this reason imports of these goods are banned.

The Quota List includes another large group, mainly consumer goods, for which import permits will be granted on a "quota" basis. Current imports of these goods have risen to abnormal levels, yet it is not considered practical to prohibit them completely. This list is sub-divided into four groups and a separate "quota" will be established for each group.

The Capital Goods List covers metals and their manufactures, (mainly industrial machinery) which may be prohibited or restricted on the direction of the Minister of Reconstruction and Supply. This list also includes motion picture films but does not include machinery or equipment for use in farming or fishing.

**PROHIBITED LIST:** The goods covered by this list for which no import permits will be available includes the following items:

Fresh fruits. All fresh fruits except citrus fruits, apples and bananas. (The "Quota List" provides for a quota of 200% of pre-war imports by value on citrus fruits and apples. Imports of bananas are not restricted.)

All fresh vegetables except potatoes and onions. (Potatoes and onions are limited by quota to 200% of pre-war.)

Unpitted dates and such dried fruits as pears, apricots and peaches. (There is no restriction on pitted dates, figs, prunes or raisins.)

Poultry, eggs, meat and meat extracts.

Most canned and packaged foods, including canned fruits, canned vegetables, breakfast foods, condensed milk, pickles, manufactured spices and roasted coffee. (There is no restriction on imports of coffee beans or tea imported directly from the country of origin.)

Beans, peas, cleaned rice, and peanut butter.

Cocoa products (but not cocoa beans) candy, candied peels and confectionery of all kinds.

Nuts in the shell (but not including peanuts, nuts for the manufacture of oil and shelled nuts).

Oysters and canned crabs, clams and shrimps.

Honey, molasses and syrups.

Cut flowers.

Cigars and cigarettes.

Comic and "pulp" periodicals. The prohibited item is similar to that in effect from 1940

to 1944 under the War Exchange Conservation Act and does not affect newspapers or general magazines.

Various paper products including greeting cards, wrapping paper, wallpaper, sandpaper, tarred paper and prepared roofings, paper boxes, playing cards, games, stationery and a long list of consumer paper products such as facial tissues, paper plates and cups and paper novelties.

Toilet soap and toilet preparations.

Paint, varnish and shoe blacking.

Lubricating oils and refined petroleum jellies.

Mirrors, vases, cut glassware, glass tableware and glass ovenware. (There are no restrictions on imports of chinaware.)

Kitchen and household hollow ware, but not including dairy hollow ware.

Baths, basins and sinks, of iron or steel.

Typewriters, dictating machines, adding machines and cash registers.

Refrigerators, washing machines, sewing machines, toasters, stoves and most other household electrical appliances.

Radios and phonographs.

Electric light fixtures, lamps and bulbs, flashlights and electric razors.

Pleasure boats.

Passenger automobile tires.

Automobiles, trucks and busses. (Provision is to be made later for quotas on motor vehicles.)

Moving picture projectors, sound equipment, spotlights and similar theatrical equipment.

Cameras, other than for professional use.

Planks, boards, flooring and veneers. The prohibition covers all kinds of sawn lumber but does not affect logs, unmanufactured timber or bolts for the manufacture of handles, staves, etc.

Furniture of all kinds.

Pianos and organs.

Dressed furs, fur coats and manufactures of fur. (Raw furs are not affected.)

Jewellery of all kinds, including precious stones (other than diamonds), semi-precious stones, art objects and costume jewellery.

Paintings, other than paintings to be used for printing or reproduction purposes or for public institutions.

Specified metal products, including vending machines, air conditioning units, door chimes, amusement devices, etc., and a long list of non-essential sundries.

Goods enumerated elsewhere as prohibited or subject to quota, when included in the baggage accompanying a resident of Canada returning from abroad. (An exception is made for goods entitled to entry under Tariff Item 703 (b) which are included in the baggage of a returning resident who departed from Canada prior to November 18, 1947.)

The ban does not affect goods classified in this list which are already in transit on November 17th.

**QUOTA LIST:** The second classification of goods in the Order in Council includes merchandise available for import under the "quota" system.

The quota list is divided into four categories as follows:

**Category 1:** Fruits and vegetables. This category covers potatoes, onions, apples, grapefruit, oranges, lemons, limes, fruit juice and fruit syrups.

**Category 2:** Textiles. This category includes almost all textile products advanced beyond the yarn stage. It does not include raw fibres, yarns and wools, cordage, or certain tariff items covering flax, hemp, or jute products and a number of specialty products for use in agriculture or industry. It does include fabrics (whether in the grey, bleached or coloured) of cotton, wool, silk, or synthetic fibre. It also includes all kinds of knitted goods, lace and embroideries, clothing, and textile manufactures, n.o.p.

**Category 3:** Leather and rubber goods. This category includes leather of all kinds, gloves and mitts of all kinds, leather garments, boots and shoes of any material including rubber, trunks, valises, baskets, musical instrument cases, fancy cases or boxes, purses and pocket books, etc.

**Category 4:** Miscellaneous. Tariff items included in this quota group cover glass articles to be cut or mounted, watches, watch actions and movements, watch cases, clocks, clock movements and cases, cutlery of iron or steel, firearms, ammunition, fishing tackle and other sporting goods, game tables, balls, dolls, toys, tobacco pipes and smokers' supplies.

The national "quota" which will apply to these goods is arrived at by taking as a base the average total dollar value of imports for each category of merchandise during the years 1937, 1938 and 1939. This average total dollar value is then doubled and becomes the national "quota" for total imports of each category, except in the case of the textile category where the national "quota" is set at 400% or four times the average pre-war yearly importation.

#### QUOTA ALLOCATIONS

Each individual importer may then apply for an allocation from the national "quota" for any category. The allocation will be based on the proportion between the value of his own imports of goods in that category during the year ending June 30, 1947, as compared with the total national imports of this category for the same period.

Individual import allocations may be used for any goods within the quota category to which they apply.

To aid preliminary estimates of individual allocations from national quotas by importers, calculations show that the national quota for

Category 1 works out to approximately 50% of total national imports for the period July 1, 1946 to June 30, 1947. Importers may thus readily calculate their allocations by taking the same percentage of their own imports in this category for the same period. It was stated that for similar purposes, Category 2 percentage could be taken as approximately 32% or roughly one-third, Category 3 about 70% and Category 4 around 40%.

In connection with the Quota List, however, it will be noticed that the Order divides countries of origin into two groups, "Scheduled Countries" and "Non-Scheduled Countries".

The "Scheduled Countries", which are countries we must pay in dollars and which we do not know to be short of dollars, are Cuba, Dominican Republic, Guatemala, Haiti, Panama, El Salvador, Switzerland, Russia, United States (including Alaska, Hawaii, Guam, Porto Rico and the Virgin Islands) and Venezuela. "Non-Scheduled Countries" include all others.

#### EFFECT OF QUOTAS

The effect of the quotas will be to reduce the level of these imports from the "Scheduled Countries" by about 50% of their current rate. On the other hand the same applied to "Non-Scheduled Countries" will leave ample room for expansion from present abnormally low levels.

To take the most extreme example, imports in the important textile category from "Scheduled Countries" amounted to an average of approximately \$10 million in the three pre-war years. The national "quota" indicated for the next twelve months, being 400% of this amount, would be in this case \$40 million. This figure, expressed as a percentage of the value of imports of this kind during the year ending June 30th, 1947, is approximately 32%. Our Canadian importer would therefore be permitted to import from "Scheduled Countries" up to about 32% of the amount he imported during the same period.

On the other hand, imports of these textiles from the "Non-Scheduled Countries" in the average pre-war year amounted to \$30 million. 400% of this amounts to \$120 million. But during the twelve months ending last June this kind of import from these "Non-Scheduled Countries" amounted to only \$52 million. Imports from these "Non-Scheduled Countries" may therefore more than double before they reach their "quota" limit. A somewhat similar situation is found in each of the other "quota" groups. For this reason open general permits will be issued for imports of "quota" goods from "Non-Scheduled Countries" until such time as the overall Canadian imports from these countries begin to approach closely to the "quota" limit.

#### APPLICATIONS FOR QUOTAS

This will mean that until further notice importers will not be required to file the information necessary to establish a quota in respect of imports from "Non-Scheduled Countries".

Application forms for Import Quotas may be obtained from any Collector or Subcollector of Customs by any intending importer who during the basic period of July 1st, 1946, to June 30th, 1947, imported goods subject to "Quota" from Cuba, Dominican Republic, Guatemala, Haiti, Panama, El Salvador, Switzerland, Union of Soviet Socialist Republics, United States of America and its possessions, and Venezuela.

A headquarters administrative unit to deal with appeals and general problems relating to the operation of the Prohibited and Quota Lists has been established in the Department of Finance at Ottawa. K.W. Taylor, Assistant Deputy Minister of Finance, will direct this Emergency Import Control Division.

The initial allocation on the Quota List will run to March 31, 1948 and thereafter the present intention is that allocations will be made on a quarterly basis. In special cases Customs Inspectors may allow an interim allocation to an individual importer of up to 5% of his total prospective allocation, provided that application for the annual allocation has been filed. This will enable individual importers who depend on frequent imports of relatively small size to keep in supply, while awaiting final determination of their total allocation.

**CAPITAL GOODS LIST:** The Capital Goods List covers "any metals or manufactures thereof not included in Appendix VII or Appendix VIII, and not including machinery or equipment for use in the agricultural and fishing industries.

Cinematograph or moving picture films, positives or negatives, one and one-eighth of an inch in width and over."

The order establishes authority to prohibit or restrict imports of these specified classes of goods. Since the special circumstances involved in the importation of goods of this kind prevents the application of a general "quota" or of complete prohibition, it is intended that restrictions will be imposed from time to time after consideration of the pertinent circumstances by the Minister of Reconstruction and Supply.

#### TRAVEL RESTRICTIONS

**EXPLANATORY NOTE:** Foreign Exchange Control Board regulations continue the requirement that a Canadian resident must exchange for Canadian currency any U.S. currency in his possession in excess of \$10. It will also continue to be necessary to obtain a "Form H" permit from the Foreign Exchange Control Board before a Canadian may take out of Canada more than \$10 in U.S. funds or more than a total of \$25 in both U.S. and Canadian funds.

However, the total amount of U.S. funds which may now be obtained by one person during the year is fixed at \$150 U.S. Applications for more than this amount for necessary business travel or for travel connected with health or education will be considered on their merits

by the Foreign Exchange Control Board. Applications for funds required for travel for reasons of health must be accompanied by a confidential medical report.

There will be no restrictions on the number of trips as long as the annual allotment of \$150 U.S. is not exceeded. In the case of children of eleven years and under the travel ration per year is \$100 U.S.

Any funds obtained for one trip and not used on that trip must be brought back to Canada and exchanged for Canadian dollars at the traveller's bank immediately on his return. No credit for these funds can be allowed against the annual "ration" for use on later trips.

A special arrangement recognizes the needs of some Canadians who have occasion to cross the border frequently for visits of short duration. In these cases when the traveller will not be taking out of Canada more than a total of \$25, of which not more than \$10 is in U.S. funds, he may obtain from his bank up to a total of \$10 U.S. in any calendar month. This "border-crossing ration" is not charged against the annual travel ration of \$150 U.S., but is in addition to it.

It was made known by officials of the Foreign Exchange Control Board that steps have been taken in conjunction with Customs officials and the R.C.M.P. to ensure observance of these regulations. Customs officers are being instructed to question carefully all out-going residents. In cases where such questioning leads the inspector to believe that the resident is taking with him more money than his permit allows or that he has U.S. dollars illegally in his possession, the inspector has the authority to make a personal search. Officials, however, will spare no effort to ensure considerate treatment of Canadians who give satisfactory proof of observance of the regulations.

It was also pointed out that Canadian tourists travelling outside of Canada will not be permitted to bring back with them articles covered in the Prohibited List or in the Quota List of the Order-in-Council restricting imports.

## MULTILATERAL TARIFF PACT

**DETAILS MADE PUBLIC:** Details have been made public of the multilateral General Agreement on Tariffs and Trade concluded at Geneva, Oct. 30, between Canada and the United States, Belgium - Luxembourg and the Netherlands (comprising the new customs union of Benelux) Brazil, Chile, China, Cuba, Czechoslovakia, France, Lebanon-Syria and Norway as well as the United Kingdom, the Union of South Africa, Ceylon, India, Pakistan. Under a protocol of General Application also signed at Geneva, tariff concessions provided under the General Agreement will be brought into force provisionally January 1, 1948 by countries which signed the protocol. The protocol was signed by Australia, Belgium, Canada, France, Luxembourg, the Netherlands, the United Kingdom and the

United States. It remains open to other countries which participated in the Geneva negotiations to sign the protocol at a later date.

As formulated, the General Agreement is a substantive, international agreement. It is independent of, but complementary to the draft Charter and can if necessary stand by itself. It comes into force provisionally by itself and is so framed as to permit its continuance in operation even though the Havana conference should fail to produce an acceptable Charter.

### PREFERENCES VITAL PART

Preferences played a vital part in the Geneva negotiations. Basic principles agreed are that no new preferences may be created, that no existing preferences may be enlarged and that such preferences as remain after conclusion of the Geneva negotiations shall be negotiable. Just as the preferences remaining after Geneva are negotiable (that is subject to elimination or impairment only by negotiation) so were pre-Geneva preferences negotiable during the past summer.

Conclusion by Canada of mutually satisfactory negotiations with other countries states an announcement to the Press would not have been easy, indeed might have been impossible, had it not been for the cooperation extended by those other countries of the Commonwealth with which she has trade agreements notably the United Kingdom, Australia, South Africa, New Zealand, and the West Indies. Throughout the long and complicated series of negotiations, there was on the part of all the Commonwealth countries a readiness to understand and appreciate one another's problems and a joint determination to assist one another in arriving at agreements which all could recommend as being in the interests of each and of the world at large.

### REVISION OF U.K. AGREEMENT

One result of this co-operative attitude is that there has been concluded on Canada's initiative a revision of the Canada-United Kingdom Trade Agreement (1937). Under an exchange of letters each country undertakes, with respect to goods covered by the relevant Schedules of the multilateral Agreement (Schedules V and XIX), to continue to accord to the products of the other treatment no less favourable in general than has been accorded under the existing Agreement of 1937, but in which also each government recognizes the right of the other to reduce or eliminate preferences. In taking such initiative, the Canadian government has had in mind the historic Canadian attitude respecting preferences, namely, that these concessions, freely given, are not matters of rigid contractual right or obligation. It is the intention of the Canadian government to propose to the other Commonwealth governments concerned agreements with them similar to that now concluded between this country and the United Kingdom.

The Geneva agreement is the most far-reaching and comprehensive of its kind in Canadian history. Concessions secured by and

concessions granted by Canada alike cover wide fields.

**CONCESSIONS SECURED:** Here are the principal concessions secured:

**Wheat:** Maximum reduction in the United States duty and substantial reductions in the customs duty and/or "monopoly charges" in France, Belgium and Luxembourg, Netherlands, Cuba, and Norway, with binding of free entry or existing duty in China and Brazil.

**Coarse grains:** Maximum reductions in the United States duties on oats, barley, rye, bran, shorts, middlings, grain hulls, screenings and scalplings.

**Cattle:** Binding of the United States rate of 1½ cts. per lb. on cattle weighing 700 lbs. or more each, together with an enlargement of the quota from 225,000 head to 400,000 head; and binding of the rate of 1½ cts. per lb. on calves with an enlargement of the quota from 100,000 head to 200,000 head.

**Cod fillets:** Continuance in the United States of the existing quota and quota rate but with a binding of the ex-quota rate of 2½ cts. per pound (not bound under the existing Agreement).

**Other fisheries products:** Maximum reductions in United States duties on fresh or frozen salmon and halibut; reductions in duties on other fresh fish, on smoked or kippered herring, on pickled salmon, and on cod, dry or green salted, pickled, etc.

Binding by Benelux of free entry of fish, fresh or chilled, salted, smoked or dried; reduction by France on canned salmon and canned lobster; reduction by Brazil on dry salted codfish and by Cuba on dried codfish; reductions by Czechoslovakia on salted herrings and preserved salmon; by India on canned fish; and by Norway on canned lobster, canned salmon and salted salmon.

**Lumber:** Maximum reductions in United States duty, as well as in I.R.C. tax, on sawn and dressed boards, planks, etc. of fir, hemlock, spruce, pine, and larch. Maximum reductions also in duties on red cedar plywood, veneers (other than of birch or maple, which are bound at 10 p.c.), and binding of free entry for wood pulp, poles, ties, staves, etc.

Binding by Benelux of free entry for logs, pulpwood and wood pulp and of low rates on veneer sheets and tongued and grooved wood; reductions in French duties on logs, pulpwood, veneer leaves, tongued and grooved wood, and wood pulp; and by India on Douglas fir timber.

**Base metals:** Reduction by one-third of United States duty on aluminum metal and by 50 per cent of the duties on aluminum plates, sheet, scrap, etc. Maximum reduction on magnesium, tantalum, cadmium, nickel in all forms except tubes and tubing, and zinc sheets, scrap and dross, together with binding of free entry and maximum reduction in I.R.C. tax on all copper.

Binding by Benelux of free entry for lead and zinc ores; copper in pigs, ingots, etc.;

nickel in ingots, plates, etc.; aluminum in ingots, plates, etc.; and zinc ingots.

Binding by France of free entry for important ores and reductions in duty on various forms of copper, nickel, aluminum and zinc and free entry for lead ingots.

Binding by Czechoslovakia and Norway of free entry for certain forms of copper, nickel, aluminum, and cadmium.

**Seed potatoes:** Continuance in United States of existing quota rate on certified seed potatoes with increase in quota from 1,500,000 bushels to 2,500,000 bushels.

Free entry for seed potatoes bound in Brazil and in Cuba on seasonal basis.

**Turnips:** Maximum reduction in United States duty.

**Wheat flour:** Maximum reduction in United States duty and reductions in duty and/or monopoly tax in Benelux and Cuba, as well as reduction in duties in French colonial possessions.

**Seeds:** Maximum reductions in United States duties on alfalfa, red clover, alsike clover, sweet clover, and timothy, with reductions on other grass and forage seeds. Binding in Benelux of free entry for clover and forage crop seeds; reduction in Czechoslovakia on lucerne and grass seeds; and binding in France of free entry of clover and other forage seeds.

**Non-metallic minerals:** Numerous reductions in various countries in duties on mica, talc, and corundum, with continuance of free entry of asbestos in United States, Benelux, and Czechoslovakia, and of free entry in United States of coal and coke, artificial abrasives (crude), calcium cyanide, gypsum, stone, and sand (including nepheline syenite).

**Chemicals:** Maximum reductions in United States duties on acetic anhydride, vinyl acetate and synthetic resins, selenium dioxide and tellurium compounds, aluminum hydroxide, ammonium nitrate, calcium carbide, acetylene and other blacks, and salt, with reductions in duties on acetic acid and crude barytes.

**Apples:** Reduction in duties in United States on fresh apples and maximum reduction on dried and canned apples. Reductions by Benelux on fresh and dried apples; by France on fresh and dried apples and apple juice; and by Norway on fresh apples.

**Berries:** Reductions in United States duties on blueberries, both frozen and canned, as well as on other frozen berries.

**Dairy Products, Eggs, Etc.:** Maximum reduction in United States duties on live poultry of all kinds; on all dressed poultry other than turkeys; and on baby chicks, canned chicken and dead game birds.

Quota retained on fresh cream but quota rate reduced from 28.3 cts. per gallon to 20 cts. (quota retained on whole milk, but quota rate reduced from 3¼ cts. per gallon to 2 cts. Reductions in rates on skimmed milk and buttermilk, condensed milk (sweetened and unsweetened), whole milk dried, and skim milk and buttermilk, dried.



**Cheese:** United States duty reduced on cheddar cheese.

**Butter:** United States duty reduced from 14 cts. to 7 cts. per lb. on global quota of 50,000,000 pounds.

Reductions in duties in France on concentrated milk, butter and cheese.

**General Products:** Reductions in United States duties on maple syrup, maple sugar, honey, hay, straw, millet, dried peas, beef and veal, edible offal, lamb, mutton, wool, dried and frozen eggs, canned fruits, dried potatoes, potato starch, onions, various fresh vegetables, certain processed and canned vegetables, soups, juices and sauces, most vegetable seeds, tobacco, etc.

**Spirituos Liqueurs:** Substantial reduction in United States duties on whisky and gin.

**Manufactured Goods:** Reductions in United States duties on electric stoves and many other appliances employing an electric element; aircraft and parts, pleasure craft, reciprocating locomotives, many articles and wares of metal, paint-brush handles, baby carriages, canoes and paddles, mop handles, skis, hockey sticks, toboggans, and equipment for exercise or play; pipe organs and parts, rubber substitutes and synthetic rubber. Continuance of free entry for agricultural implements.

Reductions or binding of free entry or low rates in one or several of Benelux, France, India, Norway, Brazil, Chile, China, Cuba, and Czechoslovakia on such goods as soaps, synthetic rubber, rubber belting, agricultural implements, lamps and lanterns, heating and cooking apparatus, insulators, ice skates, aircraft and parts, domestic refrigerators, rubber tires, sewing machines, electrodes and batteries, knitting machine needles, bronze powder, and skis.

As regards the United States, it should be stated in general that the new Agreement preserves and continues for Canada practically all the advantages obtained in former trade agreements (including the binding of free entry of goods of the kinds which represented approximately two-thirds of all Canadian exports to the United States during 1939) and embodies new and often maximum concessions on a large proportion of the remainder.

**CONCESSIONS GRANTED:** The schedule of Canadian concessions to other countries consists of 1050 items or sub-items. Of these, 590 provide for reductions in Most Favored Nation tariff below existing rates, and about 460 for binding or consolidation of MFN rates at present effective. British Preference rates are reduced directly in respect of some 100 items or sub-items and indirectly respecting some fifty items or sub-items. Compared with the present tariff structure, adoption of duties specified in the schedule means, in the case of the Canadian tariff, the elimination of preference in 94 items or sub-items. There is one increase in duty, namely in the preferential rate on tinplates. This is accompanied by a reduction in the most favored nation rate.

Here, in commodity groups, are some of the more important concessions.

**Agricultural products:** Concessions by Canada reflect concessions secured in various countries over like or similar goods. Regarding the United States, particularly, Canada has continued to apply as widely as possible the basic principle that, wherever possible, identical duties should prevail in the two countries. Of significance to Canadian consumers are substantial reductions on certain fresh and dried fruits not produced in this country. Seasonal protection is now afforded to Canadian growers of the more common kinds of fresh fruits and vegetables through advances in invoice values immediately before or during the period of domestic production. This system will be replaced by a scheme of specific duties on a seasonal basis with provision in most cases for revenue duty (ten percent ad valorem) to be applied whenever the specific duty indicated in the schedule is not levied.

**Fish:** Reductions in Canadian tariff reflect concessions gained by Canada in various countries for her fisheries products.

**Sugar:** No reductions effected in favored nation rates on raw or refined sugar but incidence of existing duties bound against increase in the event of rewording of classification.

**Tobacco:** Most favored nation duties on unmanufactured tobacco reduced.

**Spirituos liquors, wines:** Duties on spirits, both preferential and favored nation, reduced to varying amounts. Of significance to France are graduated reductions on sparkling and still wines.

**Pulp, Paper:** Numerous Canadian items providing for free entry or low duties on periodical publications, tourist literature and books are bound in the schedule.

**Chemicals, drugs, paints:** About a score of tariff items at present duty free are bound in the schedule. Almost as many more, with rates not exceeding ten to twelve and half percent, are similarly bound against increase during life of agreement.

**Earthen and glassware:** Several reductions in rates of particular interest to Canadian housewives. More noteworthy relate to goods of which Canada is not an important producer.

**Various metals:** Principle of reciprocity in tariff treatment so far as concerns the United States in particular is applied over one broad sector of this highly important metals group namely aluminum products.

**Iron and Steel:** Schedule includes no fewer than 350 items relating to this tariff group. Many of the items are included for the purpose of binding existing tariff treatment but reductions in duty, chiefly in the most favored nation rate only, are numerous and important. All farm implements at present entitled to free entry are bound against imposition of duty. Present Canadian duties on motor vehicles bound against increase.

**Wood:** Group represented by items are few in number but cover important field.

**Textiles:** Although represented in the schedule by only some 125 tariff items, the textile group contributed one of the most vitally important sections of the agreement.

**Hides, Skins:** Free entry under both tariffs continued in respect of hides, skins and plates with tariff reductions on certain leather goods.

**Rubber and products:** Favored nation rate of twenty-two and half percent on all non-enumerated manufactures of rubber reduced to twenty percent.

**Miscellaneous:** Scores of commodities not related particularly to any tariff group appear with reduced rates. Illustrative of the reductions are anthracite coal from fifty cents per ton to free; bituminous from seventy-five to fifty cents.

## OPPOSITION LEADERS' COMMENTS

**MR. JOHN BRACKEN:** At a nomination convention in Brandon, Man., (which chose him as candidate in the next federal elections) John Bracken, Progressive-Conservative leader, commented on the Government's dollar-saving programme.

The confusing character of the proposals and the apologetic features of the announcements made it necessary to examine them carefully, he said, adding he would refrain from a full statement until parliament meets Dec. 5.

Mr. Bracken continued: Until now the government has preached that everything was lovely. It now has been forced into an admission that the war has yet to be paid for. The proposed programme, however, comes too late. Had it been dealt with last July or August, when it should have been, less drastic remedies would have been necessary.

The announcements of the Prime Minister and the Minister of Finance are honeycombed throughout with apologies, inconsistencies and propaganda. The government hints at trade expansion, but proposes trade restrictions. They profess to favor multilateral trade but ask power by order-in-council to neutralize the total effect of their proposals. They talk about the long view, but practise the short.

**MR. M. J. COLDWELL:** M. J. Coldwell, C.C.F. leader, in an Ottawa statement Nov. 18 said that the government's action in imposing restrictions on American imports without reimposing price controls will mean higher prices and higher living costs for Canadians.

Mr. Coldwell added that the import prohibitions and restrictions were necessary but should have been taken before our dollar reserves had fallen to such a great extent.

Mr. Coldwell continued: We urged this policy upon the government weeks ago, but accompanied our demand by urging that beneficial price controls should be continued. Had these policies been undertaken early enough, the cost-of-living would not have risen so spectacularly, nor would it have been necessary

to seek a \$300,000,000 loan from the United States.

Such a loan from the Import-Export bank is accompanied by the understanding that it will be liquidated by the sale of Canadian securities in the United States, and from borrowing from private United States banks and investors. This means that the Canadian economy will be placed in a still tighter grip of American capital and interests.

## INTERNATIONAL TRADE CONFERENCE

**DELEGATION TO HAVANA:** The Department of External Affairs announces the composition of the Canadian delegation to the United Nations Conference on Trade and Employment which opens in Havana, Cuba, November 21. All members of the United Nations are invited to participate in the Conference which will have the task of giving final consideration to the draft Charter for an International Trade Organization which was drawn up at the meeting of the Preparatory Committee held in Geneva from April to October 1947. The Canadian delegation will be as follows:

### Head of Delegation:

Dana L. Wilgress, Minister of Canada in Switzerland;

### Delegates:

C.P. Hebert, Counsellor, Department of External Affairs;

W.F. Bull, Director of Export Division, Department of Trade and Commerce;

F.A. McGregor, Chief Commissioner Combines Investigation Commission, Department of Justice;

A.W. Brown, Assistant Chief Dominion Customs Appraiser, Department of National Revenue;

### Advisers:

S.J. Reisman, Department of Finance;

A.E. Richards, Department of Agriculture;

L.E. Couillard, Department of Trade and Commerce;

### Secretariat:

R.W. Rosenthal, Secretary of the Delegation, Department of Trade and Commerce;

R.K. Henry, Department of External Affairs, Assistant Secretary to the Delegation.

**FINNISH LEGATION ESTABLISHED:** The Secretary of State for External Affairs, Mr. St. Laurent, announces establishment of a Finnish Legation in Canada and the appointment by the Finnish Government of Mr. Urho Vilpion Toivola as Envoy Extraordinary and Minister Plenipotentiary of Finland in Canada.

Mr. Urho Vilpion Toivola was born in 1890. He was Secretary of the Finnish Legation in London and Geneva from 1919 to 1925, was Editor in Chief of the Turun Sanomat from 1925-1937, a Member of the Finnish Diet from 1933-1936, and Director of the Press Department of the Finnish Ministry for Foreign Affairs in 1938.

## CANADA AT THE UNITED NATIONS

**KOREAN INDEPENDENCE:** By a vote of 43 to 0 with six abstentions (Soviet Bloc), the General Assembly, Nov. 14, adopted a First Committee resolution on the independence of Korea. The resolution calls for the setting up of a United Nations temporary Korean commission, details its composition and terms of reference and spells out plans for the granting of Korean independence (C.W.B. Oct. 31).

The General Assembly then rejected in a roll-call vote, 34 against, 7 in favour, 16 abstentions, a Soviet resolution calling for the simultaneous withdrawal of United States and Soviet troops from Korea by the beginning of 1948, leaving the Korean people to establish their own national government.

The voting of the Soviet resolution was:

For: Byelorussia, Czechoslovakia, Egypt, Poland, Ukraine, USSR, Yugoslavia.

Against: Argentina, Australia, Belgium, Bolivia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, France, Greece, Honduras, Iceland, India, Luxembourg, Netherlands, New Zealand, Nicaragua, Pakistan, Panama, Paraguay, Peru, Philippine Republic, Turkey, Union of South Africa, United Kingdom, Uruguay, United States, Venezuela.

Abstentions: Afghanistan, Denmark, Ethiopia, Guatemala, Haiti, Iran, Iraq, Lebanon, Liberia, Mexico, Norway, Saudi Arabia, Siam, Sweden, Syria, Yemen.

The Assembly named Canada to the Nine-member commission, along with Australia, China, El Salvador, France, India, the Philippines, Syria and the Ukraine.

The Ukraine was named to the Commission, although she refuses to participate.

During the debate, Dmitri Manuilsky (Ukraine) made the following reference to Canada: Let me go further now and take Canada. After the last session of the General Assembly, we were just boarding our ships when an anti-Soviet plot was hatched in Canada and unbridled agitation was used; this was shameful for Canada. At present, Canada has opened her doors wide for those criminals who fought on the side of the Germans against the United Nations. It is not our business to ply you with these examples...

**MR. ILSLEY REPLIES:** Speaking in Halifax, Nov. 15, the Minister of Justice, Mr. Ilesley, made the following reply to Mr. Manuilsky:

Every one in Canada knows that we did not plot against the Soviet Union. The appointment of the Royal Commission was, of course, not in any sense a plot, and it was not directed against the Soviet Union. It was instituted for the ascertainment of facts, which if they were as alleged would necessitate the cleansing of our own civil service.

Information came to us that official secrets were being revealed to representatives of the government of the Soviet Union in the Soviet Embassy. This had been going on for many

months, over a period when our admiration for Russians was great, and, as we thought our relations with Russia were of the friendliest nature.

We were discussing with them mutual aid, long-term credits, supplying them with wheat, and other matters, and we discovered that over this very period their officials were enticing some of our civil servants to violate their oaths of office, as well as the Official Secrets Act, and clandestinely to give them secret information. Persons closely and officially connected with the Communist Party of Canada were mixed up in the business.

It was not we who were the plotters. As to where the shameful lay, you can form your own opinion. The fact is that no other course was open to us except the one we took. Had we not taken it, we would have been recreant to our trust as servants of the Canadian people.

I wonder what happens to civil servants in the Ukraine who give secret information to foreign governments?

Mr. Ilesley also referred to Manuilsky's charge that Canada had opened its doors to "those criminals who fought on the German side in the war against the United Nations".

This, Mr. Ilesley declared, "is completely untrue. This is not the type of immigrant we are getting from the displaced persons camps at all and Mr. Manuilsky knows it".

**INTERNATIONAL COURT AND CHARTER:** The General Assembly, Nov. 14, adopted three resolutions respecting the International Court of Justice at the Hague. The first (strongly opposed by Russia) enables the Court to give judgments interpreting the UN Charter.

The other two allow the trusteeship council to ask the Court for legal decisions on questions facing it and also recommend that member states submit legal disputes to this world tribunal.

L.R. Beaudoin, M.P., for the Canadian delegation said: The opinion held by the delegations of Poland and the U.S.S.R. is, firstly, that the International Court of Justice has no jurisdiction to interpret the Charter and, secondly, that the resolution which recommends that organs of the United Nations should refer to the Court difficult and important points of law (including the interpretation of the Charter) is contrary to the Charter and therefore illegal.

As to the first point, has the Court jurisdiction to interpret the Charter? Article 92 of the Charter states that the Court, being the principal judicial organ of the United Nations, shall function in accordance with its statute which is made an integral part of the Charter. Article 96 of the Charter authorizes the Assembly or the Security Council to request advisory opinions of the Court on any legal question and that other organs or specialized agencies may be authorized by the Assembly to

request advisory opinions on legal matters arising within the scope of their activities.

Article 34, Paragraph 3 of the statute of the Court (which forms an integral part of the Charter) declares that "whenever the construction of the constituent instrument of a public international organization... is in question in a case before the Court", the registrar shall take certain steps. Clearly, then, the Court has jurisdiction to interpret the Charter in cases submitted by states to the Court.

But can the Court give an interpretation of the Charter in an advisory opinion requested of it? Article 65 of the statute says quite clearly that "the Court may give an advisory opinion on any legal question at the request of whatever body may be authorized by or in accordance with the Charter of the United Nations to make such a request".

It may not be without use to underline that Article 65 provides "The Court may give an advisory opinion on any legal question..."

The construction of the constituent instrument of a public international organization, specifically mentioned in Article 34 of the statute, is certainly a subject for the legal determination of the Court. It follows then that the Court has jurisdiction to interpret the Charter (which is the constituent instrument of the United Nations itself) either in a case brought to it by two states or when an organ of the United Nations has requested an advisory opinion on an interpretation of the Charter.

Now it has been inferred that a proposal, such as is before the Assembly, was rejected at San Francisco. I have looked through the records of the San Francisco conference and, for my part, have been unable to find that such a proposal was rejected by that conference on international organization.

The question asked at San Francisco was:

"How and by what organ or organs of the organization should the Charter be interpreted?"

You have before you document A/474, submitted by the Soviet delegation, which contains the transcript of what was said in answer to that question. This document sets forth the conclusions adopted by Committee IV at San Francisco. These conclusions prepared by the Committee responsible for framing this part of the Charter show that it is abundantly clear that the organs of the United Nations may, in the course of day to day operations, interpret such parts of the Charter as are applicable to their particular functions. It is also clear that the Charter contains nothing which prevents the Court from interpreting the Charter. Finally, it is equally clear that states may put a case before the Court, or organs may request an advisory opinion of the Court, concerning the interpretation of the Charter.

Since the Assembly, by virtue of Article 13 of the Charter, may make recommendations for the purpose of promoting the development of international law, there can be no possible

illegality in the Assembly recommending to the organs of the United Nations and to the duly authorized agencies that they should place difficult and important questions of law (including the interpretation of their constituent instruments) before the International Court of Justice for an advisory opinion.

We feel strongly, Mr. President, that not only is the resolution proposed by Committee 6 quite within the letter and spirit of the Charter but it is also designed to develop the rule of law and order based on justice. This rule, the Canadian delegation supports wholeheartedly.

**"LITTLE ASSEMBLY" APPROVED:** On a vote of 41 to 6, with 6 abstentions, the General Assembly, Nov. 13, decided to establish an interim committee of the General Assembly (C.W.B. Oct. 24, 1947). The Interim Committee is to assist the General Assembly as a subsidiary during the period between the closing of the present session and the opening of the next regular session of the General Assembly. Delegates from the Soviet bloc, who opposed the resolution, said they would not participate in the committee's proceedings.

**INDIANS IN S. AFRICA:** In the Assembly First Committee, Nov. 17, the Minister of Justice, Mr. Ilesley, made the following statement on the treatment of Indians in South Africa: While our delegation has refrained from giving advice to either country whose dispute is now under consideration, this is not because our delegation is lacking in views on how the dispute might be settled. Our principal concern is that these two countries, with which Canada has special ties of association and friendship, should break the deadlock in their dispute and enter, as soon as possible, into direct discussions with a view to arriving at a friendly settlement on all the questions at issue between them.

If the decision of the Assembly is to have this constructive effect, the resolution which embodies it should be composed in such terms as not to imply judgment against one party or the other, especially since the facts and the law in the dispute have not yet been established by an impartial international tribunal.

As we believe that the draft resolution submitted by the Indian delegation is capable of this interpretation and is therefore not likely to serve to break the present deadlock, the Canadian delegation regrets that it cannot support it at least in its present form.

A number of helpful suggestions have been made in this Committee. The Canadian delegation favours the approach suggested both in the joint draft resolution, submitted by the delegations of Belgium, Brazil and Denmark, and in the amendment offered by the delegation of Norway. Both proposals contained a request that both parties enter into direct negotiations to reach an agreement. In addition they also provide that, in the event of failure to

reach an agreement in this way, the dispute should be submitted to the International Court of Justice.

The Canadian delegation contended last year, and still maintains the position, that where, as in this case, there is a dispute between the parties as to the law and the facts or at least as to the interpretation given by one party as to the law and the facts, a reference of the case to the International Court of Justice would be entirely appropriate. Moreover, if, as is likely, the Assembly will be called upon to deal with the matter again, it would in our opinion be very desirable, as others have pointed out, that we should deal with this case on the basis of impartially established law and fact rather than upon charges and opinions expressed in debate.

The Canadian delegation would hope that the Indian delegation, together with those delegations who have offered amendments to its resolution, might reach agreement on a mutually acceptable text with the authors of the joint resolution submitted by Belgium, Brazil and Denmark. Moreover, we would earnestly hope a resolution could be evolved which would be acceptable both to India and South Africa as the basis for their renewed discussions.

With regard to the draft resolution submitted by Iraq dealing with the general principle of discrimination based on race or colour, we believe that this is not a matter on which this Committee should be called upon to take a decision at this time, as this general question is not on the agenda and should be submitted, if at all, as a separate item.

Later in the day, the First Committee completed consideration of the question by adopting the Indian resolution as amended by Mexico.

The Mexican amendment, accepted by India, deleted the paragraph of the Indian resolution containing an expression of regret "at the refusal of the Government of South Africa to accept the implementation of the resolution of the General Assembly dated Dec. 8, 1946, as a basis of discussion with the Government of India and at its failure to take any other steps for such implementation."

The resolution as a whole was adopted by 29 votes to 15 with 5 abstentions.

Voting for: Afghanistan, Byelorussia, Chile, China, Columbia, Czechoslovakia, Egypt, Ethiopia, France, Guatemala, Haiti, Honduras, India, Iran, Iraq, Lebanon, Mexico, Pakistan, Panama, Philippines, Poland, Saudi Arabia, Syria, Turkey, Ukraine, USSR, Venezuela, Yemen and Yugoslavia.

Against: Australia, Belgium, Canada, Costa Rica, Denmark, Greece, Luxembourg, Netherlands, New Zealand, Nicaragua, Norway, Sweden, South Africa, United Kingdom and United States.

Abstentions: Argentina, Brazil, Cuba, Dominican Republic, Ecuador.

Absent: Bolivia, El Salvador, Iceland, Liberia, Paraguay, Peru.

Prior to the vote on the Indian resolution, a Colombian proposal for a Sub-Committee of

seven to consult with the delegations of India, Pakistan and S. Africa on a possible basis for settlement of the controversy was rejected by 26 to 13 with 8 abstentions.

A Norwegian amendment to the India resolution was rejected by 27 to 8 with 10 abstentions.

The joint resolution of Belgium, Brazil and Denmark calling for reference to the International Court of Justice, should the parties fail to reach agreement, was defeated by 24 to 18 with 5 abstentions.

The Cuban draft resolution and the Iraq resolution were withdrawn.

**TEACHING U.N. IN SCHOOLS:** J.A. Bradette (Canada) spoke in the Assembly plenary, Nov. 17, on the Norwegian resolution regarding teaching principles of the U.N. Charter in schools.

Mr. Bradette said: When this subject was under discussion in the Third Committee (C.W.B. Nov. 14) the Canadian delegation considered it necessary to make clear the constitutional position in Canada in regard to the control and administration of educational matters, and because of the limitations which exist upon the federal authorities in regard to education, we thought it proper at that time to abstain.

We should be sorry, however, if our action in this regard were interpreted as indicating any unwillingness on the part of the Canadian government to take any possible action for the purpose of making known in Canada the principles of the United Nations Charter. The Canadian government each year makes a contribution towards the support of the United Nations Association in Canada and the Department of External Affairs has made a practice of publishing and distributing widely documents which give an account of the work of the United Nations. In this and many other ways the Canadian government is endeavouring to present the United Nations to the people of Canada.

The Norwegian resolution received very wide support in the Third Committee. The amendment proposed by the delegation of Cuba elaborates the last paragraph of the resolution contained in the report of the Third Committee by requesting the Secretary General and UNESCO to furnish all possible assistance that may be asked for and requesting member states to advise the Secretary General of measures taken in this regard.

The Canadian delegation is, however, of the opinion that as other speakers have pointed out, the task of furnishing advice and assistance in the implementation of such a programme is more properly the function of UNESCO than of the Secretary General. We are, therefore, prepared to oppose the third paragraph of the amendment of the delegation of Cuba but are prepared to support the final paragraph of this amendment.

Since by our abstention on the vote in the Third Committee we have drawn our constitutional position to the attention of other

delegations, the Canadian delegation wishes to give its support now in plenary session to the principles contained in this resolution because of our desire, so far as our constitutional system permits, to fulfil the purposes we are seeking to achieve.

**FRANCO SPAIN:** The General Assembly at a plenary, Nov. 17, adopted the resolution contained in the First Committee report on relations of U.N. members with Franco Spain (C.W.B. Nov. 14, P. 6). The resolution, as adopted, recalls the steps taken by member states to comply with last year's General Assembly resolution of Dec. 12, 1946 on Franco Spain and expresses the confidence of the Assembly "that the Security Council will exercise its responsibilities under the Charter as soon as it considers that the situation in regard to Spain so requires."

The second paragraph of the resolution failed by one vote to secure the necessary two-thirds majority and was therefore rejected. This paragraph would have reaffirmed the Assembly resolution on Franco Spain of Dec. 12. The vote on the paragraph was: For, 29; against, 16; abstentions, 8. Canada voted against the paragraph.

The resolution as a whole, without the second paragraph, was carried, on a show of hands, by 36 to 5 with 12 abstentions.

**PROBLEM OF THE VETO:** After some sharp debating, the Assembly First Committee, on a vote of 36 to 6 with 15 abstentions adopted Nov. 19 a U.S. draft resolution which requested the Interim Committee of the General Assembly to consider the problem of voting (use of veto) in the Security Council; to consult with any committee which the Security Council might designate to cooperate with the Interim Committee in this study; and to report its conclusions to the next regular session of the General Assembly.

Canada voted for the resolution. The 6 votes against were cast by the Soviet bloc.

Speaking on the resolution, Nov. 18, the Minister of Justice, Mr. Ilsley said: I shall content myself with a very few words. The Canadian delegation agrees with those delegations which consider that an opportunity is now required for fuller study of various proposals which have been made with regard to the exercise of the veto in the Security Council. When the question was discussed so fully last year the Canadian delegation made certain proposals in order to try to secure practical reforms, within the framework of the Charter, in the exercise of the veto. We have other suggestions to make. However, we feel that the question cannot be dealt with effectively without fuller discussion and consultation with the permanent members of the Security Council than is possible in the days remaining of the present session. Indeed the discussion in this committee today clearly indicates that this is the case. We feel that to remove this item from the agenda would not end the

controversy over the veto but would rather increase it and be undesirable and unfortunate. The Canadian delegation will therefore support the proposal of the United States delegation. If wider cooperation could be secured by referring the matter to an ad hoc committee rather than to the Interim Committee, we would, I need hardly say, be glad to support an alteration to this effect in the United States proposal.

## NAVY'S WEATHER SHIP

**DAVIS STRAIT STATION:** The Royal Canadian Navy frigate H.M.C.S. "St. Stephen", commanded by Lieutenant E.M. Chadwick, R.C.N., and manned by a Canadian Naval crew will sail about Nov. 22 to take up position "Baker", midway between the southern tip of Greenland and Labrador, as a contribution to the North Atlantic weather reporting service, it was announced today at Naval Service Headquarters.

The frigate's station will be at the entrance to Davis Strait, where the Labrador current spews its chill waters and iceberg armada into the Atlantic.

While on station the ship's job will be the same as that fulfilled to an heroic degree by the U.S. Coast Guard cutter "Bibb", in position "Charlie" which recently rescued the 69 passengers and crew of a trans-Atlantic aircraft which had landed near the cutter after being guided to its position by the ship's radio beacon.

"St. Stephen's" duties will be three-fold. She will report at regular intervals daily on weather conditions in her particular section of the weather-breeding North Atlantic. These reports will be prepared by five civilian meteorological experts of the Federal Department of Transport.

Since she will be stationed on the track followed by aircraft flying the North Atlantic route, "St. Stephen" will carry beacons to guide planes on their trans-ocean flights.

## REPORT ON ICE CONDITIONS

The frigate will be prepared to carry out virtually any and every sort of salvage or rescue operation likely to be encountered in her particular corner of the ocean. In addition to the standard gear for frigates, she has added special towing hawsers, salvage pumps, breeches buoys, emergency radio transmitters, line firing gear etc.

Another important job she will perform will be that of reporting on ice conditions when the floes and bergs start their grim voyage down Davis Strait and into the Atlantic in the spring and early summer months.

Details as to the length of time "St. Stephen" will be at sea have not yet been finalized but it is expected a tour of duty will last about 21 days.

Courses will be given in general and specialized subjects; hobbies will be encouraged; an extensive library will be available.

Musical instruments are being gathered with a view to organizing an orchestra; a beard-growing competition has already started; bridge and cribbage tournaments will be regular events.

Members of the ship's company who will be standing watches or working on the upper deck have been issued with special clothing to protect them against the freezing temperatures and Arctic gales.

The ship itself has been winterized so that it will be comfortable below decks, regardless of the weather.

"St. Stephen", one of the last frigates to

be commissioned by the R.C.N. during the war, was built at Yarrows Limited, Victoria, and was launched in the spring of 1944. The ship had the distinction of being christened by Princess Juliana of the Netherlands.

She saw service on Atlantic escort duty and, following the close of the war in Europe, was placed in refit to prepare her for service in the Pacific. This refit was in progress when the Japanese capitulated and "St. Stephen" was placed in reserve.

Because she was one of the most modern frigates in the R.C.N., "St. Stephen" was chosen for the job.