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## WEEK'S EVENTS IN REVIEW

**UNITED NATIONS:** Opening debate in the General Assembly concluded, committee work has begun. In the Political Committee yesterday, the United States delegation proposed:

1. A finding by the General Assembly that Albania, Bulgaria and Yugoslavia are in contravention of the charter by "having given assistance and support to the guerrillas fighting against the Greek Government.
2. That the Assembly call on those governments to "cease and desist from rendering any support in any form to the Greek guerrillas".
3. That the Assembly set up a watching commission to supervise implementation of these requirements and aid the parties in reconciling their difficulties.
4. That a small special committee including the Big Five be authorized to recommend a special General Assembly meeting if the situation becomes desperate enough to warrant that action.

Merschel Johnson, submitting the U.S. resolutions, held that failure of the Assembly to act might threaten the existence of Greece and the United Nations itself.

On a vote of 38 to 6, the Committee permitted Albania and Bulgaria to sit in as interested parties (although not U.N. members) with the proviso, proposed by the United States, that they agree to the pacific settlement

clause in the U.N. Charter. Andrei Gromyko attacked the proviso as a device to bar the two Balkan states from appearing. The six voting against were: Russia, White Russia, Ukraine, Yugoslavia, Czechoslovakia and Poland.

Herbert V. Evatt, Australia, was elected chairman of the special committee on Palestine.

**MEAT PACKING STRIKE:** On the invitation of Premier Drew, representatives of seven provincial governments meet in Toronto today in endeavor to settle the wages dispute which led to the walk-out of 12,000 members of the United Packinghouse Workers of America (C.I.O.). P.E.I. and B.C. are the two provinces not represented. No official reply to the Ontario invitation had been received from P.E.I. to last night. Premier Hart of B.C. expressed sympathy with the Ontario effort to settle the dispute, but regretted that it was not possible for his province to be represented.

The Packinghouse Workers, seeking an average 17-cents-an-hour increase to bring basic wages to 92 cents an hour, are on strike at 21 plants of Canada Packers Limited, Swift Canadian Company and Burns and Company.

**RECONSTRUCTION PERIOD ENDS:** The Minister of Reconstruction and Supply, Mr. Howe, speaking in Saint John, said that for all practical purposes the reconstruction period would end with the present year. (P. 10-11)

## INCREASE IN BREAD PRICES

**EFFECT OF SUBSIDY REMOVAL:** Because of the apparent uncertainty concerning the actual effect on bread prices of the recent removal of the government subsidy paid on flour, War-time Prices and Trade Board has issued a statement showing the actual amounts by which these products are affected when the previous subsidy is transferred into price.

The subsidy removal increased the cost of wheat purchased by the millers by approximately 81 cents per bushel, or \$3.65 for the four and one-half bushels required to produce one barrel of flour (196 pounds).

By increasing the price of mill feeds produced from the same four and one-half bushels of wheat by approximately 35 cents, the net increased cost to the millers is \$3.30.

The amount by which the millers have raised flour prices is approximately \$4.05 per barrel and in so doing they have allowed 75 cents per barrel for accumulated increased costs of labour, bags and other materials.

Where bakers are now paying an additional \$4.05 per barrel of flour which produces about 280 pounds of bread or 186 24 oz loaves, it means that the actual amount by which the cost of each pound of bread is increased is slightly under one and one-half cents, or two and one-fifth cents for the 24-oz. loaf.

If the baker raises his bread price three cents for a 24-oz. loaf he makes allowance not only for increased flour costs, but also for higher costs of labor and for other materials used in bread making.

The Board also pointed out that the legal weight of the bread loaf is governed by provincial regulations and varies widely in the different areas across Canada. In the Maritime provinces the standard legal weights are 20 and 24 ounces. In Quebec, the weight varies from the large two pound loaf to a twelve ounce loaf. In Ontario, the bulk of the bread sold is in 24 ounce loaves but 16 ounce and 12 ounce loaves are also legal. In Manitoba the standard weight is one pound. In Saskatchewan and Alberta the standard is 20 ounces and in British Columbia it is one pound for unwrapped bread and 15 ounces for wrapped.

**TARIFF PACT WITH LIECHTENSTEIN:** Notes have been exchanged between the Governments of Switzerland and Canada extending most-favoured-nation treatment in tariff matters to the Principality of Liechtenstein.

Under the Treaty of Friendship, Commerce and Reciprocal Establishment between the United Kingdom and Switzerland signed at Lerne on September 6, 1855, the products of Switzerland are granted most-favoured-nation treatment on importation into Canada. However, the products of the Principality of Liechtenstein (which became, under the Treaty between Switzerland and Liechtenstein of March 29, 1923, an integral part of the Swiss Customs Union) have been subject to General tariff rates on im-

portation into Canada since Canada had not extended the provisions of the Treaty of Friendship of 1855 to Liechtenstein.

Under the Agreement now concluded, the Treaty of Friendship of 1855 has been extended on a basis of reciprocity to the Principality of Liechtenstein.

**CHIEF CURATOR NATIONAL MUSEUM:** Dr. F. J. Alcock, formerly a senior geologist in the Geological Survey, Mines and Geology Branch, Department of Mines and Resources, has been appointed Chief Curator of the National Museum, Ottawa. The appointment of Dr. Alcock marks the first occasion upon which the National Museum has had a full-time director since the death of Dr. William McInnes in 1925.

**RECORD BIRTH RATE:** Canada had a record number of new babies for a year in 1946; when live births soared to 325,805 from 288,730 in 1945, according to preliminary figures released by the Dominion Bureau of Statistics. At the same time, deaths increased only slightly to 113,519 compared with 113,414. As a result, the natural increase in Canada's population rose to 212,286 as against 175,316 in 1945. Marriages jumped even more sharply to 134,078 in 1946 from 108,031 in 1945, exceeding by a wide margin the highest wartime years.

## PEACE RATIFICATIONS DEPOSITED

**WAR ENDS WITH ITALY AND SATELLITES:** The Department of External Affairs announces that the Canadian Instruments of Ratification of the Peace Treaties with Italy, Roumania, Hungary and Finland have been deposited, thus terminating the state of war existing between Canada and these countries. The Instruments of Ratification were signed by His Majesty the King on the recommendation of the Canadian Government, after approval had been given by the Parliament of Canada.

The Instruments of Ratification of the Peace Treaties with Roumania, Hungary and Finland were deposited by the Canadian Embassy in Moscow with the Soviet Foreign Ministry at 6 p.m., Moscow time, September 19. The Instrument of Ratification of the Peace Treaty with Italy was deposited by the Canadian Embassy in Paris with the French Foreign Office at 6 p.m., Paris time, on September 15. The Peace Treaties came into force, as between Canada and each enemy state, on the date of the deposit of the Canadian Instrument of Ratification.

The Instruments of Ratification executed by the enemy states and by the United Kingdom, the United States of America, the Soviet Union and France, were deposited on September 15th.

The deposit of the Canadian Instruments of Ratification brings to a close the process of peace making with the ex-Axis satellite states of Europe and is the final step in the proce-

dures which, as far as Canada is concerned, commenced with its participation in the Paris Conference, July 29th to October 15th, 1946. The Treaties were signed by Major General G.P. Vanier, Canadian Ambassador to France, on February 10th, 1947.

Canada is still legally in a state of war with Germany and Japan, with whom peace treaties have not yet been completed.

**TORONTO'S WEDDING GIFT:** A large shipment of food for Great Britain to which every citizen will have a chance to contribute will be Toronto's wedding gift to Princess Elizabeth and Lieut. Philip Mountbatten, Mayor Saunders has announced.

Merchants will be asked to display baskets into which shoppers can drop canned goods or non-perishable food. Children will bring food gifts to school. A door-to-door collection will be organized. The food is to be sent in one mass shipment and the Mayor will ask the Federal Government to forgo postage.

## INTERNATIONAL TRADE FAIR

**WORLD-WIDE APPLICATIONS:** Applications for space in Canada's International Trade Fair, to be held in Toronto, May 31, to June 12, 1948, have so far exceeded original estimates that two additional buildings have had to be taken over, bringing the total amount of floor space required to House the Fair to nearly three quarters of a million square feet. Trade Fair headquarters announce.

The additional applications have come not only from Canadian manufacturers but as well from almost every corner of the globe, including Great Britain, United States, Holland, China, India, Turkey, Switzerland, Columbia, Brazil, France, Cyprus, South India, Portugal, Czechoslovakia, Greece, Singapore, New Zealand, Australia, Central America, Norway, Italy, Denmark, Ireland, Hong Kong, Malay States.

The Trade Fair's space allocation committee with the task of arranging the space for each exhibitor in the particular group classification in which his product belongs, has had to completely re-organize the first allocation to take care of the greatly increased number of exhibitors.

At the same time more than 120,000 invitations to buyers throughout the world to attend the fair are now ready for the mails. These will go out in five different languages, English, French, Spanish, Portuguese and Dutch.

**CANADA'S EARLY TOBACCO:** Tobacco production in Canada is generally regarded as being of recent origin. As a matter of fact, as Dr. N.A. MacRae, Chief, Tobacco Division, Dominion Experimental Farms Service, points out, limited quantities were grown locally by the native Indians before the arrival of the early explorers and mariners from France during the

16th century. Its commercial importance and potential agricultural significance, however, were not recognized until a few years following the beginning of the present century.

## UNIQUE CO-OPERATIVE

**HORSEMEAT FOR FOOD:** The development of the Horse Co-operative Marketing Association has been one of the most notable in the history of agricultural co-operation in Canada, states W.F. Chown in the Economic Annalist, the review of agricultural business issued by the Economics Division, Dominion Department of Agriculture. As World War II progressed and the shortage of food became more and more apparent, it was realized that the surplus horses of Western Canada were using grazing land that might better be used for cattle and sheep and that these horses were a potential source of food and other needed products. During March, 1944, meetings were held at several points in South-western Saskatchewan which culminated in a large meeting in Swift Current in April. A charter was obtained and a co-operative association organized for the purpose of conserving the grazing and pasture lands of Western Canada by finding a market for surplus horses with the best possible returns to the producer and where the producer would participate in the profit of the undertaking.

### CONTRACT WITH BELGIUM

In May, 1945, a contract was made to supply the Government of Belgium with 10,000 tons of pickled horse meat and with various by-products. In June, 1945, the co-operative was reorganized under its present name. An unused power plant was acquired from the city of Swift Current and converted into a horse meat packing and canning plant. Effective operation in the cannery commenced in March, 1946.

Meanwhile on July 1, 1945, a small horse meat plant at Edmonton was purchased as a going concern and enlarged to produce horse meat for human consumption, shipments of meat commencing in March, 1946. Production on the Belgium contract commenced on March, 1946. In January, 1946, a contract was entered into with the Canadian Commercial Corporation to supply 7,000 tons of canned horse meat and gravy to UNRRA.

At December 31, 1946, the investment in fixed assets at both plants cost \$720,000, of which about \$90,000 has been charged to operations, leaving \$630,000 to be carried forward and charged against future operations.

**SOLDIERS' COMMUNITY TOWN:** Soldiers and their families who have taken up residence in married quarters of Army camps have long since settled the question of whether they wanted a "camp" or "community"; "shack town" or "garden city".

At Shilo, for instance, they have among other things constructed tennis courts and a

golf links; built a playground complete with swings, slides and sand boxes for the youngsters. They have established a library and regularly publish as a community effort their own weekly newspaper. They have converted an Army hut into a chapel and Youth Centre, and set up a health clinic. And all this within the past year!

Shilo, Lt.-Col. R.H. Webb, DSO, officer commanding the Royal Canadian Horse Artillery said recently in an editorial in the camp's newspaper, is unlike almost any other community. It is combination of a Company Town and a large Co-operative.

Army men stationed at Chilliwack, B.C., Camp Borden, Ont., Churchill, Man., and Barriefield, Ont., have also become community "conscious" and are busy providing themselves with conveniences and comforts not formerly found on a military station.

Authorities have pointed out that most of the work to improve these camps is being done by the soldiers themselves almost entirely without the aid of public funds.

## PARK FLEET DISPOSAL

**ONLY FOUR UNSOLD:** Of the 176 vessels which constituted the wartime fleet of Canadian Government owned "Park" vessels, only four remain to be disposed of by Park Steamship Company Limited.

When the war ended, 170 of the 176 vessels were still afloat and the other six were lost by enemy action or had grounded and been abandoned.

Of the 170 remaining, 110 vessels were 10,000-ton dry cargo ships, of which all but one have been sold for a total of \$51,669,979, or an average of \$474,036 each; 40 were 4,700-ton dry cargo vessels, of which all but three have been disposed of, bringing an aggregate of \$14,887,496, an average of \$402,365 each; 13 were 10,000-ton tankers, all of which have been sold, bringing an average of \$549,671 each, or a total of \$7,145,722; six were 3,600-ton tankers, all disposed of for \$1,900,000 and one converted dredge, formerly a lake tanker, which brought \$225,000.

Thus the 166 ships sold returned to the Federal Treasury more than \$75,000,000, and the four still to be sold are expected to bring in the vicinity of another million and a half.

Recent sales, not previously announced, all 10,000-ton dry cargo vessels, are as follows:

- To Argonaut Navigation Co. Ltd., Montreal, one vessel, the "Fort Marin"
- To Kerr Silver Lines, Vancouver, two ships, the "Mohawk Park" and the "Fort Dearborn"
- To Andros Shipping Co. Ltd., one ship, the "Fort Perrot"
- To Vancouver-Oriental Line Ltd., Vancouver, the "Fort Yukon"
- To Seagull Steamship Co. of Canada Ltd., the "Fort Machault"

In addition to the original Park Fleet, 13 other 10,000-ton oil-burning freighters built in Canada under Mutual Aid, and employed as "Supply" ships for the British sea forces during the war, are being returned to Canada by the United Kingdom Ministry of Transport and are being sold by the Park Steamship Company for War Assets Corporation. Already four of these vessels have been sold as follows:

To the Andros Shipping Co. Ltd., three: the "Fort Kilmar", the "Fort Alabama", and the "Fort McDonnell".

To the Federal Commerce & Navigation Co. Ltd., Toronto, the "Fort Edmonton"

These four vessels brought a total of \$2,720,000.

During 1948, twenty more vessels, 10,000-ton coal burners, also built in Canada under Mutual Aid and used in the British commercial and naval services during the war, will be coming back to Canada for disposal. Negotiations for their purchase have been completed by Park Steamship Company Limited and they are all sold for delivery in 1948.

**LABOUR INCOME UP 17 P.C.:** Total wages, salaries and supplementary labour income in the first half of 1947 is estimated at \$2,845,000,000, an increase of \$410,000,000 or 17 per cent over the same period of last year, according to estimates released by the Dominion Bureau of Statistics. Total labour income in June is estimated at \$497,000,000, an increase of \$14,000,000 over the estimate for May of \$483,000,000, and \$76,000,000 or 18 per cent above the estimated total of \$421,000,000 for June last year.

More than half the increase in the first six months of this year occurred in manufacturing and trade, the two groups accounting for \$219,000,000 of the difference of \$410,000,000. On a relative basis, the greatest increases occurred in logging, water transport and construction, where labour income in the first half of 1947 was from 30 to 40 per cent higher than in the first half of 1946. Agriculture showed a decrease of almost 30 per cent which was due entirely to a reduction in the number of workers.

The number of paid workers employed in Canada increased by about four per cent between June 1, 1946, and June 1 this year. This indicates that the average income of wage earners has not increased as much as total labour income. In the same period, the cost of living index rose by about nine per cent, so that the rise in prices to a considerable extent offset the increase in workers' incomes.

**PRINCESS PAT'S MUSEUM:** The Princess Patricia's Canadian Light Infantry plan to organize a new regimental museum at Calgary. Rooms are to be created where records and souvenirs of the regiment's many engagements in two world wars will be kept.

## ANTI-SUBMARINE EXERCISES

**DESTRUCTION OF U-BOAT:** Warships and aircraft of the Royal Canadian Navy will carry out a series of anti-submarine exercises off the East Coast with one of Britain's newest submarines, H.M.S. "Artemis", it is announced at Naval Service Headquarters. The anti-submarine training programme will commence on September 28 and will continue into early December.

The "Artemis" is due to reach Halifax on September 24 after nine days at sea. She is described as an "A" class (1,200 ton) submarine, a type designed late during the past war for service in the Pacific.

The anti-submarine exercises will commence off the coast of Nova Scotia on September 28 with the Canadian-built Tribal class destroyer, H.M.C.S. "Nootka", and "Artemis" participating. They will be joined on October 5 by a second Tribal class destroyer, H.M.C.S. "Haida". Commencing October 13, "Artemis" will carry out exercises with aircraft of the 18th Carrier Air Group, operating from their base at Dartmouth, Nova Scotia.

During the week of October 19, "Nootka", "Haida" and the 18th Carrier Air Group will carry out the destruction of the surrendered German U-boat, "U-190", which has been based at Halifax since the end of the war. Gunfire, aerial bombs, depth charges and other anti-submarine weapons will be used to carry out the attack.

The anti-submarine exercises will be resumed the following week with "Artemis" and "Haida" participating.

On November 24, "Haida" and "Artemis" will depart from Halifax for Bermuda to carry out further anti-submarine exercises with ships of the Royal Navy's America and West Indies Squadron.

**CZECHOSLOVAK TAXATION LAW:** The Czechoslovak Consulate General has announced that, according to Czechoslovak Law No. 134 of May 15, 1946 pertaining to property taxes, firms and individuals owning property in Czechoslovakia are required to make declarations of their assets by October 31, 1947.

The assets in respect of which the tax is chargeable cover a wide range, including land, buildings, machinery, currency, bank accounts, securities, insurance policies, patents, valuable metals, precious stones, jewelry, objects of art, antiques and coin, stamp and other collections, etc. Returns must also be filed for claims arising from the confiscation of property as a result of racial or other legislation, war damage to property, or nationalization of property by the Czechoslovak Government.

Declarations are to be made on special printed forms which may be obtained from the Czechoslovak Consulate General, 1440 St. Catherine Street West, Montreal, P.Q. on payment of the sum of twenty cents.

**MR. COLDWELL ON PRICE CONTROL:** M.J. Coldwell, C.C.F. leader, speaking at Kirkland Lake, September 22, charged the Federal Government with "absolute failure to protect the living standards of the people".

"During the last four years of the war," he said, "the nation did a remarkable job of holding prices in line. But since 1945 the government has dropped so many subsidies and ceilings that the cost-of-living index has risen more than four times as much as it did in the last four years of war."

The government of a country which has proved its ability to hold the price-line is all the more guilty for its failure to do so now. He compared Canada's effort with the record of the British Labor Government, which "has held the price line as well that the cost of living has actually dropped since it assumed power in 1945."

"Perhaps that is why that government has not lost one by-election in all that time," he said.

## UNEMPLOYMENT UNDER TWO PER CENT

**EXTENSIVE LABOUR SHORTAGE:** The seasonal expansion of Canadian industry continues to cut into the supply of labour on hand. Jobs available at Employment Service offices now outnumber applicants for work by 33,000. This is the most extensive labour shortage which the country has experienced since the end of the war.

An uninterrupted production of goods during the past few months—due to the smoother flow of materials and the lack of major industrial unrest—has led to a steady growth in the need for workers. As a result unemployment now is less than 2 per cent of the civilian labour force. By the beginning of October, the general scarcity of labour will likely be even more acute.

There were 84,000 unplaced applicants registered with the National Employment Service at September 11, 1947. Agriculture, transportation, manufacturing and construction industries are operating at or near capacity, absorbing all available workers. Unplaced applicants declined by 9,000 in the past month to reach a level 60,000 less than one year ago. By sex, there were 58,000 male and 26,000 female applicants as against 65,000 and 28,000 at August 14.

Unfilled vacancies totalled 117,000 at September 11, an upswing of 22,000 since August 14. Students returning to school and university after temporary summer employment, have left quite a gap, especially in the ranks of unskilled workers. By sex, there were 75,000 unfilled vacancies for men and 42,000 for women.

The farm labour situation, always a problem at this time of year, is well in hand. The inter-regional movement of harvesters has progressed smoothly, with over 2,000 workers being moved to the Prairies since the middle

of August. The annual transfer of workers to the United States now is beginning in Eastern areas.

The current dispute in the meat-packing industry is the first major strike this year with Dominion-wide repercussions--in marked contrast to the stormy situation in 1946.

#### RECORD BY REGIONS

In the Maritime region there were 14,000 unplaced applicants and 5,000 unfilled vacancies at September 11. The employment situation has remained fairly stable during the past month. No marked decline in unplaced applicants was evident, since this region's unemployment problem is not merely seasonal, but chronic. The movement of unemployed persons to factories in Ontario and Quebec continued. In Halifax and Fredericton, industrial activity is at a satisfactory level--in Fredericton labour is decidedly scarce but lack of housing prevents workers from moving to the area. Heavy manufacturing industries in New Glasgow have enough orders on hand to sustain production well into next year. Farm labour demand is not insistent, though in some districts competition with construction has caused a slight scarcity. Logging activity should begin soon. Construction work is on such a large scale that it frequently outruns its supplies, and delays result; cement is the chief shortage.

In the Quebec region there were 23,000 unplaced applicants and 32,000 unfilled vacancies at September 11. Unemployment generally is at a very low ebb--in fact, not enough workers are available to meet demands. In many areas, and in many industries, acute shortages of labour have developed. There are few industries which have not increased operations appreciably in the past year. Consumer spending has been well sustained at a level high enough to absorb the expanding output of goods. The cancellation of some United Kingdom orders has affected employment slightly, but not seriously in any field. The farm labour situation is very satisfactory; in September about 5,500 workers will be sent to the United States to harvest American crops. General logging activity has started and the outlook for adequate labour this season is hopeful. Hard rock miners and mine beginners are in great demand; prospecting and developmental work is making good progress. Construction work continues at a peak level, despite acute shortages of skilled men and materials; residential construction is showing signs of renewed activity.

In the Ontario region there were 22,000 unplaced applicants and 55,000 unfilled vacancies at September 11. Jobs, therefore, outnumber applicants by two to one. Seasonal activity, now that harvesting, food processing, and construction are in full swing, accounts for much of the current labour demand; even so, all indications point to a continuing high level of employment during the winter. Manufacturing industries need workers badly. Iron and steel firms, with heavy backlogs of order,

register steady demand; labour turnover is a problem, as are material bottlenecks in some cases. Textile, rubber, and food processing companies are extremely short of workers. Students going back to school have left many vacancies for unskilled labourers, particularly in construction and agriculture. The scarcity of skilled construction tradesmen is acute. Farm labour is not plentiful; over 1,500 workers have been sent to help with the Prairie harvest, and about 300 more will be needed.

#### PRAIRIES AND PACIFIC

In the Prairie Region there were 12,000 unplaced applicants and 18,000 unfilled vacancies at September 11. Employment conditions are very buoyant and the upswing should reach its peak next month. A serious shortage of harvest workers appeared to be developing recently, but the situation is again under control. The Ontario harvest was late, which delayed the transfer of eastern workers to the Prairie region--where crop had ripened earlier than expected. Grain handling activity will begin soon at the Lakehead. Industrial unrest has blocked operations in the meat packing industry. Mining companies still require skilled men; placements are easier, however, where housing projects have been built, and labour turnover is less. The logging industry is absorbing the workers brought recently from European camps for displaced persons. Construction progress has been held up by the scarcity of skilled workers--carpenters, plasterers and bricklayers--and by the limited amount of supply shipments. Most contractors are speeding up work, so that their buildings will be "housed in" before winter comes.

In the Pacific region there were 13,000 unplaced applicants and 7,000 unfilled vacancies at September 11. Primary industries--agriculture, logging and mining--are at peak activity and need workers urgently. This situation brings into sharp focus the chief problem of this region, decentralization of the labour force. Employment is available for all workers who are physically fit and willing to leave the metropolitan area. Students returning to school and university will leave a large gap in primary industry employment. Wages in the logging industry now are the highest in British Columbia--the new 1947-48 agreement has been signed in all three forest areas. The mining industry reports no change in its labour picture--major expansion is held up by the lack of workers. The farm labour situation has been well in hand, but demands are increasing as tree fruits ripen. Construction workers are in heavy demand; the new projects scheduled for the coming months should maintain the full employment of all skilled men.

**HIGHER PRICE FOR STEEL SCRAP:** The Wartime Prices and Trade Board announces that on the recommendation of the Steel Controller in the Department of Reconstruction and Supply, prices

of steel scrap have been advanced by approximately \$5.00 per gross ton, effective Sept. 23.

Included in this adjustment is a number of changes in the dealers' allowances for the preparation of charging box size of heavy melting steel scrap as well as the maximum commissions they are permitted to charge.

For Ontario and Quebec mixed steel scrap prices have been increased to \$19.00 per gross ton at basing points, Hamilton and Montreal. All other classifications have been advanced \$4.50 per gross ton and preparation allowance for No. 1 Heavy Melting is now \$3.00 per gross ton. Dealers' commission has advanced from fifty cents to a total of one dollar.

In the Prairie Provinces and British Columbia mixed steel scrap has increased \$3.00 per net ton with a new preparation allowance of \$3.00 per net ton for No. 1 Heavy Melting and \$2.00 for No. 2 Heavy Melting. All other grades have advanced \$4.25 per net ton.

Electric furnace classification has been eliminated entirely and all authorizations for special electric size are withdrawn.

As steel scrap is a basic material required in the production of steel products this move is designed to increase the flow of this commodity to the mills.

**CHIEF JUSTICE HONOURED:** The Prime Minister, Mr. Mackenzie King, announces that it had been learned from the United Kingdom Government that the King had been graciously pleased to approve of the appointment of the Hon. Thibaudau Rinfret, Chief Justice of Canada, to be a member of His Majesty's Most Honourable Privy Council for the United Kingdom.

#### FRENCH SOLIDARITY TAX

**LIABILITY OF CANADIAN NATIONALS:** The Secretary of State for External Affairs, the Right Honourable Louis St. Laurent, announces that arrangements had recently been concluded with the French authorities defining the liability of Canadian nationals and Canadian corporations and their subsidiaries in France to the French National Solidarity Tax. This tax was imposed on French and foreign nationals by a French ordinance of August 15, 1945. It is a tax on capital and capital gains (enrichment) between June 1, 1940 and June 4, 1945. Companies who own assets in France are subject to the capital tax on the value of such assets as of June 4, 1945. Individuals are subject to the capital tax and the capital gains tax.

The arrangements concluded with the French authorities provide for the exemption of certain categories of Canadian assets in France from the imposition of the tax. Funds brought into France after the liberation and before June 4, 1945 shall not be subject to the capital gains tax. Assets owned by Canadian nationals which accumulated in France before

or during the war and which have the character of normal payments on international current account and do not represent transfers of capital are exempt from both the capital and capital gains tax. Canadians subject to the tax are entitled to deductions for debts contracted and payable in France or elsewhere under conditions as described in the French taxing ordinance.

Canadian nationals who may have already made Solidarity Tax declarations (returns) may amend such declarations and have refunded such portions of instalments of any tax paid to which they are entitled under the terms of the new arrangements.

Because of the modifications which may have to be introduced into the tax declarations of Canadian Nationals subject to the tax, the French authorities have agreed to remit, as far as possible, penalties which might be incurred by Canadians for late declaration or non-declaration as laid down in the French taxing ordinance.

Canadians who are subject to the tax and have not completed their declarations are advised to do so forthwith to avoid incurring penalties. Declaration forms and explanatory pamphlets can be obtained at the French consular offices in Quebec, Montreal, Winnipeg and Vancouver. Completed returns should be addressed either to the French consular office nearest the declarant's residence or direct to the Direction de l'Enregistrement, Premier Bureau des Successions, Place St. Sulpice, Paris.

#### SEA FISH LANDINGS

**STATISTICS FOR AUGUST:** Landings of sea fish on the Atlantic Coast during August totalled 84.5 million pounds -- less than 70 per cent of the total for August last year, according to the Dominion Bureau of Statistics. Lower catches were reported for most of the major seasonal phases of the industry, and are attributed in part to the fact that fish buyers have been less active in certain areas as a result of the weakening market situation. Cod landings were only 56 per cent, herring landings (including sardines) less than 80 per cent, and swordfish landings about 42 per cent of the 1946 figures.

On the Pacific Coast the picture is quite different. Landings of 50 million pounds were substantially above those of August, 1946. Halibut landings were more than 75 per cent, and salmon nearly 20 per cent greater than last year.

The diversion of the catch to salted products in the ground fishery of the Atlantic Coast continues. To date 57.8 per cent of the cod catch has been utilized for salting, as compared with 37.4 per cent for last year. A further development is the increased proportion of the sardine herring catch that is being used for canning: 60.1 per cent this year, 37.5 per cent last year, and 38.5 per

cent in the pre-war years.

This is reflected in the reduced exports of fresh herring to the U.S. this year. It is still too early in the trade year for definite trends to have been established for most fishery products. Exports of frozen groundfish fillets to the U.S. remain slack: 1.3 million pounds in July of this year against 3.2 million pounds last year. Exports of fresh and frozen inland lake fish to the U.S., with the exception of ciscoes, are also somewhat less than last year. On the other hand exports of Pacific halibut to the U.S. have been nearly three times greater this year, and exports of Pacific salmon almost twice as great. Export markets for salted and canned fish (including the relief feeding programme) remained strong, at least to the end of July. The U.K. government purchase of canned British Columbia salmon from the current pack has been cut back drastically, and the important Australian market for that product has been closed because of the dollar famine.

No changes in prices to fishermen are reported from either coast, except those attributable to normal seasonal variation. The index of wholesale prices appears to have resumed its downward trend but no significant changes are reported in the retail prices as of August 1.

Only insignificant changes are reported in stocks of groundfish in cold storage at Sept. 1, as compared with the previous month. With the exception of smoked cod fillets, however, stocks are substantially below those of the same date in 1946. Stocks of halibut, herring, salmon and whitefish, on the other hand, are considerably higher than last year's. Total holdings are almost equal to last year's figure, 50.8 million pounds, compared with 49.0 million pounds.

As to catch, disposition and prices, fisheries statistics for August show little change from the general pattern set in the first half of the year.

**SEED FOR EXPORT:** With generally reduced production of the 1947 principal field crops, it is not expected that the quantities of registered and certified seed available for export will be in excess of those exported from the 1946 crop, says the Agriculture Department. Export permit applications already received for this class of seed, indicate a desire to export quantities far in excess of the surplus likely to be available.

Though a preliminary export surplus of common spring wheat has been established to permit some trading, the final quantity which will be approved for export is not likely to exceed that of last year, about 900,000 bushels. It is not yet possible to establish even a preliminary figure for the export of oats, barley, and flax seed.

**FEEDS EXPORT RESTRICTED:** On September 13 the Canadian Wheat Board instructed the grain trade that in accordance with advice from the Dominion Department of Agriculture permits to export oats or barley, whole or ground, would not be approved during the current crop year.

The Agriculture Department now announces that the same export restrictions apply to millfeeds, protein feeds of all kinds and commercial feeds.

Estimated domestic supplies of concentrate feeds are barely sufficient to support the present Canadian livestock on a productive basis. Export of livestock feeds would seriously handicap the feeding of livestock and might force considerable liquidation of farm animals, the effects of which would be widespread not only to farmers but also to consumers generally, and may affect the filling of current meat contracts with Britain, the Department said.

It would appear evident that all available supplies of feeds in Canada will be absorbed at reasonable advances over ceiling prices which were in effect until recently.

**CROP CONDITIONS:** Harvesting operations have been practically at a complete standstill in the Prairie Provinces over the past two weeks, according to the Dominion Bureau of Statistics. Before the wet weather set in harvesting in Manitoba was nearly completed, whereas in Saskatchewan about 60 per cent was finished and in Alberta, apart from the southern areas, little or no threshing has been done.

Threshing of wheat and coarse grains in Manitoba is fairly well completed with the exception of some western and northern areas of the province. Wet weather has held up operations generally and a large share of the flax crop has not yet been cut. Thresher's reports on flax already harvested indicate quite good yields and with a reasonable improvement in harvesting conditions the Manitoba flax crop should come up to expectations.

**POLISH GIRLS WELL TREATED:** The Federal Labor Department has released a report commenting favorably on the working and living conditions of the 100 Polish girls brought to St. Georges de Beauce, Que., from displaced persons camps in Europe to work in the Dionne spinning mills.

The report was prepared by Victor Podoski, former Polish minister plenipotentiary to Canada, and now an employee of the Labor Department.

"My own conviction is that the labor conditions of the Polish girls are quite satisfactory, that living conditions are very good, and that the treatment is absolutely fair and truly Christian," said Mr. Podoski, who visited St. Georges from September 11 to September 13.

"It seems to me that insofar as the rumors of 'conditions of virtual bondage' are con-

cerned, resulting in the sending of protests and delegations, the trouble arose through emotional reaction of the well-meaning (the majority) before an inquiry was made, and through malice of some (a few) whose aim it is always to create unrest and stir up trouble.

**WEEKLY SECURITY PRICE INDEXES:** The following are security price indexes of the Dominion Bureau of Statistics for the week ending Sept. 18, 1947, a week and month earlier:

|                                 | Sept. 18 | Sept. 11 | Aug. 21 |
|---------------------------------|----------|----------|---------|
| <b>INVESTORS' PRICE INDEX</b>   |          |          |         |
| (100 Common Stocks)             | 104.1    | 104.0    | 105.4   |
| 74 Industrials                  | 96.9     | 96.7     | 98.8    |
| 18 Utilities                    | 117.7    | 117.8    | 116.3   |
| 8 Banks                         | 129.2    | 130.4    | 129.0   |
| <b>MINING STOCK PRICE INDEX</b> |          |          |         |
| (27 Stocks)                     | 88.8     | 86.5     | 86.7    |
| 23 Golds                        | 81.0     | 79.2     | 76.9    |
| 4 Base Metals                   | 102.0    | 98.5     | 104.0   |

## WORLD TRADE DIFFICULTIES

**BANK OF MONTREAL SUMMARY:** The significance for Canada of the difficulties that continue to accumulate in the path of restoration of world trade is only tardily becoming generally appreciated in this country, says the Bank of Montreal's current monthly business summary. Canada's dependence on external trade is well known, as is the fact that before the war this country traditionally was able to use the foreign exchange accruing from a net excess of exports overseas to pay for a net excess of imports from the United States. At the present time Canada's exports are running at record peacetime levels and imports, in dollar value, are the highest in this nation's history. But perhaps not fully realized is the limited and temporary nature of the expedients whereby trade has been maintained and increased within a pattern of contrary balances but with the surplus from one area not applicable against the deficit with the other. On the one side, these expedients consist principally of substantial governmental loans that have enabled the United Kingdom and other European nations to acquire needed goods without immediate payment. On the other, imports from the United States are in record figures as is also the reverse visible balance of trade with that country, and it would appear that the deficit is in large part being financed by depletion of this country's reserves of U.S. funds.

A permanent and satisfactory resolution of the situation from Canada's standpoint hinges upon the recovery of the exporting capacity of overseas nations and the re-establishment of a broad area within which multilateral trade is possible. Given such conditions, countries now buying largely on credit could pay for the

greater part of their requirements from Canada in exchange that would be readily convertible into U.S. dollars or other needed currencies. Recent developments do not augur an early realization of these objectives.

On August 20 the United Kingdom announced suspension of the arrangements whereby, since the first of the year, a growing number of countries had been accorded the privilege of converting sterling into U.S. dollars in respect of current transactions. Thus in the case of more than thirty countries to which, prior to August 20, Canadian exports could be made against payment in either sterling or U.S. dollars, shipments must now be for payment in U.S. dollars only. The present situation is therefore virtually the same as had existed prior to the beginning of this year. Settlement in sterling or in Canadian or U.S. dollars is acceptable for exports to countries in the sterling area. Shipments to a few countries with which Canada has made special arrangements may be paid for either in Canadian or U.S. dollars. Exports to Newfoundland may be settled in Canadian dollars. Exports to all countries not included in the above categories must be paid for in U.S. dollars.

(The sterling area consists of the United Kingdom and the British Dominions, Empire, mandated territories and protectorates (except Canada, Newfoundland, Egypt and Anglo-Egyptian Sudan) and Iraq, Transjordan, Iceland and the Faroe Islands.)

Special arrangement countries are Belgium, Luxembourg, Belgian Congo and Ruanda-Urundi, Czechoslovakia, Egypt and Anglo-Egyptian Sudan, France and the French Empire, Netherlands and Netherlands East and West Indies, and Norway.)

**PINK SALMON EXPORT PERMITTED:** Permits for the export to any destination of pink salmon (fresh, frozen, salted or smoked) will be issued freely as from Thursday, Sept. 25, according to simultaneous announcements by the Export Permit Branch, Ottawa, and the Chief Supervisor of Fisheries, Vancouver. The run of pink salmon thus far this year ensures an adequate supply for domestic needs making possible this relaxation in export controls.

**NEW FIELD FOR WOMEN:** Canada is opening a new field of endeavour to young women who are endowed with the pioneer spirit. Nurses' companions are required for three nursing stations at Fort Chimo and Port Harrison in the Ungava region of northern Quebec, and Lake Harbour in southern Baffin Island, which have been established to provide health and educational facilities for the Eskimo.

The general welfare of these nomadic people in the Canadian north is a joint responsibility of the Department of Mines and Resources, which administers these vast areas, and the Department of National Health and Welfare, which is responsible for native health services.

## END OF RECONSTRUCTION PERIOD

**MR. HOWE'S WARNING NOTE:** For all practical purposes, the reconstruction period will end with the present year, said the Minister of Reconstruction and Supply, Mr. C.D. Howe, addressing the Saint John N.B., Maritime Board of Trade, Sept. 24. The transition from war to peace, Mr. Howe added, is practically accomplished. The number of jobs being offered exceeds the numbers of those seeking employment. Production is on an unprecedented high level. Canada's national income is exceeding the most optimistic estimates. Canada's supply situation is coming into balance and the limiting factor today is manpower. It seems an opportune time for the Department of Reconstruction to disappear, and for the established departments to take over its continuing functions.

Following a review of the situation in the Maritimes, Mr. Howe continued: I know you share with me a feeling of optimism over Canada's economic prospects. However, I feel that I should sound a note of warning at this time about the situation in regard to rising prices and its probable adverse effect on economic conditions next year. You are being warned of this danger repeatedly, but I fear that the facts brought forth to support this warning are not always very convincing. I would like, therefore, to view the over-all situation briefly as I see it.

### DEMAND POSITION OF MARKET

Let us look first at the demand position of the market. Limited evidence is now accumulating that the first flush of post-war investment is over, and that investment outlay may therefore level off in 1948. This levelling off is already noticeable in the United States. In the consumers' goods market, the rate of consumption expenditures since the end of the war has been increasing faster than the disposable income of individuals. There is evidence that individuals are reducing their rates of savings from wartime levels. While the current rate of savings of our citizens is still materially higher than before the war, it is unlikely that it will continue to be reduced for the sake of making income available for the purchase of consumer goods. Therefore, consumer expenditure should soon bear a very close relationship to current consumer income. As a result, a levelling off in consumer demand, can be expected next year. Economic conditions abroad, and our own difficult foreign exchange position, could also ease the demand for exports. Without further increases in price levels, therefore, it seems fairly certain that there will be a general softening of demand next year. By a "softening of demand" I do not mean a decrease in demand, but a failure of demand to continue to expand at the rates that have prevailed since the ending of hostilities, a rate set, in most cases, by the rate of expansion of supplies. This phenomenon

is not a cause of worry, and is to be expected. It represents the using up of purchasing power accumulated during the war years. Thereafter, the dynamic factors supporting prosperity must be those generated from day to day.

There are not now the reserves of demand in the market to tolerate material increases in prices, and if businessmen as a whole take the short-run point of view that they should make windfall profits while the opportunity exists, they will most likely find that the opportunity does not in fact exist, and that they have priced themselves out of the market. The most pertinent observation on the present relationships between selling prices and the level of income is to say that a great many wage and salary earners can hardly afford to purchase their own product, at market prices. Under these circumstances, a whole range of goods could suddenly encounter a decrease in demand, either relatively or absolutely. The effect of this is already becoming evident in the construction industry, as accumulated savings are used up. Sight must not be lost, also, of the degree to which the disposable income of the farming population in recent years has been the result of favourable crops. Wage and salary earners, and the farmers, between them receive about three-quarters of the disposable income of individuals, and any material changes in the price level forces them to make substantial changes in their pattern of spending.

### REASONABLE PRICES A BUOYANT ELEMENT

The point that too many businessmen miss, I fear, is that the controlled price levels in Canada have not been a penalty on private initiative, but rather insurance against future possibilities of adversity. As the demand for goods and services softens, whether with or without further price increases, and as the increasing volume in goods eases current shortages, the market will be increasingly sensitive to prices. The necessity for a cut-back in prices holds the material for a first-class recession. Reasonable price levels provide the buoyant element to tide us over the critical few months when panic could take hold.

Any decrease in volume of business will immediately crystalize cost-price inequities. There has been a wartime divorce of relative prices from relative values. This factor will probably give the businessman concern when the demand for, and the supply of, goods start to come into balance. For eight years, most prices have been under control, and the basis for the revision of prices has been costs. The value of goods, on the other hand, depends on buyer preferences. As scarcities end, buyer preferences will become the final arbiter of price. There is no reason to expect that preferences will follow too closely the pattern prevailing before the war.

Here is where the Canadian price level

comes into play. At present, this level is below world levels, and particularly American levels. This is one of the basic reasons why it is rising. If, through concerted effort on the part of Canadian business, it can be kept below these levels until demand and supply come into balance with each other, the general level of world prices will give support to our price structure, and reduce the number of prices that will have to be revised downwards, thereby helping the economy to carry itself over a difficult period. If, however, our price level has moved up to the world level before the adjustment between demand and supply occurs, the buoyant element is removed.

Furthermore, the world price level will probably come down in due course. If the Canadian price level moves up to it too quickly, or overshoots it under inflationary or speculative pressures, costs will also rise, increasing the maladjustments that will have to be ironed out the hard way.

### CANADA'S ECONOMY STRONG

As we are well aware, Canada is a great exporting country, and presently the third among the nations in value of exports. We rely on our exports to provide funds for purchasing from other countries those products which Canada must import, such as petroleum, coal, cotton, citrus fruits, as well as components for manufactured articles, of which the Canadian content is only part of the whole. Last year, the value of Canada's exports exceeded the value of imports by some \$450,000,000, a very healthy situation. We are still in good position as far as relative value of our exports and imports is concerned, but we are facing a serious difficulty through the non-convertability of national currencies. Unfortunately our exports and our imports do not flow in the same channel. In pre-war years, we relied upon our surpluses in sterling and other currencies to pay for our shortages in American dollars. Such an arrangement is becoming more difficult each month.

Canada foresaw this situation during the war years, and took steps to prevent its occurrence. Loans, in excess of 2 billion dollars, were granted to countries that have been our traditional customers, for the purpose of tiding them over the transition period required to bring their war shattered industries back to health. Canada became a subscriber to the National Monetary Fund and to the Bank of International Settlements, this with the same end in view. We now find that our hopes for free interchangeability between dollars and other currencies are not being realized. The problem of financing Canada's exports and imports has been, and is at the moment, receiving the most intensive study. Since the problem depends on the collective action of a number of countries, the solution is not easy to come by. However, I am confident that a way will be found that will permit us to dispose of our surplus products and pay for our essen-

tial imports. The best financial minds of many countries are engaged on that task at this moment.

I hope that what I have said this evening will not be construed as pessimism. I am not pessimistic. Next year will mark the effective ending of the transition of our economy from a war to a peace time basis. Such turning points are always possessed of some dangers, but next year's dangers are certainly no greater than those of 1945, when we had to start the allocation of men and resources away from war use. Our economy is strong. Our production stands at the highest level in history, and rising. Employer-labour relations are excellent. The Canadian people are enjoying a high level of income and employment. It is up to us to keep it that way. The most effective method is to increase productivity, and to hold down prices until demand and supply can be brought into balance. I know that the business men of the Maritime Provinces can be relied upon to do their part.

**MRS. GEORGE POWER:** The Department of External Affairs issued to-day the following press release.

Mr. George F. Power of the Department of External Affairs was posted to the Canadian Embassy in the U.S.S.R. in April, 1943. While in Moscow, he met and married Miss Eleanora V. Kuznetsova, a ballerina. The marriage was performed by civil contract on February 4, 1945, and was solemnized in a Roman Catholic church a few days later. Mr. Power left Moscow on July 6, 1945, to return to the Department of External Affairs in Ottawa.

Mrs. Power applied for a Soviet exit visa in February, 1945, shortly after her marriage. This application was refused in July, 1945. Since then, the Canadian Government approached the Soviet Government seven times on behalf of Mrs. Power in unsuccessful efforts to secure permission for her to leave the U.S.S.R.

The first approach was made to the Soviet Government in September, 1945. On June 26, 1947, the Secretary of State for External Affairs, the Right Honourable L.S. St. Laurent, made a statement in the House of Commons outlining the representations made by the Canadian Government on behalf of Mrs. Power up to that time. The seventh approach was made in July, 1947, when the Canadian Government requested the Ministry of Foreign Affairs of the U.S.S.R. to approach the branches of the Soviet Government responsible for such matters, in order to secure without further delay an exit visa for Mrs. Power. A reply was received from Mr. A.Y. Vishinsky, the Soviet Vice-Minister of Foreign Affairs, in August, 1947, to the effect that the Ministry of Foreign Affairs of the U.S.S.R. saw no reason at the present time to raise that question again before the competent Soviet authorities.

Information has now been received that Mrs. Power has applied to the Soviet authorities for a divorce.