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INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

CANADA'S AIR POLICY: Addressing on October 28 the annual meeting of the Air Industries and Transport Association, the Prime Minister, Mr. St. Laurent, spoke in part as follows:

"The great progress that has been made both in the field of air operations and in aircraft production since the end of the war has been due in no small manner to the work of your Association. The records show that from 253 commercial aircraft in operation in March 1945, Canadian companies, in March of this year, had more than 1,300 aircraft in commercial operation. They also indicate that last year Canadian aircraft carried three times the number of passengers they carried in 1946, more than 1,800,000 air travellers. That figure represents something like one-eighth of Canada's population and strikingly emphasizes the part that aviation is playing in the lives of Canadians.

"That significant increase in business has brought about a new concept of airline operations. When Trans-Canada Air Lines was established in 1937 it was conceived as a main-line operator on an east-west basis. On the other hand, private operators working on a north-south basis were considered to be feeder lines. Well, development has been so great that concept is no longer adequate. Many of the lines operated by private concerns are now so active that they too must be regarded as main lines. And, conversely, some of the lines operated by TCA have become in fact, feeder

lines. Thus the original idea of retaining the main-line type for TCA only and the feeder-line type for private operators only has to be reconsidered.

When I acted as host at a dinner given in honour of the delegates of the International Air Transport Association earlier this month I paid tribute, and it was a well-earned tribute, to the pioneers of aviation whose perseverance and courage have made this air age possible. I referred briefly to the part that Canadian pioneers had played in the development of aviation both on the flying side and the technical side of the industry. I made special reference to that hardy breed of men who had done so much and who are still doing so much to explore and to exploit vast areas of our country accessible only by air. They are the men who have earned for themselves that honourable and distinctively Canadian title of "bush pilot"...

I was interested to learn of the suggestion... that steps be taken to found an air museum so that a visual record of our nation's achievements in aviation might be maintained. Those achievements have been considerable and I think it is most fitting that they should be kept before the public in this fashion. May I therefore extend to the Association my best wishes for the success of this commendable project should it be undertaken.

I believe it is correct to say that in the early days of aviation greater recognition was

WEATHER SHIP PROBLEM: Implying that reduction of the number of weather stations in the North Atlantic below a minimum of ten would impose "very serious limitations wherein the safety of air operations will be prejudiced regardless of what regularity and economic penalties are observed", a Department of Transport official submission has been presented to the International Civil Aviation Organization. This report was prepared prior to the recent announcement by the United States Government of its intention to discontinue that country's contribution to the North Atlantic network of weather ships.

The Department of Transport submission was prepared in response to a request from the Secretary-General of ICAO which was based on recommendations made at the third conference last July on ocean ships. This material has therefore been prepared for some time and may have to be revised in the light of recent developments. The submission however refutes erroneous conclusions reached in some quarters as to Canada's views on this subject. The report sums up the official Canadian views in the following words:-

"From the standpoint of providing adequate meteorological communications and air traffic control services to meet foreseeable requirements over the North Atlantic it is our opinion that a 13-station network is required in the North Atlantic Ocean. It is appreciated, however, that the best that can be hoped for at the moment on a purely civil budget, is a 10-station programme. The penalties involved on the reduction from 13 to 10 stations will we believe not involve sufficient operating penalties to prevent the introduction of jet aircraft on the North Atlantic but will most certainly affect their regularity and economy.

"Any reduction below 10 stations will carry with it very serious limitations wherein the safety of air operation will be prejudiced regardless of what regularity and economic penalties are observed. From the standpoint of current commercial traffic any reduction in the weather station network below 10 would, we are convinced, bring many complaints from operators concerning the efficiency of service provided at Montreal, Goose and Gander. These complaints would be well justified and would arise from either a reduction in safety or severe penalties in regularity or economy of operation of the present aircraft.

"In view of the foregoing we recommend that no change be made in the North Atlantic Ocean Station network programme as agreed at the second conference except for such revisions to the financing of the scheme as may appear appropriate in the light of the present frequency of operation by states."

Some 14,012,175 man-hours were worked in Canada's asbestos mines last year as compared with 12,622,744 in 1951.

HALIBUT CONVENTION: The convention between the United States and Canada for the preservation of the halibut fishery of the Northern Pacific Ocean and the Bering Sea came into effect on October 28, when the Secretary of State, Mr. John Foster Dulles, and the Canadian Ambassador, Mr. A.D.P. Heeney, exchanged instruments of ratification in Washington.

The Halibut Convention, which was signed in Ottawa on March 2, 1953, is the fourth in a series between the two governments and replaces the Convention of 1937. The name of the Commission, originally established by the 1923 Convention, and continued since that date, has been changed to International Pacific Halibut Commission. Its former name, "International Fisheries Commission", was chosen at a time when this Commission was the only one of its kind. The formation since then of other international fisheries commissions made it desirable that each be readily identified from its name, hence the addition of the descriptive words "Pacific" and "Halibut" to the name.

The Convention differs from the 1937 Convention in three particulars. The first and most important change is that the Commission may now establish more than one open season during the year. This power to declare more than one open season is expected to increase the yield from some halibut stocks which may be under-utilized at present. The size of the Commission is enlarged from four to six members, three from each country. The third change of substance is a provision for the exercise of regulatory authority respecting halibut caught incidentally to fishing for other species of fish during the open season. The 1937 Convention had provided for this type of regulation only during the closed season.

The Canadian members of the International Pacific Halibut Commission are:

- George R. Clark, Assistant Deputy Minister of Fisheries, Ottawa;
- Richard Nelson, Vancouver, B.C.;
- Harold Helland, Prince Rupert, B.C.

PAPER-USING INDUSTRIES: In terms of number of establishments, value of production, fuel and electricity and material costs, number employed and size of payroll, 1951 was a record-breaking year for Canada's paper-using industries.

The number of establishments in the group, which includes the paper box and bag industry, the miscellaneous paper goods industry and the roofing paper industry, increased by 16 during the year to an all-time high of 421 that was 55 above the 1945 total of 366 and over a third more than 1939's 310. Gross value of production jumped 18.5 per cent to a record \$351,944,692 from \$297,006,474 in 1950, material costs soared 19.8 per cent to \$200,474,644 from \$167,377,864, and fuel and electricity costs rose 5.4 per cent to \$2,802,829 from \$2,660,241.

NEW TCA PLANS BLOCKED: Honourable Lionel Chevrier, Minister of Transport, announced on October 30 that, because of objections raised by the United States Civil Aeronautics Board, Trans-Canada Air Lines had been compelled to put aside its plans for establishment of an air service between Montreal and Mexico City.

The Minister explained that, under an agreement between the Canadian and Mexican Governments, TCA had been authorized to establish an air service from Canada to Mexico City and had been granted a permit by the Mexican authorities to operate from Montreal by way of Tampa, Florida, to Mexico City carrying traffic between Canada and Mexico. TCA also under an agreement between Canada and the United States is authorized to carry traffic between Montreal and Tampa. TCA plans for operations had been based upon combining these operations in a single service, which would carry Canadian traffic as far as Tampa and would then continue onward to Mexico carrying any Canadian traffic bound for Mexico but not carrying any local traffic between Tampa and Mexico. This operational pattern, the Minister stated, was one in wide use by international airlines. It was the basis on which, for example, TCA operated through London to Paris and Dusseldorf and Air France operated through Montreal to Chicago.

The Minister stated that the Civil Aeronautics Board in the United States had refused to allow TCA to operate in this fashion, indicating that any TCA flight carrying Canadian traffic to Mexico must be carried in a completely separate aircraft from Canada, rather than combined with TCA's present service to Tampa. Since this would require TCA to use two aircraft where one aircraft would be sufficient to provide the necessary services, the difficulties created for TCA had made it necessary for them to give up their plans for service to Mexico for the present.

OATS POOL CLOSES: The Right Honourable C.D. Howe, Minister of Trade and Commerce, announced on October 30, that the 1952-53 oats pool has been closed and the surplus for distribution to producers is \$10,949,996.58. Producers delivered 118,967,962 bushels of oats to the 1952-53 oats pool, and therefore the average final payment is 9.2 per bushel.

Mr. Howe stated that the Canadian Wheat Board will complete the distribution of interim wheat payment cheques on November 2nd and will commence issuing the final oats payment cheques on November 3rd. On the conclusion of the distribution of the final oats payment, the final payment will then be made on the 1952-53 barley pool.

In 1952 the average Canadian consumed 128.2 pounds of meat, almost 10 pounds more than the 1953-39 average of 118.3.

NEW MISSILE RANGE: The RCAF's new air-weapons firing range, now under construction at Grand Center, approximately 180 miles north-east of Edmonton, Alta., is expected to be ready for use by the summer of 1954.

The first of 45 major buildings at the new air base - which is part of the air-firing range - are nearing completion and will shortly be taken over by the Air Force. One fighter squadron will operate from it, on a rotation basis, to give all squadrons air-weapon training.

In addition, a completely self-contained townsite settlement is planned to provide living accommodation for approximately 2,000 airmen and technical personnel who will be training and working there.

The range area, which extends over portions of Alberta and Saskatchewan will be used to train pilots in air-to-air rocket firing. The new site is not a guided missile range so far as ground-launched weapons are concerned.

The site, easily accessible by railroad, will take care of all foreseeable developments in air weapons in the immediate future.

Under the lease agreements with the Alberta and Saskatchewan governments certain provisions have been made for periodic exploitation of the natural developments of the 4,000-square-mile area.

CNR FISCAL REPORT: Latest income and expense figures for the Canadian National Railways show a decline in the system's net revenue position and the company doubts that the ground which has been lost can be recovered by the end of the year.

Statistics for September released recently point up a trend that has been developing over the past three months. They reflect a general reduction in traffic volume which has been evident since July and which shows signs of continuing.

Operating revenues for the Canadian National system, all inclusive, amounted to \$59,797,000 in September as compared with \$57,590,000 for the same month last year. In the same period, however, operating expenses rose to \$55,892,000 as against \$50,711,000 a year ago. The result is a decrease of \$2,974,000 in net revenue for the month. Aggregate figures for the first nine months of 1953 show a drop in net revenue of \$5,161,000.

CNR economists explain that because of the lower physical volume of traffic, rate increases which have taken effect in 1953 have not yielded as much new revenue as had been anticipated, and not enough to cover heavier expenses resulting principally from wage increases.

Well over half of the 1953 pack of canned peas came from Ontario, and about one-fifth of the total from Quebec.

REHABILITATION AGREEMENTS WITH 3 PROVINCES:

Hon. Milton F. Gregg, Minister of Labour, announced on October 30 that agreements for the coordination of rehabilitation services for disabled persons had been signed by the Federal Government and the governments of Saskatchewan, New Brunswick, and Manitoba. He congratulated the three provinces on being the first to sign the agreements, and said he was extremely pleased that another important step had been taken toward improving the treatment and services for handicapped people on a nation-wide basis. He said there were important reserves of unused manpower among Canada's handicapped people, and that the nation could no longer afford the luxury of maintaining in idleness those handicapped men and women who were willing and able to work.

The agreements provided that the Federal Government would contribute an amount not exceeding \$15,000 to each of the three provinces during the fiscal year ending March 31, 1954. During the ensuing fiscal years, it was agreed that the amount to be contributed would not exceed whatever amount was authorized by the Governor-in-Council.

The new agreements, which would remain in effect until March 31, 1958, stipulated that each of the three provinces should contribute an amount of money at least equal to that contributed by the Federal Government. The Federal action would make available funds which would assist each province in carrying out its agreement to appoint a provincial coordinator who would be responsible for the coordination of the rehabilitation services within the province. His duties would include: membership on an interdepartmental rehabilitation committee to be established by the province, the establishment of local committees within the various communities to draw together all those bodies interested in the welfare of disabled people, and the organization of a case-finding and case-referral system in the province.

For its part, the Federal Government agreed that the national coordinator would be available to assist the province in drawing up rehabilitation plans, and that the National Employment Service would be available for placing disabled workers in employment.

The three provincial governments and the Federal Government also agreed that the selection of disabled people who would be eligible for assistance under the agreements would be made without discrimination in regard to racial origin, colour, religious views, or political affiliations.

* * * *

An estimated 81,224 passenger cars and 35,153 commercial vehicles were withdrawn from use in Canada in 1952. The total of 112,377 is down from estimates of 127,443 for 1951 and 137,393 for 1950, but up sharply from 74,876 for 1949.

SECURITIES: The volume of trading in outstanding securities between Canada and other countries in August continued to be light although for the first time in five months a sales balance was recorded, according to the Dominion Bureau of Statistics. The month's sales balance amounted to \$1,600,000 in contrast to a purchase balance of \$4,000,000 in July.

The principal factor contributing to this change was the absence of any net repatriation of non-resident holdings of Government of Canada direct and guaranteed issues for the first month since March, 1951. In the intervening months, net repurchases of these issues, heavily concentrated in the 13 months ending October, 1952, and in May and June, 1953, totalled \$327,000,000. The small inflow of capital recorded in August was for the purchase of bonds; transactions in stocks were practically in balance.

Trade with the United States in August led to a purchase balance of \$1,600,000, while trade with the United Kingdom and other countries resulted in sales balances of \$900,000 and \$2,300,000 respectively. Transactions with the United Kingdom have led in the first eight months of the year to a capital inflow to Canada of \$13,000,000 contrasting with a small outflow during the whole of 1952.

Trade with other countries has also been significant and the inflow of \$15,800,000 to the end of August exceeds the inflow recorded in the 12 months of 1952. Transactions in Canadian bonds and stocks have both contributed to the sales balances with the overseas countries.

* * * *

MANUFACTURING WEEKLY EARNINGS: Average weekly earnings of Canadians employed in manufacturing reached a new peak of \$58.30 last year, 7.6 per cent better than the 1951 high of \$54.18 and more than 70 per cent above the 1946 average of \$34.25, according to the annual report of the Dominion Bureau of Statistics on earnings and hours of work in manufacturing.

The report, based on nation-wide surveys taken in the last week of October, places last year's increase in average weekly earnings in the durable goods industries at 8.0 per cent, the average advancing to \$63.20 from \$58.53 in 1951, and at 6.8 per cent in the non-durable goods industries, where the average rose to \$53.47 from \$50.05. Manufacturers of durable goods employed 50.1 per cent of all the wage-earners in manufacturing in 1952 as compared with 49.3 per cent in 1951, while manufacturers of non-durable goods employed 52.2 per cent of all the salaried employees as against 53.4 per cent in the preceding year.

* * * *

Last year Canada produced about 66% of the world's output of asbestos.

EDUCATION GRANTS FOR INDIANS: At least 700 young Canadian Indians will be assisted in advanced study this year by tuition grants totalling approximately \$300,000, Hon. Walter Harris, Q.C., Minister of Citizenship and Immigration, said today.

Assistance previously given by the Department to Indians learning trades or attending universities has had very satisfactory results, he said.

An Indian dentist has just commenced practice in Victoria, B.C., and another student was awarded the Governor-General's Silver Medal as the medical graduate obtaining the highest number of points at Laval University this year.

The dentist is Roger Ross of the Songhees band. The Laval graduate is Leon GrosLouis, a Huron Indian from the Lorette Reserve near Quebec City who also won the Poliquin prize at the university.

Among those being assisted by the Department this year are 18 university students, including two doing post-graduate work; 21 students of nursing and 12 learning to be nurses' assistants; six attending normal school and seven teachers who took training courses last summer. There are also 40 commercial students, while other trades represented include laboratory technicians, mechanics, barbers, dress-makers, agriculture, domestic science, hair dressing, forestry, drafting and shoemaking.

Many of these students will return to help their own people, but this is by no means a condition of assistance; they are free to make any use they wish of their talents and training.

* * * *

MANUFACTURING CONCERNS INDIVIDUALLY OWNED: a smaller percentage of Canada's manufacturing establishments were individually owned in 1951 than in the preceding year, the proportion falling by one per cent to 44.6 from 45.6 per cent to continue the gradual decline of recent years, according to the annual report of the Dominion Bureau of Statistics on the type of ownership of the manufacturing industries of Canada.

Individually owned concerns still constituted the largest single ownership group in all provinces except Ontario, Manitoba and British Columbia in 1951, incorporated companies being the most numerous in these three. The provincial proportions ranged from 34.7 per cent in British Columbia to 57.5 per cent in Saskatchewan for individual ownership; from 11.3 per cent in Quebec to 34 per cent in Newfoundland for partnerships; from 16.3 per cent in Newfoundland to 43.9 per cent in British Columbia for incorporated companies; and from 0.2 per cent in Newfoundland to 7.2 per cent in Prince Edward Island for co-operatives.

CONCERT EVERY 19 HOURS: Eighty-nine major engagements in 10 weeks or one every 19 hours. That's the record of the band of the Royal Canadian Artillery of Halifax that has been entertaining United Nations troops in Korea since August.

Under direction of Lt. Harry Wragg of Halifax, the 33-piece ensemble left little doubt that they rate with the best bands in the Canadian Army. There are also many more engagements to meet before they sail for home in early November.

On-the-spot reports from Korea place the vocal quartet and the Gypsy Orchestra as the most popular sections of the band. The versatility of the RCA musicians has also been praised; they sing anything from folk songs and concert classics to the more popular western ballads.

Apart from entertaining the various Commonwealth and American units in Korea, the band also officiates at all ceremonial parades at 1st Commonwealth Division Headquarters and ensures a royal send-off to all homeward bound troops. With all this activity go the tasks of arranging new concerts, preparing scripts, rehearsing and travelling all over the front.

In line with Army policy of band rotation, the RCA Band will be replaced by that of the Royal Canadian Corps of Signals of Kingston early in November.

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PRIME MINISTER HONORARY COLONEL: The Right Hon. Louis Stephen St. Laurent, P.C., Prime Minister of Canada, has accepted an appointment as Honorary Colonel of Les Voltigeurs de Quebec, a Quebec City Reserve Force unit. Defence Minister Brooke Claxton announced on October 30.

This isn't the first time that the unit has had one of Canada's leading statesmen as an honorary commander. From 1899 until his death in 1919, Sir Wilfrid Laurier was Honorary Lieutenant-Colonel. Sir Wilfrid had served as a militia officer in the Fenian Raids campaign as an ensign in the Athabaska Infantry Company.

Les Voltigeurs de Quebec was organized in March 1862, as the 9th Battalion, Les Voltigeurs de Quebec. Its present designation was adopted in April 1946, when the unit was converted to a motorized infantry battalion.

Its history dates back to the days of the Northwest Rebellion and troops from the ranks of the unit served with the RCR in South Africa. In the First World War it recruited officers and men for the 12th, 57th, 14th and 22nd Battalions of the Canadian Expeditionary Forces. Battle honours awarded the unit include "Northwest Canada 1885", "Somme 1916", "Hill 70", and "Amiens".

During the Second World War Les Voltigeurs de Quebec provided many officers and men for service with the Royal 22nd Regiment.

CANADA'S AIR POLICY

given to the military potential of aircraft than to the civilian possibilities. This was certainly the case in Canada, where first the Air Board in 1919 and then the Department of National Defence in 1922 were given control of both civilian and military aviation. That decision, I suppose, was a natural one in view of the fame acquired in the Great War by Canadian aviators and of the achievements of Canadian aircraft plants in the production of military and training aircraft. Names like Bishop, Barker, Collishaw, MacLaren, McLeod and others continue to inspire the admiration of Canadians for their daring exploits, and justly so. But I think it is to be regretted that the remarkable achievements in aircraft production by Canadian firms during the same war seem to have been largely forgotten.

And these achievements were remarkable too. I have learned, for example, that in the short space of eighteen months over 3,000 trainer aircraft were produced by a Toronto plant mainly for the use of the United Kingdom. I also learned that several dozen flying-boats, with wing-spans as large as World War Two bombers, were produced for the United States Government....

CIVILIAN PRODUCTION

On the production side, the aircraft industry, like other industries, has been able to apply to civilian production the lessons that were learned and the discoveries that were made during the period of the war when advances, which would normally have required years, were made in a short space of time. It is accurate to say, I believe, that the gas-turbine engine would not yet be in general use nor would the electronic devices and safety equipment be so far advanced had it not been for the stimulus provided during the late war. It is unfortunate that it takes a war to accelerate such developments but some comfort can be derived from their subsequent application to peacetime aviation.

And I am sure that the \$105 million which the Government has provided for capital assistance since the outbreak in Korea to stimulate the production of military aircraft will in the long run indirectly assist in the production of civilian types.

There is also a relationship between the military and civilian operation of aircraft....

An excellent example... is the participation in the Korean air lift of aircraft of both the RCAF and Canadian Pacific Airlines....

Canada is now playing a major part in both civilian and military aircraft production as well. During the last war Canadian plants were devoted largely to producing aircraft designed by other nations. To some extent they are still producing aircraft of foreign design, although often with Canadian modifications. But now they are also designing and producing distinctively Canadian aircraft, both civil and military.

In military production the Canadian-built F86 "Sabre" jet, with which our air division in Europe is equipped, forms the main line of defence from attack across the Iron Curtain. The completely Canadian development through all stages of the powerful all-weather fighter, the CF-100, and of the "Orenda" jet engine are achievements of which the Canadian industry can be proud. And we are also producing jet-training planes, the T33 without which we would have no pilots to fly our fighters.

While unfortunately, due to the "cold war", we have been forced to concentrate on military production, Canada's record of production of civilian aircraft is a commendable one. We were the first nation on this continent to design and produce a jet-liner; unfortunately its further development had to be arrested by the requirements of military production after the outbreak of war in Korea. It was our aircraft industry which successfully wedded a British-type engine with an American-designed air-frame to produce the "North Star", a craft which has given splendid service not only to the RCAF and the Canadian airlines but also the British Overseas Airways Corporation. And of course, I must not fail to mention those hard-working aircraft, the "Otter" and the "Beaver", which have earned a popularity far beyond our borders....

SERVICES TO AVIATION

On the commercial side, for many years the Department of Transport has been providing such services as radio ranges, the construction and improvement of airfields and runways, meteorological reports, the licensing of pilots and other regulatory functions. In fact, the Government has over half a billion dollars invested in facilities of this nature. In addition, it has been making grants of \$100 to flying clubs and schools for each graduate student in order to increase the number of Canadians who hold private licences....

In the regulation of the commercial air services, the Government has tried to follow the policy which would be in the best interests of the nation and of the industry. After the last war as you know, the number of commercial operators mushroomed and the Government attempted to bring about conditions where each operator would have an opportunity to get established, unhampered by chaotic conditions arising out of unregulated competition.

But I will assure you that the Government does not necessarily intend to guarantee every operator a permanent monopoly in his area. We do wish to avoid the situation which existed in our railway-building era, when companies were permitted to construct lines in a territory served by rivals when there was not even sufficient traffic to sustain one line. Perhaps the classic example of this kind of folly was the construction of three rival parallel lines between Montreal and Toronto at a time when there was sufficient business for only one....



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WEEK'S EVENTS IN REVIEW

OPENING OF PARLIAMENT: Canada's Parliament will be asked "to approve further assistance for relief and rehabilitation; for technical assistance and for continued participation in the Colombo Plan," it was announced in the Speech From the Throne, read by the Governor General, Mr. Massey, at the formal opening of the First Session of the Twenty-Sixth Parliament in Ottawa on November 12.

The Speech, which customarily indicates much, but not necessarily all, of the legislative programme of the Government, said at the outset that this was a time when, if peace were maintained, "we have every reason to look forward to the continuing development of this prosperous and happy nation," and touched on international affairs as follows:

"Much remains to be done before there can be a permanent and durable peace in the world. My Ministers therefore consider it would be unwise for the free nations to slacken our efforts to build up and maintain the necessary strength to deter aggression and they intend to continue to work to that end.

"We have every reason for satisfaction that through the use for the first time of collective police action the objective of the United Nations in Korea has been substantially achieved. The aggressors have been driven back, the fighting has ceased and an armistice has been concluded. My Government earnestly hopes that a political conference will ultimately succeed in restoring peace in Korea.

"Canada has continued to contribute to those international projects which will promote human welfare and thereby remove some of the causes of unrest and dislocation. You will be asked to approve further assistance for relief and rehabilitation, for technical assistance and for continued participation in the Colombo plan.

"The Alliance of the North Atlantic nations has been effective thus far in preventing aggression in Europe. My Government continues to regard the Treaty as one of the foundation stones of Canada's external policy. The formation of the air division of the Royal Canadian Air Force in Europe is now completed. The Brigade group of the Canadian Army is performing its role effectively in the integrated force. Canadian Naval strength is increasing.

"Canada's total volume of external trade has reached record levels. But dollar shortages in many countries have persisted and continue to create problems for some of our exporters. Another Commonwealth Conference with respect to financial and economic matters is to be held in Australia early in the New Year.

"Tariff concessions negotiated at Geneva in 1947, at Annecy in 1949, at Torquay in 1950 and 1951 under the General Agreement on Tariffs and Trade have been extended for an additional period.

"My Ministers are convinced that nations can best achieve economic strength and security through more liberal trade and overseas

SEAWAY PROGRESS: Dealing with the St. Lawrence Seaway when speaking in Ottawa, the Minister of Transport, Mr. Lionel Chevrier, declared on November 9 that the latest moves by the Administration at Washington were not only of the greatest importance to Canada but were indicative of the desire of the Administration to see the construction of the Power Project started.

Here is what was accomplished at one stroke:

On November 4th, the New York State Power Authority accepted the Federal Power Commission's license which authorizes it to construct jointly with Ontario Hydro the Power Development in the International Rapids Section of the River.

On November 5th, President Eisenhower signed an executive order designating the New York State Power Authority as the "entity", in accordance with the terms of the Order of Approval of the International Joint Commission. Canada, many months ago, designated Ontario Hydro as the "entity" to develop our share of the power.

The President named the Secretary of the Army and the Chairman of the Federal Power Commission as the two U.S. members of the Board of Engineers, as recommended by the I.J.C. order.

The Secretary of State and the Solicitor General both made representations to the Court of Appeals in the State of Washington urging that Court to hear without delay and dispose of the appeals against the granting of the license.

This expeditious action on the part of the United States is most gratifying to Canada, said the Minister. If the representations made before the Courts are successful, then it is quite possible that construction would begin in the Spring of 1954. All these steps taken in quick succession are due to the representations made by the Prime Minister to the President during his visit last May and to the talks which both Mr. Howe and Mr. Pearson had with the Attorney General and the Secretary of State recently.

* * * *

MANUFACTURERS' INVENTORIES: Total value of inventory held by Canadian manufacturers at the end of August was \$3,985,800,000, an increase of \$46,300,000 over July and nearly eight per cent above the same month last year, according to the Bureau's monthly report. In index terms, August inventories stood at 212.9 as compared with 210.5 in July and 198.1 in August last year. Inventories actually owned by manufacturers were valued at \$3,532,700,000, an increase of one per cent over July and a rise of four per cent over August, 1952. Inventories held but not owned by reporting manufacturers, which, after a slight decline in June, had resumed their upward movement, reached \$453,100,000, the increase during August amounting to three per cent.

MAN OR STATE: Speaking before the Holy Name Society in Ottawa on November 8, the Minister of Transport, Mr. Lionel Chevrier, referred to the recent statement made by Sir Winston Churchill: "There has been a lessening of tension and probabilities of another war have diminished or at least become more remote".

We all hope, he said, that this is so. Nonetheless we must seek peace with even greater effort. If war is always imminent or peace is so difficult of attainment, is it not because society is ill? The world is in a state of turmoil. Modern man - the man of today - is frustrated. He is anxious. He is influenced by the outside world. He is face to face with a number of false ideas and false doctrines. Of these there is one that has gathered great strength. It has practically swept the whole of the Eastern world and threatens to make inroads in the West.

Marx said that democracy is founded on the principle of the "sovereign worth of a person", but this, he said, is based upon a dream and an illusion. Molotov develops this idea by saying "bread is a political weapon", which means that only those who think his way may eat. According to this doctrine, persons by themselves have no value. An individual has a value only inasmuch as he is the representative of the revolutionary class, outside of which man has no value. For us the human personality is the supreme value. For us, man has rights which are God-given and not State-given. This is the crucial point at issue in the world today. This explains how Russia uses war tactics in Korea and more particularly its attitude towards war prisoners.

The struggle is not so much between individualism and collectivism, free enterprise and socialism, democracy and dictatorship. These are only the superficial manifestations of a deeper struggle which is moral and spiritual and involves above all else whether man shall exist for the State or the State for man.

It has not been given to every generation to see the issues as clearly as it has been given to ours.

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WHEAT SUPPLIES: Visible supplies of Canadian wheat in store or in transit in North America on October 21 jumped to 319,713,000 bushels as compared with 316,642,000 a week earlier, and 245,743,000 on the corresponding date last year, according to the Bureau of Statistics weekly statement. At the same time, deliveries of wheat from western farms dropped to 9,862,000 bushels from 12,416,000 the week before and 11,759,000 a year ago.

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From 1926 to 1950 the length of Canada's paved highways rose from 6,891 to 24,877 miles, and surfaced highway mileage from 57,412 to 169,498 miles.

MORE SUPPLIES TO NATO LANDS: Further quantities of Canadian military supplies, particularly vehicles, will be shipped during November to the French, Danish and Norwegian armies under the Mutual Aid Agreement of the North Atlantic Treaty Organization, Army Headquarters announced on November 2.

It is the second such shipment to be announced in the past week and, in effect, means that during November a total of 18 ships will sail from Canadian ports carrying Canadian aid to at least six NATO countries.

Other countries to which Canadian military supplies are being shipped in November are Italy, Portugal and The Netherlands.

The new shipment includes 150 jeeps and batteries and 65 military 3-ton trucks for the French Army; 48 trucks for the Royal Norwegian Army, and 30 trucks for the Royal Danish Army.

Jeeps and batteries for the French Army will be shipped from Montreal approximately November 10 and will be unloaded at Marseilles. The trucks will be despatched from Hamilton, Ont., aboard three ships sailing November 2 and November 18 for Toulon, France.

The 48 trucks destined for use of the Royal Norwegian Army will be shipped from Hamilton to Oslo, Norway in three ships sailing November 10, November 12 and November 20.

Vehicles for the Royal Danish Army also will be despatched from Hamilton in three ships sailing November 5, November 10 and November 21. They will be unloaded at Aarhus, Denmark.

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POPULATION NEARS 15,000,000: Canada's population increased 112,000 during the three months from June 1 to September 1 this year, rising from 14,781,000 to 14,893,000, according to the Bureau of Statistics quarterly estimate of population. This increase compares with an estimated gain of 104,000 in the corresponding quarter of 1952.

For September 1 last year, the Bureau put the population at 14,534,000. In the twelve months to the latest estimate, the estimated gain in population was thus 359,000. The annual estimate for the June 1 census date indicated a rise of 351,000 in the twelve months from June 1, 1952, and of 772,000 in the two years since the 1951 census. At September 1 this year the population had therefore increased by an estimated 884,000 since the census was taken.

Previous Bureau estimates indicated a population rise of 115,000 in the four months from September 1 last year to January 1 this year. If an equal increase occurs in the same period this year, the population will reach 15,000,000 before the year ends.

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About one-eighth of Canada's gold production comes from base-metal mines.

PERMANENT CANADIAN BASE IN EUROPE: On November 10, Canada took over its first permanent army base in Europe.

On that date, at a special opening ceremony, the United Kingdom High Commissioner for Germany, Sir Frederick Hoyer Millar, officially handed over to Canada the four new camps built in the Soest area of the British zone of Germany.

The camps, built at a cost of 75,000,000 Deutsche marks, will be the home of the new 1st Canadian Infantry Brigade. This group is now in the process of replacing the 27 Canadian Infantry Brigade, which has filled Canada's NATO commitment in Europe for the past two years.

More than 150 distinguished soldiers, diplomats and politicians attended the opening ceremonies and watched Sir Frederick Millar hand over the camps to the Hon. T.C. Davis, Canadian Ambassador to the Federal Republic of Germany. As representative of the Canadian Government, Mr. Davis, in turn handed the camps to Lt.-Gen. G.G. Simonds, Canadian Army Chief of General Staff.

The four new camps are located at Soest, Werl, Hemer and the Mohnesee and encompass an area of approximately 25 square miles.

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GREETINGS TO COSTA RICA: The Department of External Affairs announced on November 4 the appointment of Mr. H.A. Scott, Ambassador of Canada to Cuba, as Special Ambassador of Canada to Costa Rica on the occasion of the transmission of the Executive Power to the President-elect of Costa Rica, His Excellency José Figueres Ferrer.

Mr. Scott, accompanied by Mr. G.A. Cooper, Assistant Canadian Government Trade Commissioner in Guatemala, attended the ceremonies at San José, Costa Rica, which began on November 6.

The Ambassador transmitted to the new President a message from the Prime Minister extending his personal congratulations, and greetings to the people of Costa Rica on behalf of the people of Canada.

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MR. ALLARD'S APPOINTMENT: The Department of External Affairs announced on November 6 the appointment of Mr. Hector Allard as Permanent Delegate of Canada to the European Office of the United Nations at Geneva.

Mr. Allard was born at Notre Dame de la Paix, Manitoba. He has been a member of the Department of External Affairs for 21 years, in the course of which he served in Washington, Mexico and Brussels. Before his appointment as Head of the Consular Division in the Department in 1952 Mr. Allard had spent two years on secondment as Chief of the International Refugee Organization Mission in Canada.

THE FIGHT AGAINST CANCER: "In recent years no nation has shown greater energy than Canada in its efforts to defeat the deadly scourge of cancer," said the Minister of Health and Welfare, Mr. Paul Martin, at the official opening of the Ontario Cancer Treatment and Research Foundation's Cobalt 60 Beam Therapy Clinic in Toronto on November 6.

As a result, he said, while cancer was still the second leading cause of death in Canada, there existed greater hope for the cancer sufferer today than ever before. In cancer research more has been accomplished in the last thirty years than in the preceding three centuries.

A notable milestone in Canada's cancer programme, he added, was the development by Canadian Government scientists of the Cobalt 60 Beam Therapy Unit. This apparatus, which provided a new and potent weapon to combat cancer, had received world-wide recognition and placed Canada among the leaders in the fight against cancer. At the present time the demand for these units, both here and abroad, was greater than could be met by the Crown Company -- Atomic Energy of Canada Limited -- which was still the world's only producer of this equipment.

FIVE INSTALLATIONS

The present Toronto installation brought to five the total number of units now in operation across Canada. Canadian-built equipment had also been purchased for hospitals in the United States at New York, Chicago and Minneapolis; for the Mount Vernon Hospital in London, England; and for a centre in Italy.

It was the Government's hope that Cobalt 60 Units would eventually be in operation in every province and particularly at university centres where trained physicists and medical consultants are continually available for advice and necessary supervision.

"At the present time," he said "Atomic Energy of Canada is building a new and more powerful reactor which will increase substantially the supply of cobalt available for this purpose. In consequence, it is expected that beginning in December of next year, it will be possible to step up production to two new units each month."

Mr. Martin announced that the federal Government had just approved financial assistance towards the purchase of two additional Cobalt 60 Beam Therapy Units, to be installed at Hamilton and Windsor, Ontario. The Province's two remaining University centres, Ottawa and Kingston, might be expected to complete construction arrangements for the receipt of Cobalt 60 Units soon thereafter.

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Net earnings from patient services account for 73% of the total revenue of Canadian public hospitals, provincial and municipal grants for 13%, and other sources for 14%.

CANADIAN MEDICINE AT WAR: The official account of the professional and clinical aspects of Canadian service and civilian medicine in the Second World War becomes available on November 14 with the publication of the volume of the "Official History of the Canadian Medical Services 1939-1945", dealing with Clinical Subjects. It is issued under the authority of the Minister of National Defence and edited by Dr. W.R. Feasby, a wartime lieutenant-colonel in the Royal Canadian Army Medical Corps and now a lecturer in physiology at the University of Toronto.

The Second World War produced a great advancement in medical knowledge. The advent of modern techniques in surgery, made possible by the use of antibiotics and improved methods in anaesthesia, the introduction of early ambulation after surgery combined with proper rehabilitation measures, the application of improved immunization practices, these and many other developments find places in this volume. The application of scientific research to the medical problems of warfare is discussed. Statistical tables covering all three services, which form an important part of the book, will assist in solving future manpower problems.

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FARM LABOUR DECLINE: In a recent report on farm labour, the National Advisory Council on Manpower was told that, with mechanization, technological advances and improved utilization of manpower, the working force in agriculture had been declining each year without any falling off in production. At August, 1953, it was estimated that the agricultural labour force stood at 964,000, a reduction of 43,000 from August, 1952 and the lowest figure for the month in many years.

The report stated that we have been fortunate in Canada, since our expanding industrial economy had been able to absorb the surplus workers, but the rate of movement from agriculture to other industries had caused very real shortages of farm labour, especially at certain seasons of the year.

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ARMY LIFE "PREVIEWS": The Canadian Army plans to throw open its camps and stations across the country to teen-aged youths who would like to "preview" Army life before considering a military career.

Groups of boys who express an interest in the Army will be taken on conducted tours of Army camps. The groups must be accompanied by a civilian teacher or guidance counsellor, and will be transported to and from their school or town in military vehicles.

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The cost of electricity for domestic service was lower in 1952 than in 1935-39 in all parts of Canada except British Columbia, the average for all Canada being down nearly 5%.

(Continued from P. 1)

OPENING OF PARLIAMENT

investment policies and they are continuing their efforts to bring about the progressive reduction of trade restrictions."

Dealing with domestic affairs, the Speech said in part.

"At home we continue to enjoy general prosperity although there are some sectors of our economy which have been faced with difficulties. Our farmers have harvested the second largest wheat crop in Canadian history. Private capital investment has reached levels never before attained. Employment is at high levels.

"While more houses are being built this year than ever before, the growing population of Canada requires a continued expansion of housing. You will be asked to consider measures to increase and broaden the supply of mortgage money so that more people with moderate incomes will be able to find facilities to assist them to build their own homes....

NORTHERN CANADA

"The strategic importance of the northern part of Canada has increased greatly in recent years. Its place in the economy of Canada is steadily growing and will continue to expand in future. You will be asked to consider a Bill to change the designation and orientation of the Department of Resources and Development and to define the responsibilities of the Government with respect to the affairs of the Yukon and the Northwest Territories, including the Arctic Archipelago, and the welfare of the Eskimos....

"The New York State Power Authority has accepted a licence granted by the Federal Power Commission in the United States for the development of the United States' share of power in the international rapids section of the St. Lawrence River. It is hoped that litigation in the United States will not have the effect of delaying the construction of the Project.

"As further steps in helping to improve social welfare, co-ordinated plans for rehabilitation of disabled persons are being worked out with the provinces and a measure to facilitate the establishment nationwide of a Federal-Provincial assistance programme for totally disabled persons will be submitted for your consideration...."

The Speech concluded with references to the intended revision of the Bank Act and Criminal Code and other items of legislation to be brought before Parliament.

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POLIO INCREASE: More than double the median or expected number of cases of poliomyelitis were reported in Canada last year, the 4,755 ten-province total exceeding the 1947-51 median of 2,291 cases by 2,461, the Dominion Bureau of Statistics has announced.

U.S. - CANADIAN TRADE COMMITTEE: The Department of External Affairs announced on November 12 that the Governments of the United States and Canada have concluded an agreement establishing a Joint United States-Canadian Committee on trade and economic affairs. The agreement was effected by an Exchange of Notes between the Canadian Ambassador in Washington and the United States Secretary of State on November 12. The Canadian members of the Committee will consist of the Secretary of State for External Affairs and the Ministers of Finance, Trade and Commerce and Agriculture or Fisheries. The United States members will be the Secretaries of State, the Treasury, Agriculture and Commerce.

The suggestion that a Joint Committee of this type might be established was originally made during the visit of the Prime Minister to Washington last May. Both Governments have recognized that the free world is vitally interested in promoting a healthy flow of international trade. The activities of the Joint Committee will constitute one aspect of the efforts of both countries in promoting satisfactory trade relations on a multilateral basis throughout the free world.

The Joint Committee which will meet at least once a year alternately in Washington and Ottawa will consider broad questions affecting the harmonious economic relations of the two countries. After receiving reports of the Joint Committee's work each Government will have an opportunity to consider measures to improve economic relations and to encourage the flow of trade.

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TO PATROL QUEEN'S FLIGHT ROUTE: Three ships of the Royal Canadian Navy will carry out ocean patrol duties on portions of the route over which Her Majesty the Queen and the Duke of Edinburgh will fly to Bermuda and Jamaica late this month, the Department of National Defence has announced. They are HMC Ships Micmac (destroyer), Algonquin (destroyer escort) and Prestonian (frigate).

The three Canadian units will form part of a chain of ships stationed at intervals in the Atlantic along the route of the Royal flight, which is scheduled for November 23-25. The bulk of this commitment will be undertaken by ships of the Royal Navy. HMCS Micmac will patrol an area off Newfoundland, HMCS Algonquin off Sable Island, and HMCS Prestonian north of Bermuda.

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NATO TROOPS HOME: More than 800 soldiers of the Canadian Army, all members of the 27th Canadian Infantry Brigade, returned to Canada on November 9. The vanguard of 4,000 yet to come, will go directly to their homes on leave after having spent the past two years on duty in Germany with other forces of the North Atlantic Alliance.

ST. LAWRENCE RIVER JOINT BOARD: The Department of External Affairs announced on November 12 that the Governments of the United States of America and of Canada have concluded an agreement for the establishment of the St. Lawrence River Joint Board of Engineers.

The purpose of this four-man Board is to review, coordinate and approve the detailed plans and specifications of the power works and the programme for their construction in the International Rapids section of the St. Lawrence River. The Board is also to ensure that the construction of the power project is in accordance with the requirements already approved by both Governments and the International Joint Commission.

The Agreement, which is now in force, is contained in an Exchange of Notes signed at Washington on November 12 by General Bedell Smith, Under-Secretary of State, and by the Canadian Ambassador, Mr. A.D.P. Heeney.

In anticipation of this Exchange of Notes, the Canadian Government appointed on November 10 the Honourable Lionel Chevrier, Minister of Transport, and Mr. R.A.C. Henry, Consulting Engineer, to be the representatives of Canada on this Board. On November 4, 1953, President Eisenhower appointed the United States Secretary of the Army and the Chairman of the Federal Power Commission to represent the United States. Members of the Board may be represented by alternates.

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11 NATIONS' GRADUATES: The 1953 graduating class from the Canadian Army Staff College at Kingston, Ont., will comprise a total of 86 officers representing 11 different nations, it was announced on November 9 at Army Headquarters. Of that total, 73 are Canadians including two members of the Royal Canadian Air Force. In addition, there are 13 officers from Commonwealth and NATO countries completing the course.

Two were sent each by the United Kingdom, United States and Turkey. Australia, India, Pakistan, Italy, France, Norway and Belgium each were represented by a single candidate.

RADIATION DETECTION EXERCISE: The Canadian Army's No. 1 Radiation Detection Unit, a force of specialist members of the Corps of Royal Canadian Engineers trained in the detection, plotting and control of radioactive contaminated areas, will embark on another training exercise later this month.

The scheme, named "Exercise Hope 11", and designed to test the operational and administrative efficiency of the unit, will be conducted at the waste disposal area of the Eldorado Mining and Refining Company plant, near Port Hope, Ont.

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MARINE INSURANCE: The Minister of Transport, Mr. Chevrier, announced on November 9 that marine underwriters in London, England, abolished additional marine insurance premiums on ships trading to ports on the mainland of the coast of British Columbia, between 50° and 54°30' north latitude. This follows representations made to the Commonwealth Shipping Committee, London, England, by the Department of Transport and the Vancouver Chamber of Shipping, and of a survey made in British Columbia in June, 1953, by Sir Clement Jones, C.B., Chairman of the Committee.

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SAVINGS BOND RECORD: The Bank of Canada threw away the form book as sales of Series 8 Canada Savings Bonds crowded the half billion mark. More than 900,000 orders, as of November 6, rang up a total of \$492,822,350 in a splurge without precedent in Canada Savings Bond records. Bank officials said that it was probable that final campaign figures would cross \$600 million - double the amount of \$307 million recorded at the end of the active selling period in 1952.

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CONSUMER PRICE INDEX: The Dominion Bureau of Statistics consumer price index advanced from 116.2 to 116.7 between September 1 and October 1 for a gain of 0.4 per cent. All group indexes except clothing were higher.



CANADIAN WEEKLY BULLETIN

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WEEK'S EVENTS IN REVIEW

PRESIDENT EISENHOWER'S VISIT: President and Mrs. Eisenhower were given a royal welcome to Canada on the occasion of their visit to Ottawa on Friday and Saturday, November 13 and 14. Although there were all the customary formalities, the President and his wife were greeted by the street crowds more like old friends and good neighbours than great dignitaries.

The outstanding public event of the visit was an address by President Eisenhower to Members of the Senate and House of Commons in the House of Commons Chamber on November 14. His words were broadcast over a national network. His remarks centered on the following three observations:

"The free world must come to recognize that trade barriers, although intended to protect a country's economy, often in fact shackle its prosperity. In the United States there is a growing recognition that free nations cannot expand their productivity and economic strength without a high level of international trade...."

"Joint development and use of the St. Lawrence-Great Lakes waterway is inevitable, is sure and certain. With you, I consider this measure a vital addition to our economic and national security. Of course, no proposal yet made is entirely free from faults of some sort. But every one of them can be corrected, given patience and co-operation...."

"You of Canada and we of the United States can and will devise ways to protect our North America from any surprise attack by air. And we shall achieve the defence of our continent without whittling our pledges to western Europe or forgetting our friends in the Pacific...."

The following is the text of a Joint Communiqué issued on the conclusion of President Eisenhower's visit:

"During the course of President Eisenhower's state visit to Canada, the Prime Minister of Canada and Members of the Canadian Cabinet had an opportunity of having informal discussions with him on matters of mutual interest to the United States and Canada. The President and the Prime Minister last reviewed some of these questions when the Prime Minister visited Washington last May.

"Views were exchanged on recent developments in the world situation and on measures which might bring about a relaxation of current international tensions. It was agreed that all efforts for peace and improved world conditions being made by the United Nations or elsewhere should be supported and the necessity of maintaining the strength, unity and determination of the free world to resist aggression was fully recognized.

"The President and the Prime Minister agreed on the importance to the free world of healthy national economies and of the ex-

WHEAT SUPPLIES: Total Canadian wheat supplies for the 1952-53 crop year are currently estimated at 957,000,000 bushels, consisting of carryover stocks of 362,700,000 and the new crop, estimated on the basis of yields at September 1, at a next-to-record 594,300,000 bushels.

Stocks of wheat in country elevators on October 14, at 178,100,000 bushels, were up considerably from those of a month ago and exceeded by wide margins the stocks of 139,700,000 and 96,900,000 bushels in the same position in 1952 and 1951, respectively.

Stocks in transit in the Western division were 12,600,000 bushels, somewhat below the 14,900,000 last season and 12,900,000 two years ago. Supplies in Eastern elevators were well above those of the preceding two years. Stocks in bay, lake, and Upper St. Lawrence ports at 42,600,000 bushels were up sharply from the 23,100,000 and 16,200,000 in those positions in 1952 and 1951, respectively, while holdings of wheat in Lower St. Lawrence and Maritime ports were almost double those in each of the two previous seasons.

Total visible supplies at October 14 amounted to some 316,600,000 bushels, exceeding by 30 per cent and 58 per cent the total visible supplies of Canadian wheat at approximately the same date in 1952 and 1951, respectively.

Subject to realization of current production and utilization estimates, the balance remaining on October 1 this year for export and for carryover is estimated at 744,300,000 bushels as against 686,600,000 a year ago.

Total exports of Canadian wheat and wheat flour in terms of wheat in September amounted to 24,200,000 bushels, and with the exception of last year, were the highest for the month since 1945. Although this year's September exports were down from both the preceding month and September, 1952, they were some 15 per cent greater than the 10-year average for the month of 21,100,000 bushels.

9-MONTHS' CHEQUES \$100 BILLION: The value of cheques cashed in 35 clearing centres across Canada during September totalled \$10,446,000,000; an advance of nearly four per cent over last year's September total of \$10,065,000,000, according to the Dominion Bureau of Statistics. This brought the cumulative total for the first nine months of 1953 to \$100,015,000,000 as compared with \$90,203,000,000 in the like 1952 period, a gain of 10.9 per cent.

Canadian chartered banks operate abroad through more than 100 branches, agencies and subsidiaries located in the United Kingdom, the United States, France, Cuba, the West Indies, and Central and South America. The gross assets of these branches totalled more than \$1,000,000,000 at the end of 1952.

MAJ. GEN. VANIER RETIRING: The Department of External Affairs announced on November 16 that Major-General George P. Vanier, D.S.O., M.C., Canadian Ambassador to France (since 1944) will relinquish his appointment at the end of this year and retire from the government service after a distinguished career of 38 years in the Army and the diplomatic service.

General Vanier was born in Montreal in 1888. He graduated from Laval University in 1911 and practised law for two years in Montreal before he joined the Canadian Army in 1914. During his active service in France with the Royal 22nd Regiment, he was awarded the Distinguished Service Order and the Military Cross. He was severely wounded in action. Between 1919 and 1939 he served successively as Aide-de-Camp to the Governor-General; as Canadian Representative to the Permanent Advisory Commission for Military, Naval and Air Questions, as Technical Adviser to the office of the Canadian Advisory Officer at Geneva, and as Secretary at the Office of the High Commissioner for Canada in London. In January, 1939, General Vanier was appointed Canadian Minister to France.

Upon his return to Canada in October, 1940, General Vanier was appointed member of the Canada-United States Permanent Joint Board on Defence, and also served as Joint Chairman, Civilian Recruiting Committee, Montreal. He was then appointed as District Officer Commanding, Military District No. 5 in Quebec.

In January, 1943, General Vanier was appointed Canadian Minister to the Allied Governments in London and, later that year, was made Canadian Representative to the French Committee on National Liberation. He was transferred from London to Algiers in that same capacity in January, 1944, and remained there until his appointment as Canadian Ambassador to France in November, 1944.

PETROLEUM PRODUCTION UP: Crude petroleum production for all Canada amounted to 8,277,152 barrels in August, up from 8,057,507 barrels in July and 38 per cent above last year's August output of 5,997,984 barrels. Aggregate production to the end of August this year was 49,718,249 barrels as compared to 37,735,480 last year, a rise of more than 31 per cent. Production was higher this year than last both in August and the eight months in all producing regions except the Northwest Territories.

Expenditures on transportation and communications, mainly highways, accounted for nearly 31% of the total net general expenditure (exclusive of debt retirement) of all Canada's provincial governments in the fiscal years ended nearest March 31, 1953, as compared with 28% in the preceding year.

CANADA AT THE UNITED NATIONS

OFFERS INCREASED TECHNICAL AID: Canada's willingness to increase in 1954 its contribution to the United Nations technical assistance programme, provided that the support from other contributors warranted such action, was announced by Senator Stanley McKeen at the Fourth Technical Assistance Conference held in New York on November 12. He said:

"I am happy to speak for Canada at this Fourth Technical Assistance Conference, during which we hope to secure the financial support necessary to assure the continuance of technical assistance during the year 1954 as a truly expanded programme."

"I am sure that we all agree that the war on want is the road to peace. The United Nations Technical Assistance Programme, by helping to improve standards of living and thus increasing the sense of security and brotherhood among the peoples of the world, is a considerable factor in the building of firm foundations for world peace. In another way, too, it helps in achieving this same purpose."

"We all know that changes in methods of production, in industrial technology and so on, are likely to hurt someone, even though in the long run the great majority may benefit from them. Our technical assistance programme, by providing training and guidance where they may be most needed, can facilitate adjustment to the new ways and reduce to a minimum the temporarily harmful effects of too rapid industrial change."

"It is of course in the nature of a pilot plant - an experiment, but so far a successful one; successful not least because all countries can contribute something useful to others. In fact, and from a selfish point of

view, though we do not expect to be the direct recipient of technical assistance ourselves, we are sure that we, like others, shall share in the benefits of the programme as a whole.

"For these reasons the Canadian Government strongly supports the principle of technical assistance, and has contributed financially both to the Commonwealth scheme of technical assistance which is part of the Colombo Plan, and to the three previous United Nations programmes."

"As we have heard from the Executive Chairman of the Technical Assistance Board and the Director-General of the Technical Assistance Administration, this fourth financial period marks a critical stage in the history of the programme. Now that our pilot plant has shown its worth, the requests for assistance have begun to outrun the resources available, and it is to be hoped that contributions received for the 1954 financial period will enable the programme to be continued at a useful level."

"Last year the Canadian Government contribution was \$800,000 which has all been paid in. I am pleased to announce on behalf of the Canadian Government, Mr. President, that it is prepared, subject to Parliamentary approval, to raise its contribution to the 1954 programme to a maximum of one million five hundred thousand dollars provided that the support from other contributors in our view warrants such action, and provided that the total of contributions is sufficient to keep the programme at a level which we regard as economically sound. Should either of these conditions not be fulfilled, the Canadian contribution would be adjusted accordingly."

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AUTO SALES OFF: New motor vehicle sales dipped for the first time this year in September, the number dropping six per cent to 30,029 from 31,936 last year and the retail value four per cent to \$75,755,003 from \$78,771,037, but the total for the first nine months of 1953 was up more than 21 per cent in both quantity and value to 375,897 vehicles retailed for \$943,362,003 from 309,464 sold for \$777,778,982 in the January-September period of 1952.

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STORE SALES HIGHER: Dollar sales of each of the six trades covered by the Bureau's monthly report on chain store sales and stocks were higher both in September and the nine months ending September this year than in the corresponding periods of 1952. Stocks of each were also higher in value at the beginning of September than a year earlier. September sales of chain food stores were up 13.8 per cent at \$62,659,000 compared to \$55,080,000.

LOANS TO GOVERNMENTS: Loans and advances by the Government of Canada to foreign governments outstanding at December 31, 1952, totalled \$1,870,200,000. This comprised loans to the United Kingdom amounting to \$1,356,600,000, and export credit loans of \$209,200,000 to France, \$110,200,000 to the Netherlands, \$55,400,000 to Belgium, \$49,400,000 to China, \$18,400,000 to Norway, \$10,000,000 to Czechoslovakia, and \$9,300,000 to Indonesia, and miscellaneous credits of \$51,700,000. The latter figure included loans to Greece and Roumania, advances to the U.S.S.R., funded interest on advances to France, and military relief settlement by France and the Netherlands.

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From 1939 to 1950 the proportion of Canadian business owned by residents of other countries dropped from 38% to 31%, although the percentage owned by U.S. interests rose from 22% to 23%.

(Continued from P. 1)

PRESIDENT EISENHOWER'S VISIT

pansion of world trade on a multilateral basis. Satisfaction was expressed at the recent establishment of a joint United States-Canadian Committee on Trade and Economic Affairs. The importance of the St. Lawrence seaway and power project was emphasized, and there was full agreement on the urgency of initiating the first phase - construction of the power project in accordance with arrangements which already have been made between the two Governments.

FREE WORLD SECURITY

"In discussing the means of strengthening the security of the free world, the importance of collective arrangements under the North Atlantic Treaty Organization was emphasized, including the special responsibility of the United States and Canada for building up the defences of this continent. There was complete agreement on the vital importance of effective methods for joint defence, especially in the light of evidence of increasing technical capability of direct attack on both countries by weapons of great destructive power.

"Co-operation on joint defence matters had its origin in the Ogdensburg Agreement of 1940 which established the Permanent Joint Board on Defence. In 1947 the two countries issued a joint statement which set forth the principles and methods by which co-operation would be continued and strengthened. The full respect of each country for the sovereignty of the other is inherent in these principles. These principles are equally valid today when Canada and the United States, recognizing that the defence of North America must be considered as a whole, are undertaking further efforts for their joint security. The arrangements for collaboration which have proved satisfactory over the years provide a firm basis on which to carry forward the close relationship between Canada and the United States in matters of common defence."

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VOCATIONAL TRAINING: More than \$18,000,000 worth of new vocational training facilities in the form of new buildings, additions to buildings, and training equipment has been brought into being to the benefit of Canadian youth seeking trades training throughout Canada under the federal-provincial vocational training programme since April, 1945. This was revealed at a meeting of the Canadian Vocational Training Advisory Council meeting in Ottawa this week under the chairmanship of Dr. G. Fred McNally, former Chancellor of the University of Alberta.

Under the federal-provincial agreements covering assistance for capital expenditure, coming into effect in 1945, a total of \$10,000,000 of federal funds were provided for

division among the provinces for expanding the physical facilities for vocational training in each province, on a per capita basis. Under the agreements, the provinces matched federal expenditures. Up until October of this year, 93 per cent of the federal funds had been claimed, and only three projects were incomplete. These expenditures were in addition to other federal allotments and provincial expenditures under other agreements with the provinces designed to expand teaching facilities in the field of vocational trades training.

The whole field of federal-provincial co-operation towards the expansion of vocational training is under review at this meeting of the Council, with particular attention being paid to the expansion of opportunities of training for the physically handicapped to suit the overall rehabilitation programme now being developed between federal and provincial authorities and the expansion of apprenticeship training to meet the needs of Canada's expanding industry.

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ASSISTANCE TO SHIPPING: The Government has decided that owners of deep-sea vessels on Canadian registry be allowed to sell their vessels on condition that the proceeds of sale are placed in escrow for the acquisition of modern vessels to be placed on Canadian registry, it was announced on November 12. The use of escrow funds will be modified by removing the provision that vessels acquired with them must be built in Canadian yards and by adding a limitation that such escrow funds will be used in the future only for the acquisition of dry cargo vessels and not of tankers. The Canadian Maritime Commission will be responsible for ensuring that vessels acquired through the use of escrow funds, whether through new construction or by purchases, be of a modern and efficient character.

No change will be made in the present position in respect of Canadian vessels under United Kingdom registry. This maintains the status quo of the agreement between the United Kingdom and Canada concerning Canadian-owned vessels which were transferred to U.K. registry in 1950, as well as those vessels which are owned by Canadians but were never placed on any other registry but the United Kingdom.

It is further announced that the Government has decided that the request made by the Canadian Shipowners Association for operating subsidy could not be approved at the present time. However, if it appears feasible to establish modern Canadian flag vessels on certain routes that would be of benefit to the development of Canadian trade, the Minister of Transport indicated that consideration might be given at a later date as to whether or not some form of assistance ought to be provided in such cases.

SEPTEMBER TRADE DEFICIT \$ 29,000,000

IMPORTS FROM U.S. RISE: Canada's total commodity imports in September were up in value over August and September last year, although still substantially below this year's May-July levels, according to preliminary summary figures released by the Dominion Bureau of Statistics. Total commodity exports - on which final figures were released on October 29 - were down slightly in value from August and narrowly higher than a year earlier. The net result was an import surplus, for the eighth time this year, substantially above the slight deficit of August and the small deficit a year ago, but less than the deficits from February to May this year.

PURCHASES FROM U. S.

Imports in September are estimated at \$372,800,000 as compared to \$347,100,000 in August and \$349,100,000 in September, 1952. Most of the increase over last year was in purchases from the United States, but there were small increases from other foreign countries as a whole and from the United Kingdom. Imports from other Commonwealth countries were lower.

Total exports - domestic and foreign - in the month amounted to \$343,800,000 as against \$346,800,000 the previous month and \$342,300,000 in September last year. On the basis of the estimate for imports, September trade therefore yielded an import surplus of \$29,000,000 as compared to \$200,000 in August, a deficit of \$6,800,000 twelve months ago, and deficits ranging from \$30,400,000 to \$87,000,000 in this year's February-May period.

For the nine months ended September, imports reached an estimated aggregate value of \$3,340,000,000 up from \$2,945,500,000 for the corresponding 1952 period. Total commodity exports in the same period were down moderately in value to \$3,108,700,000 from \$3,190,900,000. The result was a cumulative import surplus this year of \$231,300,000 in contrast with an export surplus last year of \$245,400,000.

* * *

DEPUTY MINISTER OF PUBLIC WORKS: The Minister of Public Works, Mr. Winters, has announced that Major General H.A. Young retired on November 16 as Deputy Minister of Resources and Development and became Deputy Minister of Public Works succeeding Mr. Emmett P. Murphy who retires as of November 15.

* * *

Canadian department stores rang up \$676,557,000 in sales in the first three quarters of 1953, a 4.4% gain over last year's \$647,897,000.

Purchases from the United States in September increased to an estimated \$274,200,000 from \$255,100,000 a year earlier, while total sales to the United States rose somewhat less to \$211,400,000 from \$196,600,000. The import deficit with the United States thus increased to \$62,800,000 in the month against \$58,500,000 last year. In the January-September period imports aggregated \$2,477,900,000 this year as compared to \$2,172,300,000 last year, and total commodity exports were up to \$1,833,600,000 as compared to \$1,700,300,000, the debit balance for the period rising to \$644,300,000 as against \$472,000,000.

IMPORTS FROM U. K.

Commodity imports from the United Kingdom in September were estimated at \$34,300,000, down moderately from the preceding five months but up from \$31,500,000 in September last year, the cumulative total rising to \$339,400,000 as against \$259,400,000 for the first nine months of 1952. Total exports to the United Kingdom were down slightly in September to \$44,100,000 from \$45,100,000 last year, in the nine months fell to \$509,300,000 from \$590,400,000. The credit balance with the United Kingdom for the month at \$10,800,000 compared with \$12,600,000 a year ago, the nine-month balance being down to \$169,900,000 from \$331,000,000 last year.

Imports from other Commonwealth countries were down to an estimated \$17,100,000 in September as compared to \$19,500,000 in September last year, and in the nine months to \$126,600,000 from \$142,400,000, while exports were up in the month to \$25,000,000 from \$17,800,000 but down for the cumulative period to \$186,900,000 from \$210,400,000. Purchases from foreign countries other than the United States increased to \$47,200,000 in September from \$43,000,000 last year, and showed a comparable rise for the January-September period to \$371,400,000. Total exports to these countries declined to \$62,300,000 from \$83,700,000 for the month and to \$578,900,000 from \$689,800,000 for the nine months.

LUMBER RECORD: Production of sawn lumber in Canada in 1951 reached the unprecedented total of 6,948,697,000 feet board measure valued at \$507,650,000, according to the Bureau's annual industry report. This compares with the previous peak set in 1950 of 6,553,898,000 board feet valued at \$422,481,000.

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Canada's airlines carried 980,742 paying passengers in the first half of 1953, 110,470 or 13% more than in the first six months of last year.

THE NEW PARLIAMENT: The debate on the address in reply to the Speech from the Throne, as is customary, occupied Parliament throughout the first week of the new session. After party leaders had spoken on November 16 the debate was thrown open to private members and discussions were still proceeding on November 19.

The Leader of the Opposition, Mr. George A. Drew, opened on "leaders' day" with congratulations to the Prime Minister, Mr. St. Laurent, on the victory of his Government in the summer election and was thanked by the Prime Minister for his "gracious words". The Leader of the C.C.F. group, Mr. M. J. Coldwell, and the Leader of the Social Credit group, Mr. Solon E. Low, each prefaced his remarks in speeches following that of the Prime Minister, with similar congratulations.

The speeches of the four leaders dealt almost completely with domestic affairs, Mr. Drew and Mr. Coldwell concluding their comments with proposed amendment and sub-amendment to the main motion.

The following was the text of the amendment submitted by Mr. Drew on behalf of the Progressive Conservative Party:

"We respectfully represent to Your Excellency that the welfare of Canada is dependent upon free competition; and that the prosperity and security of all Canadians will be advanced by government policies which will restore markets for primary products and generally promote a high volume of international trade."

The sub-amendment submitted by Mr. Coldwell on behalf of the C.C.F. would make the amendment read:

"We respectfully represent to Your Excellency that the prosperity and security of all Canadians will be advanced by government policies which will restore markets for primary products and generally promote a high volume of international trade."

"We further represent that this House regrets that Your Excellency's advisers have failed to recommend legislation establishing a nation-wide health insurance programme, with provision for provincial participation."

* * * *

AID FOR QUAKE VICTIMS: The Department of External Affairs announced on November 19 that \$50,000 worth of evaporated milk is being loaded aboard the S.S. Columbia, at Quebec City, as part of the first shipment under the \$500,000 relief programme authorized by the Canadian Government on September 9 for the victims of the disastrous earthquakes in the Greek Ionian Islands last August.

The S.S. Columbia will call at St. John's Newfoundland, to pick up \$200,000 worth of codfish in addition to the evaporated milk. The ship will leave St. John's on November 23 and is expected to reach the Piraeus, the port of Athens, about December 9.

AMBASSADOR TO FRANCE: The Department of External Affairs announced on November 20 that Mr. Jean Désy, Q.C., is being appointed Canadian Ambassador to France. He will succeed Major-General George P. Vanier whose retirement from public service was announced recently.

Mr. Désy was born in Montreal. He received his education at Laval University and the University of Paris. He practised law in Montreal from 1915 to 1917 and between 1919 and 1925 he taught at the University of Montreal and at the University of Paris. Mr. Désy joined the Department of External Affairs in 1925 and served as Counsellor at the Canadian Legation in Paris from 1928 until 1939. That year he was appointed Canadian Minister to Belgium and to The Netherlands. After his return to Canada in 1941 he was made Canadian Minister to Brazil, and in March, 1944, became Ambassador to that country. He held that post until September 1947, when he was appointed Canadian Minister to Italy. The following year he was made Ambassador to that country when our Mission there was raised to the status of Embassy.

Mr. Désy held the appointment of Canadian Ambassador to Italy until the end of 1951 when he returned to Canada and was seconded to the Canadian Broadcasting Corporation as Director General of the International Service. Recently Mr. Désy was sent to Europe on a mission involving a survey of Canadian Overseas Awards. Mr. Désy is a Fellow of the Royal Society of Canada and Membre de L'Académie Diplomatique Internationale.

During his service with the Department of External Affairs Mr. Désy has attended several international conferences including the United Nations Conference on International Organization in San Francisco in 1945.

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SAVINGS BOND RECORD: Every record was topped as Canadians rolled up a total of \$654,927,000 Series 8 Canada Savings Bonds, well over double the \$307,000,000 recorded at the end of the active campaign last year.

Ottawa officials of the Bank of Canada analysed late telegraphic reports on November 17 and said that 1,071,407 Canadians had placed orders for an average amount of \$611.28. Sales under the Payroll Savings Plan total \$187,000,000; and it is expected that further reports will bring this close to \$200,000,000 - about 10% over last year.

But it was purchases by the general public through banks and investment dealers that provided the bulk of the total. Sales through banks alone total \$383,000,000 and through investment dealers \$85,000,000.

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In 1952 Canada's motion picture industry produced three feature-length films and 73 theatrical shorts of five minutes or longer.

GOVERNMENT



CANADA

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DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

MR. PEARSON'S NEW YORK SPEECH: A plea for the acceptance among the free nations of "each other's assurances of sincerity and good faith in dealing with these questions of security and subversion" was voiced by the Secretary of State for External Affairs, Mr. Lester B. Pearson, at the annual dinner of the English-Speaking Union of the United States in New York City on November 23.

"The occasional traitor in any of our countries can do much harm to all of us," he said. "But I venture to say he cannot do nearly as much harm to our security as suspicion and lack of mutual trust can do to the co-operation and unity of the coalition on which our security must largely rest."

The following is the partial text of Mr. Pearson's address:

"It is customary these days, and very wise, to plead, for patience in the face of the difficulties that stem from the Cold War, for a minimum of provocation and a maximum of steadiness and understanding. I suggest that one way of strengthening English speaking unity is for the rest of us to show some of that patience - and understanding - of American leadership and American policy. We should also not hesitate to speak out in public recognition of the generosity, the constructive energy and imagination of the American people as they carry the Atlantean burden of world leadership and power; something which they

never sought but which they are bearing in a way which may already have meant our salvation from those aggressive, expansionist forces eager to destroy our freedom and erase our future.

"We Canadians claim the special privilege, as a close neighbour and a candid friend, of grousing about our big, our overwhelming partner, and of complaining at some of the less attractive manifestations of her way of life. It makes our own junior status seem relatively superior and helps us forget some of our own problems and mistakes. But we Canadians also know, from our own experiences and from our relationship with the United States, which is closer than that of any other country, that the sound and fury of contemporary clamour, while it may at times mar and even conceal, cannot destroy the noble qualities and the deep strength of this land on whom there now rests (for there is no other strong foundation) the hopes of all peoples, not merely English-speaking peoples, for free existence.

"The ceaseless roar of Broadway is only a small part of the American scene and behind the pushing and shoving of the Manhattan crowds are millions of good and godly people, in quiet New England towns, on the rich soil of the Midwest, or in thousands of other places where Americans are working hard and unselfishly to build up a good society in a decent world. We other English speaking peoples do

PAY INCREASES FOR ARMED FORCES: Pay increases for Canada's armed forces were announced on November 20 concurrently with announcement of increased remuneration for most civil servants. The Minister of National Defence, Mr. Brooke Claxton, said:

"In keeping with the policy of maintaining rates of remuneration in the Forces on a level with those in industrial employment, rates of pay for members of the Forces will be increased effective December 1, 1953.

"Under the new rates of pay men in the Forces will have decidedly better prospects of achieving higher incomes with length of service and development of earning power through trades training or capacity to take on the responsibilities of non-commissioned officer rank. The starting rates for a single man will be \$153 a month, where rations and quarters are not provided and without promotion to higher rank he will be able to reach a salary by taking advantage of the trades training opportunities offered in the service of \$283 a month as a married man. If he develops an ability to direct other men there are ample opportunities for promotion. Without attaining commissioned officer rank he may by promotion reach a salary, if he is married, of \$366 to \$426 a month, depending on the trades skill he has acquired by that time.

ADDITIONAL ADVANTAGES

"Service in the Forces offers many additional financial advantages. The men are completely outfitted with clothing when they join and receive a clothing allowance of \$10 a month after that. Every man receives medical and dental care without cost to himself. There is a pension scheme to provide the man and his dependents with retirement income. The Government contributes an amount equal to 10% of the man's salary, plus the value of clothing, medical and dental care, and this is over and above the amount covered by the man's contribution. For a married private at the \$283 rate that would amount to an additional \$29.80 a month. Paid holidays of thirty days a year are given. Foreign allowances of from \$9 to \$16 a month are paid to men serving abroad and additional allowances are paid if they are married and accompanied by their dependents. These additional allowances are from \$10 to \$100 a month depending on the country in which they are serving.

"The new scales provide monthly increases in trades pay ranging from \$4 in group one to \$20 in group four, the highest trade grouping of the Armed Forces.

"Progressive pay for private first class and equivalent is raised from \$3 to \$10 after three years' service. As a result the total increase in the basic rate of a private who has three years' service will be \$16 per month without taking into account any additional amount he may receive if he is qualified for trades pay.

NEW APPROACH TO OLD AGE: "One of the problems of an ageing population is that of finding useful and productive employment for older persons still willing and able to work," said the Minister of Health and Welfare, Mr. Paul Martin, in addressing the Central Council of the Canadian Red Cross Society in Toronto on November 23.

"Although a man's calendar age may bear little relationship to his ability to do a job, it has become increasingly difficult after a certain age to find suitable employment in industry. If we are to prevent one of the greatest wastes in our use of manpower, I believe that we will have to readapt our whole attitude to the employment of older workers.

"Employment, of course, is only one aspect of the question. In health, too, there are many problems that are characteristic of older people...

"Besides health, there are all the problems of housing, education, the productive use of leisure time, and the whole range of individualized home and community services which are an integral part of any programme for the aged. To these and other problems in this field, I cannot suggest and do not know the final answers. They will require careful thought and study by us all. They will challenge the best efforts of private and public agencies alike.

"But this I do know: It is our obligation and our privilege to do what we can to develop a social climate in which our people will look forward to old age, not as a time of barrenness and desolation, but as a time of rich fulfilment. In the years ahead, with all their problems and preoccupations, the place of our senior citizens in our society must be made a social matter of high priority. It is one of our tasks to do everything we can to bring new meaning and value to the last of life for which the first was made."

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HOUSING INCREASE: The upward trend in the construction of new dwelling units was continued in September when 10,208 were started as compared with 8,529 in the corresponding month last year, and 8,643 were completed as compared with 5,819. In the January-September period this year, starts increased to 79,671 from 62,040 in the same 1952 period, and the completions rose to 62,407 from 46,785. Under construction at the end of September were 73,055 dwelling units as compared with 59,113 a year ago.

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FAMILY FOOD COSTS: Family food expenditures in the census metropolitan areas of Halifax, Montreal, Toronto, Winnipeg and Vancouver during the first six months of this year averaged \$6.78 per person per week for the five areas combined, according to the second release of a continuing sample survey of urban food expenditures by the Dominion Bureau of Statistics.

COMMODITY PRODUCTION \$13 BILLION: The total net value of commodities produced in Canada set a new record in 1951, according to the Bureau's annual survey of production. Total production value for the year was \$12,934,430,000, an advance of 22 per cent over the previous top value of \$10,558,557,000 in 1950.

Canada's manufacturing industries again accounted for well over half the total, contributing \$6,940,947,000 to the net value as compared with \$5,942,058,000 in 1950. Agriculture made the second largest contribution, setting an all-time record of \$2,685,435,000 as compared with \$1,883,036,000 in the preceding year.

Net production value for the construction group also rose to a new peak of \$1,568,179,000, far above the previous record of \$1,284,065,000 set in 1950. In recent years the construction industry has accounted for about 12 per cent of all commodity production. The mining industry - fourth position - added \$770,143,000 to the value of commodities produced in 1951 as compared with \$657,329,000, its proportion of all production value dropping slightly from 6.2 to 6.0.

Net value of production in the forestry industry rose from \$381,326,000 in 1950 to \$484,264,000, with the proportion of all Canadian production value increasing from 3.6 to 3.7. Value added in the electric power industry advanced from \$313,347,000 to \$363,643,000, the proportion of the national total dropping from 3.0 to 2.8.

Ontario remained far in advance of the other provinces in net production value, its contribution rising from \$4,509,499,000 in 1950 to \$5,320,040,000.

LARGE YIELD OF FIELD CROPS: Actual harvesting results indicate that Canadian farmers for the third successive year have harvested unusually large grain, oilseed and fodder crops, according to the Bureau's November estimate of production of principal field crops released November 17. While new production records were set for only one crop, soybeans, outturns of five others - wheat, barley, rye, shelled corn and rapeseed - were the second largest on record, and production of ten of the 20 crops included in the Bureau's estimates was above that of last year.

CABOT STRAIT FERRY: Launching of the new Cabot Strait ferry being constructed for the Department of Transport will mark a further step in the planned expansion of commerce between Newfoundland and the mainland, according to the Minister of Transport, Mr. Chevrier. The new ferry was launched on November 26, from an East Montreal shipyard before a gathering of federal and Newfoundland dignitaries as well as representatives of the shipping and railway world.

ESKIMO WELFARE: The Minister of Resources and Development has announced the appointment to the staff of the Department of Mr. and Mrs. James A. Houston, both of whom are well known for their work in the development of the Eskimo handicrafts industry. It is one of the steps being taken by the Government to diversify the Eskimo economy. The objective is to make the Eskimo population less dependent on the fur industry, a traditional source of livelihood that has shown steady decline in recent years.

For the past two years the Canadian Handicrafts Guild, with financial assistance from the federal Government, has been engaged on a programme to stimulate the production of the Eskimo hand-work. Mr. and Mrs. Houston were the Guild's representatives in the Canadian North. They will continue to promote the Eskimo handicraft industry and will develop additional outlets for it. The handicrafts have proved very popular in Canada and the United States. Eskimo stone carvings in particular have come to be recognized as works of art of a genuinely high order.

With other officers of the Northern Administration and Lands Branch, Mr. Houston will study the economic problems of the Eskimos, with a view to the development of new economic activities. Mrs. Houston's work will lie in the same general fields, but will relate specifically to the advancement of Eskimo women in home economics, handicrafts and first aid.

NORWEGIAN VISITORS: The Commanders-in-Chief of the Royal Norwegian Air Force and the Royal Norwegian Navy arrived in Ottawa by air this week for a short inspection tour of Canadian defence installations, it has been announced by the Department of National Defence.

Lieutenant-General Finn Lambrechts, C-in-C of the R.N. Air Force and Vice Admiral Skule V. Storheil, C-in-C of the R.N. Navy were met at Uplands airport and escorted to Defence Headquarters by Vice Admiral E.R. Mainguy, Chief of the Naval Staff and Air Vice Marshal F.R. Wait, Air Member Personnel, RCAF.

After meetings with the Minister of National Defence and the Chairman and Chiefs of Staff at Defence Headquarters, the Commanders left for tours in Ontario and Eastern Canada, prior to visiting the United States.

WEEKLY EARNINGS \$55.81: Average hourly earnings in manufacturing declined by 0.2 cents between August 1 and September 1, but an increase of 0.1 hours in the length of the working week raised average weekly earnings slightly above a month earlier, according to an advance statement by the Dominion Bureau of Statistics. The latest earnings were 135.8 cents per hour and \$55.81 per week, and the average hours worked 41.1.

(Continued from P. 1)

MR. PEARSON'S NEW YORK SPEECH

not hear enough about them. They are rarely on the screen, before the television camera or microphone; hardly ever make the gossip columns or the news digests.

"One way, then, of strengthening our unity is to resist vigorously the temptation, which occasionally presents itself, to indulge in the somewhat novel but dangerous pastime of plucking the eagle's feathers. May the eagle in its turn learn, as the lion learned long ago when having its tail twisted, that this kind of attention is (in one sense) merely a recognition of its primacy among the birds and animals; even among the Canada geese and beavers!

"A penalty, of course, of this primacy and power and great riches is often an inadequate appreciation by others of the purposes behind the power and the uses to which the riches are put. A leader must expect this; must also realize that it is inevitable that the rest of us should be intensely preoccupied and even anxious over everything that is said and done by the dominant partner.

FRIENDS AND ALLIES

"How could it be otherwise when these actions may determine, not only the destiny of her own citizens who have at least direct responsibility for them, but also that of friends and allies who cannot escape the consequences for good or ill of a governmental decision in Washington, or even of a Congressional blast!...

"There is another aspect of contemporary national and international life which has a bearing on English speaking and, indeed, free world co-operation - our attitude to the communist conspiracy which, harnessed to the might of Soviet Russia, is by far the greatest single menace to peace in the world today.

"An unawareness of this danger, and slackness or softness in regard to the necessary measures to meet it - and I emphasize necessary - will undoubtedly be a source of friction and division between friends. Surely it is possible for allies whose security depends on each other far more than their insecurity can ever result from the domestic machinations of communists and fellow-travellers, and who though they may express it in different ways, loathe and abhor communism and all its works, surely it is possible for such to accept each other's assurances of sincerity and good faith in dealing with these questions of security and subversion.

"The occasional traitor in any of our countries can do much harm to all of us. We know that from hard experience. But I venture to say he cannot do nearly as much harm to our security as suspicion and lack of mutual trust can do to the co-operation and unity of the coalition on which our security must largely rest.

"While slackness in these matters is bound to lead to recriminations, a fundamental difference of approach to them of emphasis and method, can also cause differences and difficulties inside nations and between nations, though they are trying to reach the same basic objectives.

"We will, I think, keep these differences to a minimum if, on the one hand, we remain alert and realistic about the serious and present nature of the Communist menace, and if, on the other hand, we refuse to get panicky or be stampeded into the wrong way of doing things; if we stick to those tried and tested principles of justice and law; of scrupulous regard for the rights and liberties of the individual on which alone can national strength be permanently established.

SANITY AND SENSE

"This is not being soft to Communism, or any other 'ism'. It is showing sanity and common sense, and an understanding of the really enduring sources of strength and greatness.

"These are days that test one's patience and endurance as we strive at home to keep our countries free and secure, and; internationally, each to play its proper part in building up a coalition that will prevent aggression and maintain peace; or rather establish a peace which is more than the absence of war.

"There are, I confess, times when one gets discouraged and anxious for the future as we suffer frustrations and disappointments at the United Nations; delays in fulfilling the hopes of NATO; and as we try to destroy the communist conspiracy without descending to communist tactics and procedures.

"Out of these anxieties and perplexities and discouragements come the arguments and the differences between friends and allies, even those as close as the English speaking countries.

"Let us do our best to avoid these, but let us not become too alarmed and excited when they occur.

"Let us keep, in short, a sense of proportion, of perspective, and even a sense of humour."

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RECORD LABOUR INCOME: For the fourth month in a row Canadian labour income climbed to a new crest in August, the estimated \$993,000,000 total surpassing the July estimate by \$7,000,000 and representing an advance of \$74,000,000 or eight per cent over the same month last year, the Dominion Bureau of Statistics has reported.

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A tape and disc of the play-by-play broadcast of the Grey Cup football final in Toronto on November 28, will be on its way by air to the 25th Canadian Infantry Brigade in Korea within an hour after completion of the game.

MR. PEARSON'S STATEMENT IN THE HOUSE OF COMMONS

GOUZENKO, WHITE SUBJECTS: The Secretary of State for External Affairs, Mr. Lester B. Pearson, on November 25 tabled in the House of Commons the exchange of correspondence between the United States State Department and the Canadian Embassy in Washington regarding the request by the Internal Security subcommittee of the United States Senate Committee on the Judiciary to interview Mr. Igor Gouzenko.

In his statement Mr. Pearson said the Canadian Government acceded to the United States request under conditions already established, and went on to deal with the Harry Dexter White case. A rumoured tip-off communication on the White case from Ottawa, made public in the United States, was from a non-Canadian security officer, he said, who was sending back to Washington information that came from the FBI originally.

The text of Mr. Pearson's statement follows:

TEXT OF STATEMENT

Mr. Pearson: Last week, Mr. Speaker, we received this second note from the State Department of the United States making the request which I have just mentioned. Naturally the Canadian Government has given careful consideration to the second request, as it did, indeed, to the first one, having regard to the responsibilities that had been assumed and the special arrangements that have been carefully built up over the past several years for the safety of Mr. Gouzenko and leading to the development of a new identity—arrangements which would obviously not be effective if that new identity became public knowledge.

Mr. Gouzenko, as the House knows, has been given the rights of Canadian citizenship. He is therefore at liberty at any time to discuss any question that he may wish with anyone either in Canada or the United States and either confidentially or otherwise. It is, however, Mr. Gouzenko's own responsibility to determine the effect of any such discussions on the preservation of his new identity, and consequently on his safety. The Royal Canadian Mounted Police have naturally done a great deal to assist Mr. Gouzenko in building up this identity so that the safety of Mr. Gouzenko and his wife and family could be assured without the limitations on their physical freedom that constant guarding might involve.

Mr. Gouzenko has certainly earned the right to this special consideration and assistance as well as to our gratitude by his great services to freedom and the risks he has taken on its behalf. While Mr. Gouzenko then is free to determine his own actions without outside influence, the United States request seems to envisage that the Canadian Government itself should make arrangements for an interview or take the responsibility of making Mr. Gouzenko available for questioning by the subcommittee

of the United States Senate which I have just mentioned. The Canadian Government of course fully appreciate the importance of the closest possible co-operation between the Canadian and United States Governments in exchanging information important to the national security of both countries. It has therefore long been our practice, and remains our practice, that security information should be exchanged on a confidential basis, which should be respected on both sides, between the competent authorities responsible for the internal security of our two neighbouring countries.

In accordance with this principle all information which Mr. Gouzenko has at any time presented to the Canadian Government has been placed at the disposal of the responsible United States authorities as it became available. Moreover, facilities are and always have been extended to these competent United States Government authorities to clarify any point arising out of any of Mr. Gouzenko's evidence or information at any time they may wish to do so.

LIAISON OFFICER

The Federal Bureau of Investigation in Washington therefore has always had access to Mr. Gouzenko's special knowledge as and when requested. We have been glad to have for years a liaison officer of the F. B. I. in Ottawa, just as there has been an R. C. M. P. officer in the same capacity in Washington. Mr. Gouzenko has in fact been interviewed on a number of occasions on behalf of the F. B. I.; the latest occasion being in August, 1950. In the circumstances therefore I think it is true to say that the benefits of Mr. Gouzenko's special experience with and knowledge of Soviet intelligence organizations and their work have always been made as fully available to the competent United States authorities as to the R. C. M. P. itself. That has been the situation since 1945 and it remains the situation now.

The material secured in this way by the F. B. I. includes information which was not made public in the report of the Royal Commission on espionage because such information dealt with activities by non-Canadians outside Canadian territory. I emphasize this point, Mr. Speaker, because the second United States request that the Government make Mr. Gouzenko available for questioning by the United States Senate subcommittee quotes the chairman of that subcommittee, Senator Jenner, as attaching significance to the fact that the Royal Commission report did not mention evidence by Mr. Gouzenko that he had heard that an unnamed assistant to the United States Secretary of State was a Soviet agent.

But this particular piece of evidence, as all other parts of Mr. Gouzenko's evidence and information, was made available to the United

States security authorities as it became available to us. Our Royal Commission, it will be recalled, made a very thorough investigation in secret as a result of which prosecutions were launched, and where those prosecuted under the law were found guilty they were punished, and if found not guilty they were released from custody. I think it would not have been proper, however, for the Canadian Royal Commission or the Canadian Government to have made public so serious an allegation against an unnamed official of a friendly Government. It seemed obvious to us that in accordance with our normal practice in these matters such an allegation should first be investigated by those competent to do so. However, the Canadian Government, the Canadian authorities, did pass the testimony confidentially, and I think the House will agree that this was the correct course, to the responsible United States officials.

Now, Mr. Speaker, in addition to these full facilities which I have just mentioned and which have always been available to the F.B.I., the United States Government in May, 1949, requested the Canadian Government to arrange for a confidential interview between Mr. Gouzenko and representatives of the immigration subcommittee of the United States Senate Committee on the Judiciary for the specific purpose of questioning Mr. Gouzenko in relation to certain stated aspects of immigration procedure.

1949 INTERVIEW

The Canadian Government at that time was assured by the United States Government that if this request were granted the evidence taken from Mr. Gouzenko would be kept secret unless the Canadian Government should agree to its release. Under these circumstances, and under these conditions, the Canadian Government then agreed to the United States request, and two members of the staff of the United States Senate subcommittee, to which I have just referred, did come to Ottawa and interviewed Mr. Gouzenko in the presence of a member of the United States Embassy and representatives of the R.C.M.P.

The conditions at that time, 1949 -- they do not seem to be the same now because of the publicity given to this matter -- made it possible without too much difficulty for this inquiry of Mr. Gouzenko to be arranged and carried on without the public attention which might, in its turn, have prejudiced Mr. Gouzenko's safety status in this country. I have looked at the evidence again recently, and the questions at this inquiry were not limited to the specific subjects for which the interview had been requested. Of course, we are making no complaint about that. However, nothing beyond the information which Mr. Gouzenko had already made available to the Canadian authorities, and which we made available also at the time to the United States authorities, emerged

from this 1949 questioning. In other words, this questioning produced no intelligence that had not been already made available to the United States security services.

I wish now, Mr. Speaker, to say a word about the sequence of developments in this matter during the last few weeks. The Members of the House will, I think, recall that in October a newspaper which modestly calls itself the world's greatest newspaper, the Chicago Tribune -- about that there might, of course, be some difference of opinion -- reported an interview with Mr. Gouzenko in which the latter stated that, in his opinion, an interview with a United States Congressional Committee or members of the United States Congress would be, and the words used were, "worth while".

R.C.M.P. INTERVIEW

This report was, I think not unnaturally, interpreted by us to mean that Mr. Gouzenko felt he had some further useful information to give. If he had such information or views that were worth while, we naturally thought that he would give them to the Canadian authorities at this time. Immediately this report appeared in the press, therefore, the R.C.M.P. then interviewed Mr. Gouzenko to ascertain whether the report on this matter was accurate and what new information might be secured. An R.C.M.P. officer interviewed Mr. Gouzenko and reported to my colleague the Minister of Justice (Mr. Garson) that in the interview of October 27 Mr. Gouzenko had told him he had no information that he had not long since made available to the Canadian authorities; that he had been misquoted by the Chicago Tribune; and that he was not, under any circumstances, willing to proceed to the United States to be interviewed by a Congressional committee.

The R.C.M.P. also notified the Minister of Justice that Mr. Gouzenko denied that he had ever criticized the handling of his case by Canadian authorities or the use which was made of the information and documents which he had given to the Canadian authorities. Meanwhile, the Canadian Government received the note from the United States Secretary of State transmitting the first request of the Senate subcommittee to interview Mr. Gouzenko, the note of October 29 with which I have already dealt, and the request in this first note was to interview Mr. Gouzenko in Canada.

As the House will recall, because I made a statement at the time in the House, the Canadian Government replied that Mr. Gouzenko had stated to the R.C.M.P. that he had been misquoted by the Chicago Tribune and had no additional information to give. The United States Government, therefore, was notified that under the circumstances we assumed that the reasons for the request from the Senate subcommittee had disappeared. I think it was a reasonable assumption to make in view of the interview I have just mentioned between Mr. Gouzenko and

the R.C.M.P., but it turned out to be otherwise.

On November 21, I think it was, the same newspaper, the Chicago Tribune, carried another interview with Mr. Gouzenko in which the latter was purported to have upheld the accuracy of the first interview reported in the newspaper on October 25, and to have again expressed the desire for an interview with the United States officials. This made the situation somewhat confusing, and I should like at this point to reaffirm to the House what I said on November 17 last regarding Mr. Gouzenko's statement to the R.C.M.P. It was, of course, on the basis of this statement that the Canadian Government prepared its reply to the first request transmitted by the State Department. Our reply was delivered on November 4.

This second article to which I have referred in the Chicago Tribune cast some doubt on the R.C.M.P. report, and indeed had some hard things to say about my own good faith and veracity, which are not important enough to trouble the House with. I would merely say that I accept, myself, the accuracy and reliability of that R.C.M.P. report. We have generally found, in this House and in this country, that R.C.M.P. reports are both accurate and reliable.

SECOND NOTE

However, on November 19, the State Department delivered another note, a second note, to our Ambassador in Washington transmitting a second request from the subcommittee, relating to Mr. Gouzenko, which I have already mentioned. Incidentally, Mr. Speaker, whereas the original note from the State Department forwarded a request from the subcommittee's counsel to interview Mr. Gouzenko in Canada, the latest note, the second note, forwards a request from the subcommittee chairman this time that Mr. Gouzenko, and I am quoting from it, "be made available for questioning by the subcommittee".

Mr. Coldwell: That is in the United States?

Mr. Pearson: It does not say. It just says, "questioning by the subcommittee". Mr. Gouzenko, as I stated, of course is available in that, like any Canadian, he is free to exercise his own judgment to determine his own movements. He can, of course, as I have said, discuss any subject at any time with anyone whom he chooses, and he is the person to consider the effect of such action on the special measures which have been taken since he came over to us in 1945, in his interests and at his request, to protect him.

The exact purport of the United States note that Mr. Gouzenko be made available for questioning is perhaps not clear, in that it is not explicitly stated where this questioning would take place and under whose responsibility. Presumably, as indeed I have already said, the Canadian Government would be expected to

take some responsibility in the matter. While I have said that our security authorities do not believe there is any further information to be obtained, the Government, in view of this second request from a friendly neighbour, is willing to make arrangements for a meeting to be held under Canadian auspices and in conformity with Canadian procedures. If Mr. Gouzenko is willing to attend at such a meeting, and this is in our note which we gave the United States this afternoon, any person designated by the United States Government for this purpose could be present and of course ask questions. It would, of course, Mr. Speaker, have to be understood, and we have made this clear as it was in 1949 at the meeting to which I have already referred, the evidence or information thus secured under the auspices of the Canadian Government could not be made public without the approval of that Government.

The Canadian Government never has attempted and naturally is not now attempting in any way to withhold from competent United States authorities any information that Mr. Gouzenko might have to give and which could in any way strengthen our joint security, or prevent him stating any views he may have on these matters. But we do take the view that any information from a Canadian source on matters of security should be elicited and transmitted to another Government in a proper manner in the way which we have in the past found to be very effective and valuable both to ourselves and to our friends, largely because it was done quietly and confidentially.

TEXTS TABLED

So, Mr. Speaker, I have now tabled the text of these four communications, which are available to Members of the House.

May I now turn for a moment to the second question which was asked the Prime Minister (Mr. St. Laurent) some days ago, and to which he asked me to reply today. The question: Who in Canada said what, and to whom, about Mr. Harry Dexter White, former Assistant Secretary of the United States Treasury.

Members of the House may have read in the press about a letter from the head of the Federal Bureau of Investigation to a member of the staff of the President of the United States, dated February 1, 1946, which was released by the United States Attorney General, somewhat, as we have already said, to our surprise, as it had been classified and contained references to the Canadian Government, and Canadian sources of information.

According to this letter - and I quote from it -

- "sources high placed in the Canadian Government" passed information regarding Mr. White's loyalty to his country to the United States authorities.

There has since been considerable public speculation as to who may have passed such information, and what the information was, with

a great deal of confusion resulting. The fact, Mr. Speaker, is that the only information which Canadian authorities had on which they could possibly warn our American friends about Mr. White's alleged espionage came from the F.B.I.

We have never secured any information, never been able to secure any information, on this matter from Mr. Gouzenko or any other source. I should explain that following the normal practice governing such cases the Federal Bureau of Investigation, in the winter of 1945-46, informed security authorities in Ottawa that, as a result of information which the F.B.I. had obtained, it appeared that Mr. White might in fact be a Soviet agent. Advance advice in such circumstances would allow Canadian security authorities to be on the alert for any evidence of a corroborative nature which they might find here, and none was found.

Now, the initiative taken from Ottawa in this matter was apparently merely designed to make absolutely certain that the F.B.I. were aware that the White about whom they had been making inquiries - the inquiries referred to a moment ago - was in fact the same person whose name was before the United States Senate for confirmation as the United States member of the executive board of directors of the International Monetary Fund.

The source of this information, this reminder, because that is all it was, and upon which Mr. Hoover appears to have based his letter, was a personal telegram from a security official, not of the Canadian Government, but who was stationed in Ottawa to maintain liaison with the Canadian security authorities on behalf of the security services of a friendly third power.

MR. HOOVER'S REPORT

It would have in fact been somewhat surprising if this information had been sent by a source high in the Canadian Government, because in the report of Mr. Hoover of the F.B.I., which I have mentioned, he stated that this Canadian source on the one hand stated that Canadian delegates to the International Monetary Fund might nominate and support Mr. White for the office of President - he must have meant Executive Director of the Fund - while on the other hand he said the source had passed on Canadian warnings about White's unfitness on loyalty grounds to hold the post.

While this information, then, did not come from any source in the Canadian Government, this non-Canadian source did tell the F.B.I. that his message concerning this matter had the blessing of one or two R.C.M.P. security officials with whom it was discussed.

We have done everything possible, Mr. Speaker, to secure the facts on this matter, which include sending a request, to which there has been no reply as yet, to Washington, for the identity of the Canadian source referred to. This we hoped would have provided a

quick and easy way of solving the problem. To the best of our knowledge this security liaison officer in Ottawa - not a Canadian - is the source referred to in Mr. Hoover's letter as an official high in the service of the Canadian Government. And I should add that this informal message, coming as it did from Ottawa with considerable urgency, might well have been passed on to Mr. Hoover as a Canadian communication, although in fact it was not such.

I should also say for the record that, contrary to statements referred to in Mr. Hoover's letter, at no time did the Canadian Government contemplate instructing the Canadian Government delegation to support, much less nominate, Mr. White for any post in the International Monetary Fund, or in any other organization.

It seems clear that in the stress and tension of the moment - and it was a tense and difficult time in Ottawa for security officials - the author of this telegram must have misunderstood the details of information which he had received from some quarter regarding the prospective appointment in the International Monetary Fund. I find it easy to understand and sympathize with that mistake.

The House may remember the circumstances under which such matters were being dealt at that particular time. Mr. Gouzenko was being examined in secret in Ottawa, and a distinct but equally important case was being investigated in equal secrecy in Washington with telegrams and messages about both cases being exchanged between those responsible for security.

SECURITY OFFICER

It seems clear that the errors in Mr. Hoover's letter concerning the alleged attitude of the Canadian Government toward the appointment of Mr. White to a high office in the International Monetary Fund or the International Bank were based upon mistakes originally made in Ottawa in this message from an allied security officer. I must also make it quite clear that this was not a communication in any sense from one Government to another. During the war the closest personal working relations developed between the officials of allied countries and it was quite common for responsible persons to communicate informally with each other within their general terms of reference.

The message sent from Ottawa was such a communication, a perfectly proper one, even though inaccurate in one policy point.

Setting the record straight in such detail on this matter has seemed to be necessary to correct the misleading impression caused by uninformed speculations about some alleged high Canadian governmental source apparently being in a position at that time to warn the United States Government, on the basis of Canadian intelligence, against some supposed intention of his own Government regarding Mr. White.

This statement, Mr. Speaker, and the action which we have now been called to take, will I hope help to dispose of these two matters in a way which recognizes both our responsibility to our own country, our responsibility to cooperate fully with others in our own as well as collective interests, in the effort to defeat and destroy the international communist conspiracy, which is very real and menacing and, finally, our responsibility to do what we can, always, and sincerely, to maintain good relations with our friend and neighbour the United States, the leader and great buttress of the free world. These relations, Mr. Speaker, involve between our two countries many problems of growing complexity. We accept that, but we take I think on both sides of the border deep and abiding satisfaction in the fact that we are able to solve them on the solid basis of mutual friendship, mutual understanding and mutual respect. And I know that, with a few inconsequential exceptions, all Canadians and all Americans, including all Hon. Members in this House, are anxious to keep it that way.

The Leaders of the three opposition groups commented briefly. The Leader of the Progressive Conservative Party, Mr. George Drew, after referring to the "great deal of confusion" which he felt had accumulated during the past week, said:

LEADERS' COMMENTS

"One of the things that I think must perhaps be in the minds of most of us is this: If there can be this much disturbance and the use of this amount of black ink over something which is of such relatively minor importance, I shudder to think of what might happen if the almost unbelievable event occurred that there was some real misunderstanding between Canada and the United States...."

C.C.F. Leader Mr. M.J. Coldwell, after a brief tribute to the Minister, said in part:

"I would also like to say that I think this House should back up the position taken by the Government of Canada. Obviously the request that came to the Government of Canada was that Mr. Gouzenko might be interviewed by a Senate committee of the United States on Canadian soil. I think the reply of the Canadian Government should meet with the approval of every Member of this House and of the public across this country...."

Social Credit Leader Mr. Solon E. Low said in part:

"May I start in by saying that this group approves the position taken by the Government as evidenced by the statement made by the Minister this afternoon as it affects Mr. Gouzenko and any statement that he may later make to the representatives of the United States. We think that if Mr. Gouzenko has something that he can contribute in order to help the people of the United States to expose and to root out espionage rings, Canada should, under

suitable circumstances, assist him in making a statement. But we support the conditions laid down by the Minister that due regard must be had for the security of that man. I think that no one in the House would find much fault with the statement made in that respect this afternoon...."

* * * *

LABOUR SITUATION: A considerable easing of labour supplies occurred in most Canadian labour market areas during October as is customary at this time of the year. Seasonal job opportunities declined sharply as the harvesting of a near-record crop was completed and as other seasonal industries became less active. In some areas, however, labour surpluses are developing more rapidly than usual for the season. This is partly owing to the completion of certain resource development and defence construction jobs and also to the levelling off of employment in a number of manufacturing industries, particularly durable goods firms, which were expanding more than seasonally a year ago. Persons with jobs declined by about 74,000 to 5,240,000, and the number of areas with slight labour surpluses increased from 19 to 37. Approximately 25 per cent of the paid workers were in areas with slight labour surpluses at November 1.

* * * *

NAVY BUYING JET FIGHTERS: The Royal Canadian Navy is now completing arrangements for the purchase of F2H3 Banshee all-weather jet fighter aircraft from the United States Navy to equip carrier-borne fighter squadrons, the Minister of National Defence announced on November 23.

The twin-engined Banshee jets will replace the propeller-driven Sea Fury fighters now in use in the RCN. The navy's first jet squadrons will not fly from HMCS Magnificent but will be embarked in the new Canadian aircraft carrier to be named HMCS Bonaventure, now building in the United Kingdom.

The Bonaventure will be equipped with a catapult which will enable the jets to be launched down or cross-wind, if necessary.

* * * *

MINESWEEPER COMMISSIONED: The first minesweeper to be built in Canada since the Second World War and the second of 16 wartime frigates to be modernized for the Royal Canadian Navy was commissioned November 26 at special ceremonies at Lauzon, Quebec.

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APPRECIATION TO 27TH: General Sir Richard Gale, Commander-in-Chief of the Northern Army Group in Europe, has cabled a message of appreciation to the officers and men of the 27th Canadian Infantry Brigade, most of whom have been rotated or are being rotated to Canada.

GOVERNMENT



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WEEK'S EVENTS IN REVIEW

MR. HOWE'S BUSINESS SURVEY: Describing the year 1953 as having been "a remarkable year by any measure," with record output and national development, and with export trade in physical terms "as high as in the record year 1952," the Minister of Trade and Commerce, Mr. C.D. Howe, in his annual business survey in the House of Commons on November 30, said, "Looking to the year ahead, there seems to be little indication of any serious interruption in the generally prosperous conditions now prevailing."

The following is the partial text of Mr. Howe's review and forecast:

"What strikes me as most significant about the present situation is that here in Canada, and I think in every other country where there is reasonable freedom, conditions are becoming more competitive. The period of post-war inflation, which was given a shot in the arm by Korea, seems to have come to an end. The sellers' market has to all intents and purposes disappeared. The buyer is in a stronger bargaining position than he has been for many years.

"This is a healthy development, far healthier indeed than the indefinite continuation of a situation in which costs and prices are being pushed up by the pressure of excess demand. Inflation breeds slump and the sooner inflation can be brought to a halt, the smaller the resulting distortion.

"Fortunately for all of us, now and in the future, inflationary tendencies were never permitted to get out of hand in Canada. There has, of course, been a substantial rise in general price levels since the end of the war but most of this was unavoidable, the inevitable consequence of world-wide forces. As a result of our internal fiscal, monetary and credit policies and related measures, coupled with our multilateral trading policies, Canada experienced as little inflation as any country and a good deal less than most.

"For that reason the adjustment to a more competitive situation has not caused, and should not cause, serious difficulties for the Canadian economy as a whole, although it may for particular industries and particular firms. I think it can be said that we have been building on pretty solid foundations.

"Evidence that this is so is to be found in the continued high level of Canadian economic activity. 1953 has been an extraordinary year by any measure. Total output will exceed \$24 billion, probably more than 5 per cent above 1952. Since price levels have been more or less stable over the past year, this represents an equivalent increase in real output in line with the increase achieved in each of the three preceding years.

"As output rose, so did employment. Even with the steady rise in the labour force, augmented by large numbers of new immigrants,

CIVIL DEFENCE PROGRAMME: In outlining Canada's Civil Defence programme in Windsor, Ontario, on November 25, the Minister of National Health and Welfare, Mr. Paul Martin, first noted that "the Armed Forces have established a radar network to cover the main industrial area of Canada and the United States which will use all possible means to detect and identify strange aircraft," and summarized further developments as follows:

A federal Civil Defence College, which will shortly move to more adequate quarters, is now in full operation and is training 1,500 key workers and instructors each year. These persons, in turn, pass on this training to many thousands at the provincial and local levels.

Over 70,000 respirators and substantial quantities of helmets, anti-gas suits, and other protective clothing, together with a smaller quantity of radiation detection instruments, have been issued to the provinces for the use of civil defence workers.

Fifty self-propelled, fully-equipped fire engines are being provided to the provinces at a cost of more than \$600,000.

Alberta, British Columbia and Ontario have taken advantage of the federal offer to pay one-third of the cost of standardizing fire hose-couplings.

Since 1952, federal grants of \$1,400,000 a year have been available, on a matching basis, for approved provincial civil defence projects. As yet only the four Western provinces and Newfoundland have taken advantage of this federal offer.

The federal Government has also entered into agreements with the provinces to share the expense of providing compensation for injury to civil defence workers.

Detailed plans are being worked out for the active support of civil defence by the Armed Forces under arrangements similar to those where the Armed Forces support civilian authorities in cases of national disaster.

Over a million copies of various manuals, pamphlets and other literature have been distributed and a vigorous programme of public education through press, radio, billboards, exhibits and films is in progress.

A medical stockpiling programme has been initiated to ensure that adequate quantities of essential medical supplies would be available in the event of any major wartime or peacetime disaster.

A formal agreement has been concluded with the United States providing for mutual assistance and support in the same manner as if there were no border.

To ensure co-operation with other friendly nations, Canada has become a member of the NATO Civil Defence Co-ordinating Committee and the Federal Civil Defence Co-ordinator, Major-General Worthington, has attended its first two meetings.

NATIONAL ACCOUNTS: Regular publication of Canada's national accounts - gross national product and expenditure and related series - on a quarterly basis was begun on November 23 by the Dominion Bureau of Statistics with the release of a major report "National Accounts, Income and Expenditure, by Quarters, 1947-52" and a supplementary report containing estimates for the first and second quarters of 1953. These quarterly data, the major report observes, will fill an important gap in statistics which are available for studying current economic trends. While the annual estimates provide essential background material, the new quarterly data will facilitate analysis of current economic developments and permit a closer view of past trends and turning points.

Canada's gross national product in the first half of this year was running at an average annual rate of just over \$24 billion, a gain of about six or seven per cent over the first half of last year in terms of physical volume of production, according to the supplementary report. Wages and salaries continued to show steady quarter to quarter gains in 1953 if allowance is made for seasonal factors, reaching an annual rate of \$11.7 billion in the second quarter.

With prices remaining relatively stable, these gains supported a substantial growth in personal expenditure on consumer goods and services. This rose in value from an annual rate of \$14.3 billion in the second quarter of 1952 to \$15.1 billion in the second quarter of this year. At the same time, the proportion of disposable income saved remained quite high in the six months, averaging \$1.4 billion at annual rates.

Government expenditure on goods and services, on the other hand, appeared to have levelled off, with the average annual rate of expenditure in the first half of 1953 at \$4.3 billion compared with \$4.2 billion for the year 1952. In the field of Canada's foreign trade, a deficit on current account was incurred during the period.

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RETAIL SALES RISE: Canada's retail establishments had estimated sales in the first nine months of this year totalling \$8,831,959,000, an increase of 5.4 per cent over last year's corresponding total of \$8,379,795,000, the Dominion Bureau of Statistics reported November 18. September sales, at \$996,740,000, were three per cent above those of September last year, but 1.7 per cent under August.

* * * *

NWT COMMISSIONER: Mr. R. Gordon Robertson, Deputy Minister of Resources and Development, has been appointed Commissioner of the Northwest Territories.

THIRD TRADING NATION: "The continued rapid growth in the volume of imports was the most striking feature of Canada's foreign trade in the first half of 1953," states the Review Of Foreign Trade for the half-year released on November 27 by the Dominion Bureau of Statistics. "Even though import prices were lower than in 1952, the value of imports, as well as their volume, was at a record level for the post-war period.

"Exports were moderately lower than in the record first half of 1952. The decline in export values was chiefly because of falling prices. A sizeable import balance resulted from trade in the first half-year, but this was offset in Canada's international accounts by a substantial net inflow of capital.

"Canada's terms of trade were slightly better in the first half of 1953 than a year earlier, although they deteriorated a little during the half-year. The change from an export balance in 1952 to an import balance in 1953, therefore, was not due to price movements but to contrasting movements in export and import volume.

"The United States accounted for a higher proportion of Canada's trade in the first half of 1953 than in any previous post-war period. The share of Commonwealth countries other than the United Kingdom was especially low. Import restrictions by Commonwealth countries reduced their purchases of Canadian goods, while low prices for many important Commonwealth products depressed the value of imports from these countries.

Statistics for the first half of 1953 indicate that Canada is still the world's third largest trading nation, ranking just after the United States and the United Kingdom. France and the Federal Republic of Germany rank fourth and fifth respectively. However, Canada's per capita trade is much greater than that of these countries. In 1952, the last full year for which data are available, Canada's trade per capita (U.S. funds \$640) was exceeded only by that of New Zealand (U.S. funds \$707)."

* * * *

AID TO ALLIES: War aid extended by Canada to other countries in the form of grants and loans totalled \$4,100,000,000, and up to the end of 1952 net repayments amounted to \$3,900,000,000. Post-war aid totalled \$2,600,000,000, against which net repayments amounted to \$2,100,000,000 at the close of 1952. In other words, net repayments represented about 69% of the gross war and post-war aid extended.

* * * *

There were over eight times as many tractors in use on Canadian farms in 1951 as there were in 1921. The number rose from 47,455 to 399,683 in the three decades, the largest increase occurring between 1941 and 1951.

FARM IMMIGRANTS: As the eleventh annual Federal-Provincial Farm Labour Conference ended in Ottawa on November 26, it was evident that immigration would play a major role in maintaining a supply of manpower for Canadian agriculture during 1954.

During the course of the two-day conference various plans were discussed for making the best use of existing supply of farm workers, including the suggestion that everything possible be done to encourage sons to remain on the farm. However, it was obvious that although much might be developed along these lines, it was a long-range project. It was felt that the only ready answer during 1954 would be a continuation of immigration policy to channel workers into Canadian agriculture.

The delegates seemed in agreement that married farm units were more stable than single workers. It was explained by Col. Laval Fortier, Deputy Minister of Citizenship and Immigration that if the provinces wanted the most experienced farm workers obtainable they should be sought among the married group. Some delegates, while agreeing on the general suitability of the married group, pointed out that many farmers applied for single workers because they did not have adequate accommodation for married workers.

* * * *

RECORD FOREST PRODUCTION: Both volume and value of Canada's forest production reached new peak levels in 1951, according to the Dominion Bureau of Statistics. Final estimates by the Dominion Bureau of Statistics show a cut of 3,602,957,000 cubic feet of merchantable timber valued at \$782,525,000, as compared with 3,342,339,000 cubic feet valued at \$561,412,000 in the preceding year. Preliminary estimates for 1952 indicate a decrease in volume to 3,545,163,000 cubic feet.

An estimated 1,409,071,000 cubic feet of merchantable timber, or 39.1 per cent of the total for 1951, were taken out of the woods in the form of logs and bolts, chiefly for the production of lumber; 1,279,582,000 cubic feet, or 35.5 per cent were taken out as pulpwood, and 817,374,000 cubic feet or 22.7 per cent as fuelwood. The remaining 96,930,000 cubic feet or about three per cent consisted of other forest products in various forms, such as round mining timbers, poles and piling, hewn railway ties, fence posts and rails, wood for distillation, etc.

* * * *

About 83% of Canada's 1953 pack of canned peaches was packed in Ontario, and the balance in British Columbia.

* * * *

Of the 37,021 manufacturing establishments in Canada in 1951, 8,388 or 22.7% produced foods or beverages.

MR. HOWE'S BUSINESS SURVEY

there has been very little increase in unemployment.

"Up to mid 1952 much of the increase in production and employment could be traced to defence expenditure and to intensified world demand for strategic materials. Since that time, however, the main impetus has come from increased demand for goods and services to raise standards of living.

"Of particular importance has been the rapidly growing appetite of the Canadian consumer. Total consumer purchases in physical volume terms are running about 12 per cent above the level of two years ago. This is much the sharpest rise that has taken place since 1946. It may interest honourable members to know that the increased flow of goods and services to Canadian consumers accounts for two-thirds of the addition to total national output during the past two years....

PERSONAL INCOMES

"Underlying this broad growth in consumer spending has been the strong upward trend of personal incomes, in real as well as in money terms. Prior to 1952, money incomes, although increasing substantially, did little more than keep pace with rising prices. By the beginning of 1952 consumer prices had levelled off and have since remained slightly below the peak reached in January, 1952. At the same time, average earnings continued to rise. The result has been a continuing and substantial improvement in real earnings of wage and salary earners, professional people and most other groups. It has been estimated, for example, that average weekly earnings of those working for wages and salaries has increased by 16 per cent during the past two years and the trend continues....

"Nor are consumers dipping into their savings to maintain this high rate of spending. Individuals on the average are still managing to save 8 or 9 cents of each dollar currently earned, a rate which, on the basis of past experience, may be considered as pretty high.

"Consumer spending has been rising. And so has expenditure for the purpose of increasing Canadian capacity to produce. Indeed, I am frank to admit that the rate of capital formation has exceeded my fondest hopes. I would not have been at all surprised if capital expenditure had levelled off this year. But such has not been the case. 1952 established a new record. The latest estimates indicate that capital outlays this year may reach \$5.6 billion, a figure 9 per cent greater than the previous record established in 1952. Since prices of capital goods have been more or less stable, this 9 per cent increase represents an equivalent increase in terms of plant and equipment put in place....

"I have heard fears expressed about what would happen when some of the huge resource

development projects now under way are completed. Will there be a sudden and sharp drop in investment expenditures? I think not. On the contrary, I am inclined to believe that the investment in basic industrial capacity now going on is part of a fundamental expansion in the productive capacity of this country, which is far from completed and which still retains much of its impetus. Korea served to speed up the development of resources which would otherwise have taken place more gradually. This concentration of effort in turn brought forward the need for expansion of secondary and service facilities which are necessary for a full and rounded development of the country.

"It follows that while the gradual completion of some of the large resource projects initiated since 1950 may well bring a change in the composition of total investment, there will now necessarily be a sharp reduction in total expenditure. In 1954 capital outlays in basic material industries may be lower. This decline could be offset by a further increase in utility, service and institutional investment.

PROSPECTIVE DEVELOPMENTS

"Let me run quickly over some of the developments that are in prospect. In some industries like industrial chemicals, primary iron and steel and the processing of metals like copper and aluminum, the emphasis is shifting from the creation of new facilities to the modernization of existing plants. Much the same thing is happening in pulp and paper.

"Assuming reasonable free access to the United States market, Canadian sales of aluminum are likely to be such as to necessitate completion of further stages of the Kitimat project.

"Turning to the development of sources of energy, the outlook is most encouraging. A long term coal modernization programme is under way. Even more money than in 1953 may be spent on the development of new sources of hydro power, oil and natural gas.

"As for natural gas, the imagination of the Canadian people has been stirred - and with reason - by the prospect that lies ahead. The authorization at all levels - provincial, federal and international - of one or more long distance gas pipelines will do more than encourage the drilling for oil in Western Canada. It will attract hundreds of millions of dollars of new capital - capital to pay for gas treating and chemical plants, gas gathering and transmission lines, gas distributing systems and gas using equipment. All this will take time. But, as electricity did in the past, so natural gas promises to usher in yet another era in Canada's march to industrial maturity.

"All told, hundreds of millions, and perhaps even billions of dollars, are involved in the further development of Canadian resources.

Projects of this magnitude, on top of those which are already under way will do much to maintain activity in the months and years ahead....

"During the past fiscal year, defence procurement has amounted to nearly six per cent of the gross national product, and the present level is likely to be maintained for the immediate future. Four programmes - aircraft, shipbuilding, electronics and construction - make up about three-quarters of the total activity in this field....

"When the Government, at the beginning of 1953, made a survey for its own internal use of trade prospects, the conclusion was reached that there would probably be some decline in exports below the levels of 1952 and quite a considerable increase in imports....

CONFIDENCE IN CANADA

"On the whole, things have turned out pretty well as was expected. The surplus in our balance of payments on current account in 1952 has been converted into a deficit, without, I might add, any weakening in the Canadian dollar, which now stands at a premium of well over two per cent. The fact that the exchange rate has remained strong is, I suggest evidence that confidence in Canada has not been at all impaired by the change in the current account position from a surplus to a deficit. It is not unusual for a country in Canada's position - prosperous and building up its productive capacity at a rapid rate - to experience a moderate deficit on current account, financed by a net import of capital.

"Exports during the first nine months of 1953 were about 3 per cent lower in value than in 1952 but when allowance is made for the lower average prices being realized for Canadian exports, the actual volume of exports is very little, if any, short of the record established in 1952. Exports during the months of May, June and July were in fact greater in both volume and value than the corresponding months of 1952.

"The renewed efforts by dollar-short countries to achieve balance in dollar trade had the expected effects. As examples: Canadian exports to Commonwealth countries during the first nine months of 1953 were 13 per cent below the same months of 1952; exports to Brazil, which is in the midst of an acute exchange crisis, fell by 50 per cent.

"On the other hand, our exports were pretty well maintained or continued to rise to overseas countries in which Canadian goods were less subject to discriminatory restrictions, or which are largely dependent upon imports of food and basic raw materials. I refer to such countries as Germany and Japan which have become two of our best customers; Venezuela, one of the richest of the Latin American markets; the Netherlands, to which in the first nine months of this year we exported goods valued at \$32 million compared with \$26 million in

the same period of 1952; and Belgium and Luxembourg, which ranks fifth among Canada's export markets.

"In 1952 there was a shift in Canada's export trade towards overseas countries. This year there has been a shift in the opposite direction. During the first nine months of 1953 the United States took 59 per cent of our exports, as against 53 per cent in the same period of 1952. It is the policy of the Government to sell Canadian goods throughout the free world. That is why we are always working towards the removal of trade restrictions. But if we cannot sell our goods in one place we must try to sell them in another. I am not concerned by the very substantial increase in exports to the United States. On the contrary, I have instructed my Department and Canadian Trade Commissioners in the United States to do everything possible to promote sales of Canadian goods in that market....

IMPENDING DEVELOPMENTS

"The next several months may bring important developments in the field of international economic relations. Basic questions of policy are now being re-examined in the United States, in the United Kingdom and in other major trading countries. We are hopeful that the conclusions and decisions to be reached will make possible some real and effective progress towards the goals of convertibility of currencies and freer trade.

"In the United States, an important commission has been appointed to study all aspects of foreign economic policy. I am sure that the purposes and objectives of the United States in the broad field of world trade are fundamentally akin to our own and that the constructive leadership that the United States has provided since the end of the war will be strengthened and re-affirmed. The decisions of the United States Government in this matter are bound to be of crucial importance to the future of world trade. They will be of particularly vital and direct concern to Canada, as the United States' major and closest trading partner.

"In the meantime, there have been encouraging signs that many other countries are prepared in their own interests to move ahead as far as possible with policies that will bring freedom of trade and convertibility of currencies nearer.

"These are all signs pointing to the kind of trading world we have been striving and working for these last several years. I wish to express the Canadian Government's gratification at the courageous and foresighted moves taken thus far by several countries in the face of many uncertainties. It is becoming increasingly clear to many countries that import restrictions in themselves are no solution to the exchange difficulties that have so hampered trade in the postwar world. Indeed, I think that a cause and effect relationship is

being more and more recognized whereby freer imports of essential materials and foodstuffs, by reducing costs of production and internal price levels, enable countries to compete more effectively and thus to strengthen their exchange reserves...

"As I said at the outset, 1953 has been a remarkable year by any measure. Total output is at record levels. Price levels are more or less stable. Unemployment is very low. The country has been developing and expanding as never before. Export trade in physical terms is about as high as in the record year 1952. It has been a year of balanced prosperity. And yet there have been problems....

"Looking to the year ahead there seems to be little indication of any serious interruption in the generally prosperous conditions now prevailing.

"The present situation would appear to be one in which adjustments could occur in one or in several sectors without any danger of these multiplying into a general collapse.

"In these circumstances we might confidently expect that, whatever adjustments take place in the United States economy in the immediate future, they are not likely to lead to any serious curtailment in sales of Canada's major export items to that country....

"Sales prospects are probably firmer at home than in export markets. There is every reason to look forward to a continued high level of capital spending. Moreover, the prospective shift in the investment programme toward housing and commercial and institutional building will mean increased employment for each dollar of expenditure. Total business inventories have increased during 1953 but not unduly, having regard to the rise in business volume and the extensive liquidation which occurred in many lines during 1952. Government expenditure for defence and other purposes should continue to act as a stabilizing influence. That being so, personal incomes and personal spendings in aggregate, should be fairly well sustained.

"To sum up, continuation of generally stable market conditions in the period ahead is indicated. It must be taken into account, of course, that capacities are expanding and larger outlets are necessary to absorb the increasing volume of production. With the emergence of increasingly competitive conditions on an international scale, marketing problems will be encountered in some industries."

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AUTO SHIPMENTS DOWN: Factory shipments of Canadian-made motor vehicles in September declined from a year ago for the second successive month, but substantial gains in earlier months of the year raised January-September shipments substantially above the same period last year, according to the Bureau's monthly report.

The month's shipments of made-in-Canada vehicles amounted to 35,021 units as compared with 41,065 a year ago, while August's output totalled 22,640 units compared with 22,853 in August, 1952. Cumulative shipments for the January-September period were 390,050 units compared with 329,829:

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IMPORTS HIGHER: Final summary figures on August imports and total trade released Nov. 25 by the Bureau show that Canada received larger values of goods than a year earlier from all main geographic areas and that the value of purchases was higher for all but one of the nine main commodity groups.

Total value of the month's commodity imports was \$345,200,000 as compared to \$302,900,000 for August last year. Prices of imports averaged three per cent higher than a year ago and the volume gain was about 10 per cent. The aggregate value of imports to the end of August was \$2,967,237,000 compared to \$2,596,403,000 last year.

Total commodity exports in August were valued at \$346,900,000, giving Canada a small export surplus for the month of \$1,600,000. The preliminary summary for the month, issued on October 16, had estimated imports at the slightly higher figure of \$347,100,000, indicating an import surplus of \$300,000. Over the eight months there was a cumulative debit balance of \$202,400,000, also down from the estimate of \$206,400,000.

Imports from the United States in August were up in value to \$244,738,000 from \$212,770,000 a year earlier, accounting for about three-fourths of the total gain. Purchases from the United Kingdom rose to \$38,409,000 from \$32,387,000; from other Commonwealth countries to \$15,476,000 from \$14,346,000; from the Latin American group, to \$26,401,000 from \$24,252,000; from Europe, to \$14,921,000 from \$13,300,000; and from the remaining foreign countries, to \$5,460,000 from \$5,042,000.

Largest dollar gain over last year among the commodity groups was in iron and its products, up to \$114,631,000 from \$97,731,000. The non-ferrous group was up to \$28,340,000 against \$22,459,000; non-metallic minerals to \$59,782,000 from \$54,033,000; chemicals, to \$16,984,000 from \$13,808,000; fibres and textiles to \$28,963,000 from \$25,285,000; agricultural and vegetable products to \$36,163,000 from \$33,711,000; wood and paper to \$12,441,000 from \$10,511,000; and miscellaneous commodities to \$41,512,000 from \$38,146,000. Imports of animals and animal products alone declined to \$6,423,000 from \$7,211,000.

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After the United Kingdom, Germany purchased the second largest quantity of Canadian wheat as grain during the 1952-53 crop year, while Egypt purchased the second largest quantity of Canadian wheat flour.

7-MONTH "SURPLUS" \$266 MILLION: Budgetary revenues in October amounted to \$362.4 million or \$2.2 million less than in October, 1952 while budgetary expenditures for the month were \$296.5 million compared with \$367.6 million for October a year ago, the Minister of Finance, Mr. Abbott, announced on November 28.

"The decrease of \$71.1 million is due primarily to the fact that there was no item in October, 1953 comparable to the payment to Ontario of \$61.7 million in October last year, representing two quarterly instalments under the tax rental agreement signed by that Province on October 29, 1952," he said. "In 1953-54 the regular quarterly instalments under the agreement were paid to Ontario in June and September. For October the budgetary surplus was \$65.9 million compared with a deficit of \$3 million in October, 1952."

"For the first seven months of the current fiscal year, budgetary revenues totalled \$2,451 million or \$86.3 million more than for the same period last year. Budgetary expenditures amounted to \$2,185 million or \$108.2 million more than in the seven-month period of 1952. For the fiscal year to date, revenues have averaged \$350.1 million per month or \$12.3 million more per month than in the corresponding period in 1952 while expenditures have averaged \$312.1 million per month or \$15.4 million per month more than last year. The budgetary surplus of \$266 million for the first seven months of 1953-54 was \$21.9 million less than the surplus for the corresponding period a year ago.

"Pension payments out of the Old Age Security Fund (which are in addition to budgetary expenditures) totalled \$28.4 million for October 1953, and tax receipts credited to the Fund amounted to \$25.8 million resulting in a deficit of \$2.6 million for the month. During the first seven months of the current fiscal year pension payments have amounted to \$196.3 million and tax receipts credited to the Fund to \$163.7 million."

* * * *

FISHERIES CONSERVATION: Canada is now signatory to a pattern of international fisheries agreements more complete probably than any other country in the world, according to the annual report of the federal Department of Fisheries for 1952-53, which was tabled in the House of Commons on December 1. The treaties are designed for the conservation of the fishery resources of the high seas.

The report also shows that negotiations with the United States for a treaty to cover the Great Lakes got under way during the year under review.

* * * *

Current estimates place Canada's 1953 apple crop at 11,200,000 bushels, a reduction of about seven per cent from last year's 12,049,000 bushels.

ARMS FOR NATO ALLIES: More than 1,300 tons of ammunition from Royal Canadian Navy stocks was shipped to six European countries under the Mutual Aid Agreement of NATO during the latter part of November.

The SS Table Bay loaded stores at Vancouver on November 30. Her cargo includes 250 tons of cartridges, shells and primers for The Netherlands, 162 tons of four-inch cartridges for Norway, 211 tons of the same for the United Kingdom, 399 tons of 20mm cartridges and hedgehog projectiles (anti-submarine) for France and 11 tons of the projectiles for Portugal.

Additional reserve naval ammunition stores, including 27,000 cartridges of various types, 2,400 fuses and 2,000 practice hedgehog projectiles had previously been shipped to Denmark.

During November a total of 18 ships were scheduled to sail from Canadian ports carrying Canadian arms and equipment to various NATO countries.

* * * *

ESKIMOS HONOURED: Twenty Eskimos in the Eastern and Western Arctic are among Canadian citizens to be honoured by the presentation of the Coronation Medal, the Minister of Resources and Development, Mr. Jean Lesage, announced on December 1.

Each Eskimo chosen to receive the honour has provided outstanding leadership in communities that range across the Arctic from Fort Chimo, most easterly settlement, to Aklavik in the Western Arctic, and as far north as Pond Inlet at the northern end of Baffin Island. These Eskimos are also noted hunters.

Three of the Eskimos are Ships' Pilots who provide safe passage for Government vessels entering Pangnirtung, Lake Harbour and Fort Chimo; two are foremen working on the construction of bases at Fort Churchill and Cambridge Bay; one is employed at the School and Nursing Station at Coppermine.

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RECORD FOR MOVIES: In theatres, drive-ins, community and parish centres, and halls serviced by itinerant operators, Canadians last year spent a record \$8.21 per capita for motion picture entertainment, the Dominion Bureau of Statistics reported. This was 49 cents more than in 1951, \$2.06 more than in 1946, \$3.20 more than in 1942.

The 3,416 theatres of all types collected \$118,434,481 (\$10,227,672 more than in 1951) from 262,963,287 paying customers (10,804,162 more), receipts climbing to \$105,459,183 from \$96,319,583, and amusement taxes to \$12,975,298 from \$11,887,226.

* * * *

There were 525,782 trucks and automobiles owned by Canadian farmers in 1951, three times as many as the 157,022 owned by the farmers of 1921.

WAGES, SALARIES UP: Industrial employment, payrolls and average weekly wages and salaries rose to higher levels at the beginning of September as compared with a month and year earlier, according to the monthly employment and payrolls report, released Nov. 25 by the Dominion Bureau of Statistics.

The September 1 index of industrial employment, on the base, 1939=100, stood at 193.5 as compared with 192.4 for August 1, and 190.6 for September 1. The payrolls index was 475.3 as compared with 471.4 a month earlier, and 442.7 a year ago, while weekly wages and salaries averaged \$57.65 compared with \$57.52 at the beginning of August and \$54.55 at the same time last year.

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TV SALES ZOOM: Nearly five times as many television sets and over one-third more radios were sold by Canadian manufacturers in the first half of this year than in the same six months of 1952, the Dominion Bureau of Statistics has reported. Radio sales were up to 301,652 from 218,452, and TV sales to 126,044 from 27,294. Almost as many TV sets were sold in the first half of 1953 as in the full year 1952, and the six-month sales were over 70 per cent greater than the aggregate sales of 1951, 1950 and 1949.

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BRIGADES IN GERMANY: The arrival in Soest, Germany last weekend of the 2nd Regiment, RCHA, brought to completion major movements involved in the rotation of Canada's infantry brigades in Germany. About 10,000 men have been involved in the exchange of the NATO formations and the movement from Hanover to new and permanent camps at the head of the Ruhr Valley, the Department of National Defence has announced.

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110 NEW VESSELS: One hundred and ten vessels destined for coastwise and foreign service were launched in Canada last year. Built in the shipyards of seven provinces, the new vessels had a total registered net tonnage of 61,721 tons.

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Sales of radio and music departments in Canadian department stores were 34.7% higher in the first three quarters of 1953.

\$3,992,100,000 INVENTORIES: Canadian manufacturers held \$3,992,100,000 worth of inventories at the end of September, \$10,500,000 worth less than a month earlier but \$277,500,000 worth more than on the same date last year, the Dominion Bureau of Statistics reported on December 2. The slight dip from the August value followed small increases in the months from May to August and January to March, and a drop in April. In index terms September inventories were 213.3 per cent of the average 1947 holdings as compared with 213.8 in August and 198.5 in September last year.

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PROVINCIAL DEBT: Net direct and indirect debt of the 10 provincial governments totalled \$3,145,044,000 or \$218.33 per Canadian at the close of March last year, the Dominion Bureau of Statistics disclosed on December 2 in its annual report on this aspect of provincial finances. This was an increase of \$279,622,000 or \$13.37 per capita since the Bureau's last report, which covered fiscal year ends nearest December 31, 1950 (in most cases, March 31, 1951).

* * * *

ARMS FOR ALLIES: A shipment of military equipment for the Azores Command of the Portuguese Army left two Maritime ports last week. The supplies are part of Canada's contribution under the Mutual Aid Agreement of the North Atlantic Treaty Organization. They include six breach-loading 9.2 inch guns and three 9.2 inch mountings; five generating engines; three 60-inch searchlights; one radar set and 501 cases of spare parts and ancillaries to supplement the above supplies.

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THRONE SPEECH DEBATE ENDS: Debate on the Address in Reply to the Speech from the Throne ended in the House of Commons on December 3 and the way cleared for immediate consideration of Government legislation. Three proposed amendments from Opposition Parties were voted down during the three-week debate.

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Seven times as many seal skins were produced in 1951 as in 1950 by Canada's fish processing industry, the number jumping to 272,745 from 38,984.



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WEEK'S EVENTS IN REVIEW

TO MOVE AKLAVIK: The Minister of Resources and Development, Mr. Jean Lesage, announced on December 7 that the Cabinet has approved in principle a plan to move Aklavik, the largest community in the Canadian Arctic. The settlement will be rebuilt at a new site where it will be safe from the erosion of the Mackenzie River and the dangers of sinking through melting permafrost.

As Arctic communities go, Aklavik is a large city. For most of the year it has 400 inhabitants and in July and August the population almost doubles. It is the centre for fur trading, administration, and missionary activities for the Mackenzie Delta and the surrounding region. Aklavik serves some 50,000 square miles. It has grown quickly in the past twenty years and is continuing to grow. Its wholesale removal will pose difficult administrative, scientific, and construction problems.

Aklavik is being moved for the good of its health. Sanitary conditions are unsatisfactory. Water supply and sewage disposal are inadequate and are growing worse year by year. With this menace to public health the Government was faced with a difficult decision - to try to build a water and sewer system at great cost in unstable ground, or to uproot the whole community and move it to a place where essential services are relatively inexpensive.

The scientists of the Building Research Division of the National Research Council

helped the Government with its decision. Men who have become experts in the complicated problems of building on the permanently frozen ground made extensive soil tests. Everyone who had lived in Aklavik in spring knew the mud, but it still came as a surprise to find that more than 50 percent of the soil consisted of water in the form of ice crystals. If the frost should thaw to 10 feet down, through a warmer climate, heat from buildings, or the results of excavation or cultivation, scientists estimate that the surface would drop six feet, right down to the level of the river. It is impossible to build sewers or foundations on ground of that kind without enormous expense, and repair bills are high because of the constantly moving surface of the permafrost.

Though the Government's decision was based primarily on the health of the inhabitants, Mr. Lesage explained that in the long run it will be an economy measure.

Moving a northern town is not a new job - the townsite of Yellowknife was shifted to high ground just before the war - but never has an operation like this been planned north of the Arctic Circle, where the problems of building on permafrost are at their worst. Officials estimate that the move may take four years.

In 1954 scientists, construction men and surveyors will examine the possibilities of new sites. The new site of Aklavik will not be

easy to choose. Good building ground is needed and Aklavik needs to have an airfield. For three months of every year it is now virtually cut off from the outside world. Its isolation can be more than an inconvenience.

Should a disaster strike Aklavik, such as extensive fire or disease, no aircraft could land during break-up or freeze-up each of which lasts up to six weeks. No airfield could ever be built near the present site and it would be impossible to build a road in. When Aklavik moves it is hoped that it will be possible for the first time to develop an airfield and good local roads. On the basis of the findings next summer, officials, in consultation with local citizens and the missionaries, who run hospitals and schools at Aklavik, will have to decide where the site should go.

WINTER OF 1955-6

The rebuilding at the new site will be an exercise in community planning. Probably no buildings will be moved until the roadways are laid out and a water and sewage system is installed. In the winter of 1955-6 the buildings will be brought over. Heavy tractors will haul whole buildings along the frozen river to the new site, where foundations will be ready. Probably the actual move will take two winters. During that time the life of the community cannot be allowed to stop; some essential services, including radio and meteorology, cannot be interrupted even for a day.

At its new site Aklavik will be able to expand. It will no longer be hemmed in by swampy ground and small lakes. The Mackenzie River will no longer eat away the city's roads and buildings. The Roman Catholic mission estimates that within 10 years its present site will be destroyed by the erosion of the river.

While it is expected that most buildings can be moved intact, a few of the larger ones may have to be torn down and rebuilt. When consideration of the problems has been completed the Government will discuss with the missions and with private owners the arrangements to apply in the moving or reconstruction of their buildings.

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LARGEST LIBRARY AFLOAT: In keeping with her size, HMCS Magnificent boasts the largest library afloat in the RCN. It embodies 1,400-odd volumes ranging from the latest mystery thriller to the complete works of Shakespeare. Oddly enough, though, the most popular books are those relating the derring-do of men at sea.

* * * *

Ships built for coastwise and foreign service numbered 110 in 1952, totalled 61,721 registered net tons. Nova Scotia yards launched 54% of the vessels, only 2% of the tons; Ontario yards, 6% of the ships, 91% of the tons.

OCTOBER IMPORTS DOWN: Canada's commodity imports in October were down in value as compared with both the preceding month and October last year, according to preliminary summary figures released by the Dominion Bureau of Statistics. This was the first drop as compared with a year earlier in a lengthy period. Total exports, on which figures were released on December 3, were up in value from September but substantially below those of a year earlier.

Estimated value of imports in October stands at \$361,500,000 as compared with \$372,800,000 in September and \$376,400,000 in the corresponding month last year. There were declines as compared with a year earlier in the value of purchases from the United States and other foreign countries, but increased purchases from the United Kingdom and other Commonwealth countries.

TOTAL \$347,800,000

Total exports--domestic and foreign--in October were valued at \$347,800,000 as compared with \$343,800,000 in September and \$379,300,000 in the same month last year. On the basis of estimated imports, October's trade yielded an import surplus of \$13,700,000 as compared with \$29,000,000 in September, and a small export surplus of \$2,900,000 a year ago.

In the January-October period this year, imports reached an estimated \$3,701,500,000, up 11 per cent from last year's corresponding total of \$3,321,900,000. In the same period, total exports were down to \$3,456,500,000 from \$3,570,200,000, resulting in an import surplus for the period of \$245,000,000 in contrast to an export surplus last year of \$248,300,000.

Imports from the United States in October declined to \$263,000,000 from \$275,200,000 a year ago, and exports fell to \$201,900,000 from \$210,900,000. As a result, the import surplus on the month's trade was reduced to \$61,100,000 from \$64,300,000. In the 10 months from January to October, imports from the United States were up in value to \$2,740,900,000 from \$2,447,500,000, and exports rose to \$2,035,500,000 from \$1,911,200,000. The resulting import surplus for the period was \$705,400,000 as compared with \$536,300,000.

Purchases from the United Kingdom in October were estimated at \$37,700,000 up slightly from \$37,100,000 a year ago, and the cumulative value for the January-October period rose to \$377,000,000 from \$296,500,000. Total exports to the United Kingdom were up in October to \$55,800,000 from \$51,400,000, but declined in the 10-month period to \$565,100,000 from \$641,800,000. The credit balance on the month's trade was larger at \$18,100,000 as compared with \$14,300,000 a year ago, but the 10-month total was down to \$188,100,000 from \$345,300,000.

CUSTOMS ACT AMENDMENT IN COMMONS

MINISTER'S STATEMENT: The Minister of National Revenue, Dr. J.J. McCann, introduced in the House of Commons on December 7 an amendment to the Customs Act which he said was "designed to help meet the difficulties arising from end-of-season and end-of-line imports which are dumped into Canada at abnormally low prices".

Dr. McCann spoke as follows in explaining the legislation:

"Among its administrative functions the Customs Division of the Department of National Revenue bears the responsibility of appraising all imported goods to ascertain whether they are being imported at a price related to the fair market value in the country of export as defined by the Customs Act.

"As ordinary routine exporters' invoice values, where these appear low, are closely scrutinized to determine whether they comply with the valuation provisions of the Customs Act. When such values are less than domestic market prices in the country of export, proper values are established on which duty and sales tax are based. In addition, a special duty may be imposed under the dumping clause of the Customs Tariff to the extent of the undervaluation.

SECTION 35

"Section 35 provides the definition of value for duty required in carrying out these functions.

"By and large this basis of appraisal of values for customs purposes has worked reasonably well. However, it has been found in practice that the section as it is now worded has not been fully adequate to deal with certain practices which in fact constitute a special kind of dumping.

"A number of cases have recently been brought to the attention of the Government where the application of Section 35 of the Customs Act has permitted the importation of manufactured goods into Canada at values which, while strictly speaking the same as those prevailing for the moment in the domestic market of the country of export, are nevertheless abnormally low. The flow of imports resulting from these conditions does not reflect the true competitive position of the Canadian industry concerned. In the textile industry, for example, as the season abroad advances or as inventories of some items accumulate, certain lines are closed out and placed on the market at prices substantially less than those previously effective. The importation of such goods into Canada at abnormally low prices may cause injury to Canadian industry which is not in any real sense related to its relative efficiency or productivity.

"The Government believes that this situation needs to be corrected, and to this end is proposing an amendment to the Customs Act.

"The amendment proposed, that is, the addition of subsection 6 to Section 35 of the Customs Act, authorizes the Minister, in cases where he finds prices of manufactured goods have fallen to abnormally low levels as a result of the advance of the season or the marketing period, to appraise the goods concerned for customs purposes on the basis of the weighted average price prevailing in the country of export in a reasonable preceding period not to exceed six months. It is believed that in the circumstances envisaged this will provide a more accurate reflection of the fair market value in the country of origin at the time of exportation to Canada.

"This amendment involves no departure from our established trade policy. The Canadian Government has consistently worked for the reduction of trade barriers and the expansion of world trade. We are convinced that this policy is essential to the stability at a high level of employment and prosperity in Canada.

VALUATION PROCEDURES

"In line with this policy the proposed amendment is directed toward dealing with the problem I have outlined not through any tariff increases or import quotas but by ensuring that the valuation procedures shall be such that the existing tariff rates receive their proper application.

"I should make it clear to the House that the proposed amendment is fully consistent with our international obligations. Our trade agreements including GATT recognize the right to deal with dumping. Indeed, if there were no provisions to deal with undervaluation it would not have been possible to make the progress we have made in reducing tariff rates and other barriers to trade.

"This revision of the law is designed to help meet the difficulties arising from end of season and end of line imports which are dumped into Canada at abnormally low prices. Industries which are well organized and reasonably competitive should not be allowed to suffer as a result of this situation.

"This proposed change in the law will not, however, help industries whose prices are too high, whose productivity is low, or whose marketing practices are obsolete. What we are trying to ensure is the maintenance of fair competition--that is, fair to producers and consumers alike.

"It is proposed to bring this provision into effect as from midnight tonight."

ALBERTA MOST "MOBILE": Alberta outranked Ontario as Canada's most mobile province for the fourth straight time last year with 10 motor vehicles for every 33 citizens, the Dominion Bureau of Statistics disclosed in its annual publication *The Motor Vehicle*. Ontario, in top spot until 1949, had 10 for every 37 persons.

The province with the highest proportion of farm dwellers among its rural residents (over 69 per cent), Alberta's edge was in trucks and tractors. Ontario still led in the passenger car field with 10 for every 47 citizens, Alberta and British Columbia tying for second place with 10 for every 51.

Newfoundland still had the fewest motor vehicles per capita in 1952--10 for every 158 persons. There were 10 motor vehicles for every 180 Newfoundlanders in 1951, for every 214 in 1950, for every 257 in 1949. The same rapid change was evident for passenger cars alone--10 for every 235 in 1952, for every 268 in 1951, for every 322 in 1950, for every 399 in 1949.

As to the other provinces, in 1952 there were 10 motor vehicles for every 36 persons in Saskatchewan, for every 37 in British Columbia, for every 42 in Manitoba, for every 55 in Prince Edward Island, for every 57 in Nova Scotia, for every 59 in New Brunswick, and for every 73 in Quebec. The Yukon and Northwest Territories had 10 motor vehicles for every 61 residents.

During the year the population per motor vehicle decreased in all parts of the country, total registrations increasing by 10 per cent to a record 3,155,824 from 2,872,420 in 1951. There were more of all kinds of vehicles in use except motor cycles.

To further add to the use of Canadian highways last year, the number of U.S. motor vehicles entering Canada increased by 328,520 or more than four per cent to 7,875,154.

Taxable gasoline consumption rose by one-eighth to 1,718,000,000 gallons from 1,529,000,000 in 1951 (total sales were up to 2,344,000,000 from 2,050,000,000 gallons), and tax revenues increased by over 10 per cent to \$196,885,566 from \$178,505,307.

226 DIESEL LOCOMOTIVES: As in 1951, production of railway locomotives in Canada was confined to the diesel-electric type last year, 226 of these being manufactured as compared with 267 in 1951. In 1950 there were 48 steam locomotives and 98 diesel-electric locomotives fabricated in this country. This information is contained in the Bureau's annual report on the railway rolling stock industry for 1952, which shows a drop of one to 36 plants in the industry last year, an eight per cent gain in employees to 36,084, and a 15 per cent rise in payroll to \$108,318,766 (over the hundred-million-dollar mark for the first time).

FOOD FOR KOREA: The Department of External Affairs announced on December 7 that the Canadian Government has contributed 1,000 tons of Canadian salted cod valued at \$300,000 to the United Nations Emergency Relief Programme in Korea.

The Korean Government places a high priority on food imports both to provide food for the Korean people and as a counter inflationary measure and the United Nations Command has indicated that it would welcome a donation of Canadian salted cod fish for Korean relief.

The Emergency Relief Programme was inaugurated by the United Nations Command shortly after the outbreak of hostilities in Korea. Its aim is to provide immediate relief to the Korean people in the form of food, clothing, medicine, etc. Thirty-six countries are participating in this programme.

This programme is in addition to the long-range reconstruction programme carried out by the United Nations Korean Reconstruction Agency in which Canada, together with 33 other countries, participates and towards which the Canadian Government has pledged and paid \$7,250,000.

The salted cod will be shipped to Korea from Halifax and it is expected that the final shipment will have been made by the end of the year.

STORE SALES DOWN: Department store sales in October were estimated at \$97,267,000 down 1.7 per cent from a year earlier, but 11.5 per cent above September's estimated value, according to the Dominion Bureau of Statistics. Selling value of stocks on hand at the end of September amounted to \$249,642,000, 19.4 per cent above the value of department store inventories held at the same time last year.

WHEAT SUPPLIES: Visible supplies of Canadian wheat on November 18 this year rose to 336,667,000 bushels from 331,278,000 a week earlier and 244,699,000 a year ago, according to the Dominion Bureau of Statistics. Deliveries of wheat from farms in the Prairie Provinces during the week were 10,222,000 bushels, up from the preceding week's 8,575,000 bushels, but down from 12,310,000 a year ago.

CANADA-U. S. DISCUSSIONS: The Government of Canada and the United States have agreed to hold informal discussions on aviation matters of current concern to the two Governments. The meeting will take place in Washington on December 14 and 15. Mr. John R. Baldwin, Chairman of the Canadian Air Transport Board, will be the principal representative of Canada while Mr. Oswald Ryan, Chairman of the United States Civil Aeronautics Board, will lead the discussions for the United States.

NATO MINISTERIAL MEETING: The Department of External Affairs announced on December 7 that a Ministerial meeting of the North Atlantic Council will be held in Paris commencing on December 14. Canada will be represented by the Secretary of State for External Affairs, Mr. L.B. Pearson and the Minister of National Defence, Mr. Brooke Claxton. They will be assisted by the Permanent Representative of Canada to the North Atlantic Council, Mr. L.D. Wilgress, and the members of the Permanent Delegation in Paris. In addition, the following advisers will attend: Lieutenant-General Charles Foulkes, Chairman, Chiefs of Staff; Mr. K.W. Taylor, Deputy Minister of Finance; Mr. T.N. Beaupré, Assistant Deputy Minister of Defence Production; Rear Admiral H.G. deWolf, Chairman, Canadian Joint Staff, Washington; Major-General J.B.D. Smith, Chairman, Canadian Joint Staff, London; Mr. M.H. Wershof, Department of External Affairs.

The Ministerial meeting is expected to last three days and will be preceded by a meeting of the Military Committee of the North Atlantic Council.

It is customary to hold Ministerial meetings of the Council (attended by Cabinet Ministers) once or twice a year. The last Ministerial meeting was held in April 1953. The Permanent Representatives to the Council meet regularly in Paris, every week, throughout the year.

Among the main tasks of the forthcoming Ministerial meeting will be completion of the 1953 Annual Review of the NATO defence build-up, and consideration of the international situation as it concerns NATO.

* * * *

SEA FISHERIES: Canada's coastal fishermen landed 155,029,000 pounds of sea-fish worth \$4,818,000 this October, a jump of 139.5 per cent in quantity and 38.4 per cent in value over the 64,731,000 pounds worth \$3,581,000 that were landed in October last year when striking net fishermen curtailed Pacific Coast operations. The October gain, however, was not large enough to offset losses in other months this year, with the result that in the first 10 months the catch was down 11.4 per cent in quantity to 978,810,000 from 1,104,923,000 pounds and 1.6 per cent in value to \$56,664,000 from \$57,609,000.

* * * *

AUTO SHIPMENTS DOWN: Motor vehicle shipments from Canadian factories dipped for the third straight time in October to 35,898 from 41,659 vehicles last year, but the 10-month total remained substantially above 1952's at 425,948 against 371,488, and indications were for a new record this year. Shipments of Canadian passenger cars totalled 28,748 (5,198 for export) in October against 27,954 (4,943 for export) last year, while 10-month shipments were 317,955 (35,522 for export) against 243,386 (34,197 for export).

167 NEW CANADIANS: Family Christmas trees across Canada will have 167 new Canadians around them this Yuletide season. They are the wives and children of Canadian soldiers who served in Europe with the 27th Canadian Infantry Brigade.

Ninety-seven of the new citizens arrived December 10 at Halifax. Aboard ship were 64 wives and 33 children. All of the wives are Europeans and will be getting their first glimpse of the country of their soldier-husbands.

On December 16 another ship will dock at Saint John, N.B., with 70 more dependents.

* * * *

MAIL RATE CHANGES: The Minister of Finance, Mr. Douglas Abbott, announced in the House of Commons on December 8 three proposed changes in mail rates, to be effective next April 1. They are:

General increase of one cent per ounce for first class mail. The rates have been four cents for the first ounce and two cents for each additional ounce. They will become five cents and three cents.

The local rate which applies on mail posted and delivered within a city or town will be extended to cover mail posted and delivered on a rural route.

The rate on air mail within Canada will be reduced by two cents. There will be no change in the rate on air mail going outside the country. The domestic rates have been seven cents for the first ounce, and five cents for each succeeding ounce. They will become five cents and three cents.

* * * *

"ATHABASKAN" RETURNS: On December 11, HMCS Athabaskan returns to Esquimalt, B.C., after an absence of nearly 14 months. With her she brings two records: She is the first Canadian destroyer to complete three tours of duty in the Far East, and her latest tour with the United Nations forces is the longest yet to be put in by an RCN ship.

Since she left Esquimalt on October 29, 1952, the Athabaskan has logged more than 65,000 nautical miles, nearly all of them while serving with the UN command, and has spent some 270 days at sea.

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400 MORE VETERANS BACK: Four hundred Canadian veterans of Japan and Korea will arrive at a west coast port on December 14 it was announced by Army Headquarters. The men represent most units of the brigade and come from every province in the country.

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MODERNIZED FRIGATE: The third of 16 wartime frigates undergoing modernization in Canadian shipyards will be commissioned on December 12 at Sorel, Que.

COMMENTS ON GEN. EISENHOWER'S U.N. SPEECH

MR. ST. LAURENT, MR. DREW: The Prime Minister, Mr. St. Laurent, and the Leader of the Opposition, Mr. George A. Drew, both commented briefly, and in preliminary fashion only, in the House of Commons this week, on the address of the President of the United States at the General Assembly of the United Nations on December 8.

Mr. St. Laurent's remarks were made at the opening of the House of Commons on December 9. Mr. Drew's were delivered during discussion of a bill respecting the Department of Northern Affairs and National Resources late in the afternoon of December 8.

Following are the texts of their remarks:

MR. ST. LAURENT: "Members of the House will have heard or read in the newspaper reports, Mr. Speaker, of the inspiring address delivered by the President of the United States at the General Assembly of the United Nations yesterday afternoon. I should like to take this opportunity, on behalf of the Canadian Government, of welcoming President Eisenhower's imaginative and constructive approach to what is perhaps the greatest problem of the day, namely: the effective control of atomic energy and its development for the welfare rather than the destruction of mankind. The House, will, however, appreciate that it would be inappropriate to make any extended comments on the President's proposal without the most careful study of his actual text, which we have not yet received. I can assure the House that the President's statement will receive most careful and sympathetic consideration by the Canadian Government.

MR. DREW: "Less than half an hour ago the President of the United States of America completed one of the most significant speeches of our time. It is a speech which should offer greater encouragement than the people of this world have had for many years. The fact that it was so clearly a speech which represented the united opinions of the United States, Great Britain and France gives it a significance and meaning that should reach the heart of every person in this world, whether beyond the iron curtain or on this side of it, who looks toward that day of peace for which we have all been hoping.

"I mention this because that speech in many ways was directly related to the subject matter of the Bill now before us, which has to do with the possibilities of that immense area within which was first discovered on this North American continent the fissionable material from which such destructive forces have been built as part of the common defence of freedom throughout these past years.

"After having reviewed the terrifying increase in the power of atomic weapons which find their source in minerals which have been discovered in abundance in our own north country, the President placed before the United Nations and the world proposals for a peaceful

solution of this terrifying problem, which could mean not only the fulfilment of the hope of peace but could also mean an entirely new concept of the importance for us and for the whole world of that northern area, where there is not only an abundance of mineral resources of many kinds and a vast abundance of water power and other basic power, but also the fissionable materials from which undreamed of possibilities may emerge for those countries deficient in power, and because of that deficiency almost without hope of removing the poverty and distress which has been their lot for so long.

"After a positive, clear and definite proposal for the disarmament under international supervision and protection, the President of the United States, speaking obviously not only on behalf of that country but also of Great Britain and France, proposed that there be set aside a great international pool or stockpile of fissionable materials for the continuing supply of such atomic and hydrogen weapons as might be necessary for the common defence of freedom, and also for the purpose of peaceful experiment and research, as a result of which fortunate lands like Canada and the United States might find new opportunities and other lands now in poverty might be offered resources of electrical power and agricultural advancement through the scientific employment of these minerals for peaceful purposes.

"Surely a thought that will appeal to all mankind was the statement by the President this afternoon, made with unexcelled knowledge of the possibilities of its employment, that this most destructive of all forces, which today hangs as a cloud over the whole world, can become a boon greater than any that man has yet known. After proposing this international stockpile of normal uranium and fissionable material, he then challenged the imagination of his audience at the United Nations to contemplate what could be done if the scientists who are now devoting their energy to destruction used that accumulated knowledge in this new branch of science to explore the possibilities of the peaceful use of what he described as a bank of fissionable material for the production of electrical energy, which could be sent to the power-starved areas of the world, thus giving the nations which today see little sign of hope the possibilities of security, of happiness and of advancement which they could not foresee only a few years ago....

"If the offer extended so open-handedly today by the President of the United States at the United Nations, and so obviously with the support of Great Britain and France, is accepted in that spirit by the nations of the whole world - and I hope, as I believe we all hope, that it will be so accepted - then this northern area of Canada may become the centre of one of the greatest peaceful developments ever known to man."



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WEEK'S EVENTS IN REVIEW

LIMIT OATS SHIPMENTS TO U.S.: Canada has agreed to limit shipments of oats to the United States to 23,000,000 bushels during the period December 10, 1953 to midnight of September 30, 1954, the Minister of Trade and Commerce, Mr. C.D. Howe, announced in the House of Commons on December 14.

The United States Government requested the co-operation of the Canadian Government in a letter of December 7 signed by the Acting Secretary of State, Mr. W. Bedell Smith, and the acquiescence of the Canadian Government was stated in a letter of December 10, signed by the Acting Secretary of State for External Affairs, Mr. Paul Martin.

The texts of the two letters setting forth the views of the two Governments were read in the House of Commons by Mr. Howe, and were as follows:

Washington, December 7, 1953

The Honourable L.B. Pearson,
 Secretary of State for External Affairs,
 Ottawa, Canada.

My dear Mr. Secretary,

During the past several months, the Government of the United States has been faced with problems of increasing seriousness in connection with the accumulation of surplus agricultural products. These mounting surpluses,

and the financial burden they entail, may well threaten to disturb orderly marketing arrangements which it is to the interest of both Canada and the United States to maintain.

The special circumstances affecting the problem of oats make it a matter of particular urgency requiring exceptional treatment. We believe that unless steps are taken to assure that imports of oats will not be such as to interfere with the orderly marketing of oats in the United States, a critical situation will develop which could be damaging to the farming industry of our two countries. It is our suggestion that shipments of oats from Canadian ports of shipment to the United States should not exceed 23,000,000 bushels during the period from midnight December 10, 1953, to midnight September 30, 1954.

As you know, Canada supplies almost the whole of the United States imports of oats and only small quantities come from other countries.

You are of course aware that the larger problem associated with accumulations of surplus agricultural products and related questions of agricultural policy are currently under review with the aim of arriving at longer-term solutions of a constructive character.

Having in mind the desirability of maintaining, as in the past, the closest collaboration between the Governments of Canada and the United States in matters of common concern, President Eisenhower has asked me to seek the

(Continued on P. 4)

SECURITY TRANSACTIONS: During the third quarter of this year, portfolio security transactions resulted in a capital inflow of \$1,000,000, contrasting with a capital outflow of \$80,000,000 in the second quarter which was dominated by the repurchase by the Government of Canada in May of \$75,000,000 of 3/63 (External Loan). New issues of Canadian securities which amounted to \$15,000,000 in the third quarter were lower than the amounts recorded in any quarter since the final quarter of 1950.

Trade in outstanding Canadian issues led to a purchase balance of \$4,000,000 as compared with \$36,000,000 in the second quarter. Net repatriation of Government of Canada direct and guaranteed issues amounted to \$6,000,000 compared with \$44,000,000 in the second quarter. For the nine-month period ending September, 1953 a capital outflow of \$30,000,000 was recorded. Outflows to the United States were greater than this as there were inflows of capital from sales of securities to the United Kingdom and other overseas countries.

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110 DUTCH BANDSMEN: More than 200 Dutch and British bandmen have been enrolled in the Canadian Army since the recruiting door was opened to them about a year ago, Army Headquarters has announced.

The figures change daily as more enlistments overseas are reported to Army Headquarters, but approximately 179 have enlisted since the beginning of 1953 and 201 since the programme was first initiated. Of the overall total, 110 are Dutch and 91 British.

To date, some 66 Dutch bandmen and 80 from the United Kingdom have come to Canada as members of the Canadian Army. Married men have brought their families with them. The bandmen, some of them numbered among the finest musicians in Europe, are posted after enrolment to one of eight Canadian Active Force bands.

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AVERAGE WAGE \$56.73: Average hourly earnings in manufacturing rose by one cent between September 1 and October 1, accompanied by an increase of half an hour in the length of the working week. The latest earnings were 136.7 cents per hour and the average hours worked 41.5. The average weekly wages were \$56.73, as compared with \$55.64 at September 1. The increase in earnings was partly due to wage increases and partly to a return to more normal working conditions following the summer vacation period.

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WHEAT SUPPLIES: Visible supplies of Canadian wheat on November 25 totalled 338,124,000 bushels, but 38 per cent above last year's corresponding total of 245,038,000 bushels, according to the Dominion Bureau of Statistics.

PULP AND PAPER, 1952: Gross value of products of Canada's pulp and paper industry in 1952 totalled \$1,157,888,000, a decrease of 6.5 per cent from the all-time peak value of \$1,237,897,000 set in 1951, according to the Dominion Bureau of Statistics. The decline from 1951 reflected lower prices for pulp exported, a reduction in the output of pulp made for export, and a decrease in the production of paper boards and paper other than newsprint.

Although newsprint production reached new peaks of 5,707,000 tons valued at \$600,516,000, this could not offset the decreases which were recorded for other products in the industry. In 1952, pulp production declined by 3.7 per cent from 9,315,000 tons to 8,968,000, and paper and paperboard production was slightly lower at 7,202,000 tons compared with 7,225,000.

Net value, or value added by manufacture, decreased 14 per cent to \$584,111,000 from the peak of \$679,258,000 reached in 1951, because of increases in the cost of labour, materials and supplies, and fuel and electricity. Salaries and wages reached \$225,353,000, an increase of 5.7 per cent over the previous year's \$213,170,000; employment also rose by 0.9 per cent from 57,300, to 57,800 persons.

Expenditures for pulpwood and other materials and supplies climbed to \$497,047,000, or 2.9 per cent more than in 1951 (\$483,014,000). The cost of fuel and electricity was also higher, amounting to \$76,740,000, or 1.5 per cent more than the year before (\$75,626,000).

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BIGGEST SAVINGS BOND SALE: Latest check on Canada's biggest Canada Savings Bond sale shows total purchases to November 30 of \$852 million. 1,274,769 orders were placed - approximately 350,000 more than in Series Seven.

Mr. Graham Towers, Governor of the Bank of Canada, said that the dollar total was two and a half times sales of Series Seven at the same date and \$380 million higher than Series One - the previous record. Sales to the general public by banks reached \$519 million, more than three times Series Seven figures and sales by investment dealers were \$136 million - well over four times their last year's total.

Average purchase in the general sales category was \$1,173.88. This compares with \$716.15 last year.

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\$12 BILLION CHEQUES: Value of cheques cashed in 35 clearing centres across Canada was \$11,936,346,000 in October, six per cent above last year's October total of \$11,279,136,000, the Dominion Bureau of Statistics reported December 10. For the first 10 months of 1953 the value was \$111,951,763,000, a 10 per cent increase from \$101,481,730,000 in 1952. All five economic areas contributed to the advances in both periods.

NINE MONTHS' INTERNATIONAL ACCOUNTS

\$386,000,000 DEFICIT: Canada's current receipts from international transactions were \$4,108,000,000 in the first nine months of 1953, a decline of one per cent from the same period of 1952, according to the Dominion Bureau of Statistics. Current payments rose by 11 per cent to \$4,494,000,000. These opposite movements led to a deficit of \$386,000,000 from transactions in goods and services in the nine-month period of 1953, contrasting with a surplus of \$138,000,000 in the same period one year earlier. A small decrease in merchandise exports and a large increase in imports accounted for most of the change in the current account balance; the non-merchandise items contributed only \$41,000,000 to the deterioration in the balance.

CURRENT DEFICIT

Almost all of the current deficit to the end of September this year was incurred in the first and second quarters of the year. The deficit of \$181,000,000 in the second quarter (and \$184,000,000 in the first) changed to a small deficit of \$21,000,000 in the third quarter of 1953. This improvement was mainly due to the decline in import volume from the second quarter level, which was partly a seasonal change, and to the usual third quarter rise in net receipts on travel account. The third quarter deficit of \$21,000,000 compares with a surplus of \$69,000,000 in the same quarter of 1952, reflecting the very high level of imports in 1953.

The immediate factors in the deficits can be indicated by comparing the quarterly totals with the levels one year earlier. In both the first and third quarters of 1953, payments for goods and services exceeded the corresponding 1952 levels by about 10 per cent, while in the second quarter the increase was 16 per cent. Current receipts during the first quarter of 1953 were lower than in the corresponding 1952 period. In the second quarter they were about level with the same quarter of 1952, and only in the third quarter did current receipts ex-

ceed (by about three per cent) the corresponding 1952 total.

Merchandise exports in the nine months of 1953 were \$3,106,000,000, down by \$75,000,000 from the 1952 period; almost all of this change was in the first quarter of 1953 compared to the same period of 1952. Merchandise imports in the nine-month period rose to \$3,217,000,000, an increase of \$408,000,000 over the same period of 1952. Almost half of the change was in the second quarter of 1953 compared to the same quarter of 1952, and the rest evenly divided between the first and third quarters.

VISITORS' SPENDING

The deficit on non-merchandise transactions, which has been typical of recent years, widened to \$275,000,000 in the nine months of 1953, as compared to \$234,000,000 in the same months of 1952. This summer the level of expenditures in Canada by United States travellers has risen appreciably above that of the previous summer. An increase of some 10 per cent contrasts with the relative stability in the total of these expenditures between 1948 and 1952. A greater number of visitors and larger average expenditures both contributed to the increase. Nevertheless, the balance of receipts on travel account in the third quarter was about the same as last year as Canadian expenditures on travel outside of Canada continued to rise.

The net movement of capital into Canada for direct investment in foreign-controlled enterprises is tentatively estimated to have been \$90,000,000 in the third quarter of this year, a rate slightly higher than during the first half of the year. Although over the nine months of the year about 90 per cent of this direct investment inflow has been from the United States, in the third quarter there appears to have been a marked increase in the inflow from the United Kingdom and the share of United States capital in the total was closer to 80 per cent. Resource development continued to be the major field for new foreign investment in the nine months of the year.

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SHIPS FOR FRANCE: Four new construction minesweepers, all of them built in St. Lawrence river shipyards, are to sail this month to Halifax. Three of the ships are destined for ultimate delivery to France under the Mutual Aid agreement of the North Atlantic Treaty.

Altogether, six minesweepers have been assigned to Mutual Aid and all of them are to go to France. The other three are still under construction.

AMMUNITION FOR FRANCE: A shipment of 365½ tons of ammunition from reserve stores of the Royal Canadian Navy will be delivered this month to France under the Mutual Aid arrangement of the North Atlantic Treaty. Included in the shipment will be 20mm and 2-pounder cartridges and depth charges.

Previous shipments of ammunition from RCN stores have been made this year to Denmark, The Netherlands, France, Norway, Portugal and the United Kingdom.

(Continued from P.1)

LIMIT OATS SHIPMENTS TO U.S.

co-operation of the Canadian Government in this matter. The President is most anxious that a solution be found which will cause the least possible damage to trade relations between our two countries.

Sincerely yours,

W. Bedell Smith,
Acting Secretary of State.

Ottawa, December 10, 1953.

The Honourable W.B. Smith,
Acting Secretary of State,
Washington, D.C.

My dear Mr. Acting Secretary,

The Government of Canada has given careful consideration to your letter of December 7th regarding the urgent situation which is giving concern to your Government with respect to the marketing of oats. The Canadian Government attaches the greatest importance to the extension of mutually profitable trade between our two countries and to avoidance of restrictions which would interfere with such trade. However, in a desire to meet President Eisenhower's request for co-operation in a solution to this urgent problem, the Canadian Government has decided, as a temporary measure, and without obligation, to take all practicable steps to limit shipments of Canadian oats to the United States to the extent and for the period suggested in your letter. In taking this action, the Canadian Government is aware of the fact that your Government is now reviewing its agricultural policies with a view to finding longer-term solutions of a constructive nature.

The Canadian Government takes note of the information in your letter, that Canada supplies almost the whole of the United States imports of oats and only small quantities come from other countries. The Canadian Government wishes to make clear that it will reconsider the decision set forth in this letter in the event that substantial quantities of oats are imported into the United States from other countries during the period in question. The Canadian Government assumes that in this event the Government of the United States will itself also wish to review the situation.

Yours sincerely,

Paul Martin,
Acting Secretary of State for External Affairs.

Canada's pulp and paper industry employed 57,803 persons in 1952, 512 more than in 1951.

EUROPEAN, CANADIAN ARCHITECTS: Architects and architectural students from Europe and Canada have been invited to participate in an international competition for the Canadian home of tomorrow, sponsored by McGill University's School of Architecture in Montreal, Canada. The competition is open to architects in Great Britain and the continental nations west of the iron curtain as well as to architects and students in Canada.

An International Award and \$5,000 will be given for the design judged the best of all entries. Separate awards and \$2,500 each will be given to the best designs from Europe and from Canada, exclusive of the international selection. There are also ten honourable mention awards with a \$200 prize each. The competition is not open to architects from the United States or South America.

The invitation to European architects to participate in this competition for a Canadian home has been extended because of a desire to make available to Canadians, both architects and public, some of the cultural development of the older countries of Europe.

APPRECIATIONS TO U.S.: In a colourful ceremony in Washington, D.C., on December 16, Major-General F.F. Worthington, C.B., M.C., M.M., E.D., Canadian Federal Civil Defence Co-ordinator, returned to United States Civil Defence authorities the elaborate "On Guard Canada" display which the Canadian civil defence organization has had on loan for the past year.

Speaking on behalf of the Government and people of Canada, General Worthington thanked Governor Val Peterson, U.S. Civil Defence Administrator, for the generous action of the United States. He presented Governor Peterson with an illuminated scroll attesting to this appreciation.

The display, carried in seven giant blue-and-gold tractor trailers, had travelled over a 15,000-mile convoy route from Atlantic to Pacific in a three-month operation that made Canadian highway transport history.

ELECTRICAL PRODUCTS PEAK: Factory shipments of products manufactured by establishments comprising the electrical apparatus and supplies industry reached an all-time peak value of \$715,873,000 in 1952, according to the Bureau's annual industry report. This compares with 1951's approximate value of \$676,009,000. Cost of materials used was down to \$313,713,000 from \$316,561,000, employees were up in number to 69,200 from 67,600, and their salaries and wages were higher at \$217,565,000 as compared with \$194,749,000.

Canada produced over half (54%) of the world newsprint output in 1952, supplied over four-fifths (83%) of world exports.

DECLARATION OF HUMAN RIGHTS

MR. PEARSON'S BROADCAST: In an address on "Human Rights Day," broadcast December 10, the Secretary of State for External Affairs, Mr. L.B. Pearson, said that the Universal Declaration of Human Rights adopted by the General Assembly of the United Nations five years ago, "sets a common standard of achievement toward which peoples and governments throughout the world can strive". He then proceeded as follows:

"The road toward such achievement has not been easy. There have been disputes and disappointments in the discussions which have taken place concerning it at the United Nations. There have been differences and difficulties in our effort to translate into reality the high principles set forth in the Declaration. There have been disagreements and dissension over the best methods to be adopted and over the pace at which progress should be made.

"Some countries, like my own, consider themselves fortunate in possessing traditions and being able to build on experience which simplifies the task of ensuring broad acceptance and support of the principles in the Declaration. But all countries face real difficulties in devising precise legal forms which will fit in with the existing pattern of their constitutional systems. All member countries of the United Nations have not been able to agree upon the form of the international instrument which should codify human rights and be binding on all those signing it. There have been a multitude of suggestions, often cancelling each other out.

"It is not surprising, however, that we

have not found it easy to arrive at a formula which will provide even the necessary minimum of satisfaction for all. In this and in other problems in the United Nations, we are bringing together peoples with widely different legal, economic and social backgrounds; with varied philosophical and intellectual approaches; differing, even opposed ideologies.

"Without elation, then, but certainly without despair, on this fifth anniversary of Human Rights Day, we should pause and assess our progress. It should concern us deeply that there are large areas of the world where essential human rights have been eliminated, where personal liberty, freedom of expression, and freedom of religion have been stamped out.

"In other parts of the world, however, there has been real progress and we should be gratified that the very firmness and determination shown on this question in United Nations debates and elsewhere is a sign of the deep-rooted support these great principles have gained.

"Let us resolve, therefore, to press forward on the long and difficult road leading to the objective we set for ourselves in the Charter in 1945, and reaffirmed in the Declaration of Human Rights in 1948.

"There can, however, be no rights, without obligations; as there can be no freedom without law.

"In the last analysis, therefore, the manner in which we discharge our obligations as citizens of our countries, and as members of the international community, will determine whether we are to have and to keep - or whether we deserve to have - the rights of free men."

* * * *

RIFLES FOR FRANCE: The Canadian Army will ship 26,000 rifles and further quantities of other military supplies to the French Army in December under terms of the Mutual Aid Agreement of the North Atlantic Treaty Organization, Army Headquarters has announced.

With the rifles will go an equal number of bayonets, scabbards and slings; a quantity of vehicle repair kits, and spare parts for other military equipment previously shipped. The equipment will be shipped from Saint John, N.B. about mid-December.

* * * *

HEALTH DEPT. INFORMATION HEAD: Mr. Harvey W. Adams, of Toronto and Ottawa, has been appointed Director of Information Services for the federal Health Department, the Minister of National Health and Welfare has announced. For the past year Mr. Adams has been transportation officer in the Civil Defence Branch of the Department.

CANADIAN STATISTICAL REVIEW: The Dominion Bureau of Statistics released on December 15, its 1953 supplement to the Canadian Statistical Review. This 151-page report presents, from 1926 or the earliest year for which data are available, to the last complete year, the annual record of all statistical series carried in the regular monthly issues of the Canadian Statistical Review, and monthly or quarterly data for the period 1950-1952.

* * * *

Canada's hotels grossed \$391,936,000 in 1952, an increase of 10 per cent over 1951 receipts of \$357,282,000, according to the Dominion Bureau of Statistics. The number of hotels in operation increased from 5,092 with 146,441 rooms in 1951 to 5,157 with 149,615 rooms in 1952.

* * * *

Railway passenger car production rose to 20 last year from six in 1951.

CANADA-U.S. AIR TALKS: Representatives of the Governments of Canada and the United States met on December 14 and 15 in Washington, D.C., to hold informal discussions on matters of current concern in the field of civil aviation. Mr. J.R. Baldwin, Chairman of the Canadian Air Transport Board and Mr. Oswald Ryan, Chairman of the United States Civil Aeronautics Board, were the principal spokesmen for their respective Governments.

The main subjects discussed were:

(1) A proposed operation by Trans-Canada Air Lines of an air service linking eastern Canada with Mexico City via Tampa, Florida, where a technical, non-traffic stop would be made;

(2) Pan American World Airways service between Seattle, White Horse and Fairbanks, as well as the Colonial Airlines operation Washington-Ottawa-Montreal-New York; and

(3) The desirability of a consultation within the next few months, for the purpose of considering amendments to the route annex of the Canada-United States Air Transport Agreement.

SIX-MONTH PERMIT

It was agreed that the Civil Aeronautics Board would issue to Trans-Canada Air Lines a six-month renewable permit for Montreal-Mexico City flights making non-traffic stops at Tampa. In the special circumstances, the CAB also agreed that TCA might, for reasons of economy, utilize the same aircraft and the same schedules for the Montreal-Tampa portion of such flights as are used for the Montreal-Tampa services operated by that carrier under the Air Transport Agreement.

The Canadian representatives had indicated their desire that TCA be permitted to combine its Montreal-Tampa operations under the Air Transport Agreement and Montreal-Mexico City operations with a technical stop at Tampa, under the International Air Services Transit Agreement for a temporary period until aircraft and facilities for non-stop operations between Canada and Mexico become available. The representatives of the United States made known their desire to co-operate with Canada in helping TCA resolve its operational problem, stating that in the circumstances such co-operation did not imply a departure from the established policy of the United States in the field of international aviation.

The spirit of co-operation was carried into the discussion regarding the operations of United States carriers which have been under review by the Canadian authorities, and it was agreed that Pan American World Airways and Colonial Airlines should be permitted to continue their respective combined services through Canadian points and that the Air Transport Board would vacate the outstanding show-cause orders.

With reference to the present network of air routes between Canada and the United States it was understood that the Canadian Government will, within the next few months, bring forward proposals looking toward a review of the route schedules of the bilateral Air Transport Agreement.

* * * *

SMALL ARMS AMMUNITION AGREEMENT: The following announcement of agreement on standardization of small arms ammunition was made in the House of Commons on December 15 by the Associate Minister of National Defence, Mr. R.O. Campney:

I am pleased to inform the House that the Minister of National Defence has today announced in Paris, on behalf of the North Atlantic Council, that agreement has been reached by Belgium, Canada, France, the United Kingdom and the United States on the very important matter of standardization of small arms ammunition.

These five countries have agreed, as the result of extensive tests over a two-year period of close co-operation, to adopt as standard small arms ammunition the new 7.62mm light weight cartridge.

RETOOLING

These tests have shown conclusively that there is no significant difference in the performance of rounds which were tested or examined of the 7mm round, which in the English system is known as .280 calibre, and the 7.62mm round which in the English system is known as .30 calibre. Decision to adopt the 7.62mm round was based primarily on the overall problem of retooling requirements and weapons production facilities of each country concerned. Since adoption of either the 7.62mm or 7mm cartridge would necessitate retooling by Canada and the United Kingdom, and adoption of 7mm would require retooling by all five countries, it was agreed that the most advanced 7.62mm ammunition will be adopted as standard.

The five nations who co-operated in the solution of this problem have jointly invited the other NATO nations to adopt it.

The successful outcome of the joint effort of the nations concerned is of special importance to Canada in view of our close relationship with the armed forces and supply systems of Great Britain on the one hand and the United States on the other...

It is understood that troop trials by NATO countries of light weight automatic rifles to use the new ammunition will commence relatively soon.

For Canadian troop trials, the Canadian Army has ordered from Fabrique Nationale, Belgium, a number of new light weight automatic rifles of a Belgian design, which will fire the new ammunition.

GOVERNMENT



CANADA

CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
 DEPARTMENT OF EXTERNAL AFFAIRS
 OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

\$24.2 BILLION NATIONAL PRODUCT: Canada's gross national product in the third quarter of 1953 was at an annual rate of \$24.2 billion, substantially the same as in the second quarter and somewhat higher than the first quarter after seasonal adjustment, according to the Dominion Bureau of Statistics. This stability in output has been accompanied by few shifts among major spending sectors. In the third quarter, a levelling off in the total of consumer expenditure was offset by a strengthening of the investment sector, while the gap between exports of goods and services and imports of goods and services (seasonally adjusted), narrowed somewhat as imports declined slightly.

On the income side, the principal developments of the third quarter occurred in wages, salaries and supplementary labour income, investment income and accrued net income of farm operators from farm production. The stimulating effect of continued increases in real income during the past two years was noted in previous quarterly releases. These gains were associated with the growth of personal expenditure on consumer goods and services and the high level of personal savings. In the third quarter data, however, it may be noted that wages, salaries and supplementary labour income, after seasonal adjustment, were not increasing as heretofore. The third quarter level, seasonally adjusted, was unchanged from the second quarter.

Corporation profits were down moderately from the second quarter, if seasonal factors are taken into account, and they were also down from the third quarter of a year ago. Thus the total of investment income, (which in addition to profits, includes interest, dividends and rents) dropped from \$3.8 billion in the second quarter to \$3.5 billion in the third quarter, (seasonally adjusted at annual rates).

Accrued net income of farm operators from farm production was down 8% from the third quarter of a year ago. The first and second quarters were also lower than a year ago. The decline in the nine-month comparison with a year ago amounted to approximately 13 per cent.

Personal expenditure on consumer goods and services (seasonally adjusted) was at an annual rate of \$14.9 billion in the third quarter, substantially unchanged from the second quarter. The volume of durable goods purchases was running at a level nearly 10% above the third quarter of a year ago. In the non-durable goods sector, while prices have declined somewhat, there has been a more than offsetting increase in the volume of purchases, resulting in a 2 per cent increase in value above a year ago in the third quarter. Services, on the other hand, were subject to a continued increase in prices, and the value went up accordingly, while there was very little change in volume. In nine-month comparison

(Continued on P. 4)

(C.W.B. December 24, 1953)

GRAIN, FLOUR MISSION: Canada's Grain and Flour Mission to Japan, Hong Kong, the Philippines and Southeast Asia will leave Vancouver by air on January 6 for Tokyo.

As announced by the Minister of Trade and Commerce in the House of Commons on November 18, every effort is being made to promote the sale of Canadian grain in foreign markets. To this end, it had been decided to send Mr. William Riddell, Commissioner of The Canadian Wheat Board; Dr. J.A. Anderson, Chief Chemist of the Board of Grain Commissioners; and Mr. G.N. Vogel, Chief of the Grain Division, Department of Trade and Commerce, on a tour of markets in the Far East, and possibly other parts of the world.

The Mission will make a special effort to review the individual requirements of each market. Information gathered by the Mission will assist Canadian exporters in providing grain and flour that will best meet the demands and the taste of consumers in the countries concerned.

After ten days in Japan, members of the Mission will proceed to Hong Kong, Manila, Singapore, Djakarta, Colombo, Karachi, New Delhi and Bombay, in each of which Canadian trade representatives have already made arrangements for them to meet leading merchants and others interested in the purchase of grain and flour.

* * * *

WHEAT SUPPLIES UP: Supplies of wheat remaining on or about November 1 this year in the four major exporting countries for export and for carryover at the end of their respective crop years amounted to 1,813,600,000 bushels, some 26 per cent greater than the 1,435,000,000 available a year ago, according to the November issue of the "Wheat Review" released by the Dominion Bureau of Statistics.

Supplies were held as follows, with last year's corresponding figures in brackets: United States, 948,200,000 (759,800,000) bushels; Canada, 738,300,000 (653,700,000); Argentina, 83,400,000 (1,800,000); and Australia, 43,700,000 (19,700,000). Estimates for both years include on-farm stocks as well as those in commercial positions.

Total exports of Canadian wheat and wheat flour in terms of wheat in October amounted to 25,700,000 bushels and, with the exception of 1951 and 1952 when exports were moving at exceptionally high levels, were the highest for that month since 1945. This year's October exports of wheat and wheat flour not only exceeded those of September by some six per cent but also surpassed by a small margin the 10-year (1943-44 -- 1952-53) average of 25,200,000 bushels.

* * * *

Earnings in manufacturing averaged a record \$58.30 last year, \$4.12 more than in 1951, \$24.05 more than in 1946.

CANADIAN ARMY, 1953: Canadian soldiers on three continents looked back today, not without pride, on a year of achievement and self-sacrifice that ranked them, in the opinion of experts, among the world's top professional soldiers, the Department of National Defence announced at the year-end.

On the "achievement" side of the ledger there was the reorganization of the army to include a complete divisional formation; the construction of a new camp for Canadian soldiers near Soest in Germany's Mohnesee Valley; a start on construction of the \$25,000,000 Camp Gagetown development in New Brunswick which will house the 1st Canadian Division; the opening of a \$15,000,000 Ordnance Depot at Cobourg, Ont; and a general pay increase for all ranks.

On the "sacrifice" side, there was the price in lives and suffering paid by Canadian soldiers in Korea -- a price which ended only with the signing of a long-awaited truce in late July. At year's end Canadian troops were guarding a section of the cease-fire line formerly defended by the entire 1st Commonwealth Division.

The Korea conflict cost the 25th Canadian Infantry Brigade a total of 1,544 casualties from all causes since the first Canadian soldiers arrived there late in 1950. Of this total 50 gave their lives in the seven-month period preceding the truce. The overall figure includes 256 killed in action, 38 died of wounds, 15 presumed dead, 1,102 wounded in action, 101 injured in action and 32 returned prisoners of war.

* * * *

LABOUR INCOME PEAK: Canadian labour income passed the billion-dollar level for the first time in September, increasing by \$19,000,000 to an estimated \$1,012,000,000 the Dominion Bureau of Statistics has reported. This was \$81,000,000 or nine per cent above last year's September estimate. Total for the first three quarters of 1953 was \$8,660,000,000, a gain of \$757,000,000 or more than nine per cent over the same nine months of 1952.

All major industrial divisions shared in the August-September advance, the increases ranging from \$1,000,000 in the primary industries group and a similar gain in construction to \$9,000,000 in the finance and service group.

* * * *

HOUSING RECORD: With further gains in October boosting the 10-month totals above those for the full year, 1952, indications are that 1953 will be a record year for both starts and completions of new residential housing. More than a quarter more new dwelling units were started in the January-October period this year (89,978 against 71,850 in 1952), and nearly a third more were completed (74,516 against 56,295).

R.C.A.F., 1953: The year 1953 saw the RCAF make significant strides towards completion of its current expansion programme. It was highlighted by formation of new Squadrons, new training establishments, and new reserve units, by completion of a large portion of its extensive construction programme, and by the continued buildup of its overseas NATO forces, the National Defence Department announced at the year-end.

Recruiting continued steadily throughout the year, and estimated strength for the end of 1953 was more than 43,000. Actual strength as of Dec. 31, 1952 was 38,391.

In Canada the progress made by the RCAF's manning, training, construction and procurement programmes was reflected by formation of the first CF-100 Canuck jet fighter squadrons. Announcement of the formation of the first such operational squadron was made in May, and other Canuck squadrons have since been formed.

These Canuck squadrons, flying the Canadian designed and produced two-seater long-range jet fighter, the CF-100, provide the teeth of the home-based interceptor forces, under Air Defence Command.

CONTROL SYSTEM

Although few details were released, progress was made during 1953 on the early warning and ground control system, vital to home air defence operations. Some of the units were in operation during the last year and construction work on other units was virtually completed by the year's end.

The Ground Observer Corps, another vital element in the air defence system, opened its first filter centre in June. This filter centre, officially opened at London, Ont., by the Chief of the Air Staff, Air Marshal Slemon, was followed by opening of others in different parts of Canada, and marked the operational existence of the GOC.

Elements of Air Defence Command, including Regular and Auxiliary fighter squadrons, the early-warning system and the GOC, took part in numerous exercises throughout the year. Notable amongst these was Exercise Tailwind a combined RCAF-USAF air defence scheme in July.

While Air Defence Command continued to gain in operational status, 1953 saw the last of the 12 squadrons nominated for overseas duty with NATO make the Atlantic crossing to new bases in Europe.

Operation Leap Frog Three, in March, saw three Sabre jet squadrons fly over the Atlantic route to their new NATO base at Zweibrücken, in Western Germany, to form No. 3 Fighter Wing under the RCAF's Air Division. The crossing was made without incident.

The final mass movement of the Air Division squadrons overseas came at the summer's end, when Leap Frog Four took place. Three more Sabre Wings made the crossing, over the same route, to Baden-Soellingen, in Western Germany.

The year's end found the Air Division complete, except for the move of 1 Fighter Wing, now at North Luffenham in the U.K., to its new NATO base at Marville, in France. The North Luffenham Wing is to make this move in 1954.

* * * *

NAVY, 1953: Canada's naval strength reached a new peacetime high in 1953, the Department of National Defence announced at the year-end.

At the end of the year, it reported, the Royal Canadian Navy had more ships and more men than at any time since the wartime forces were demobilized.

Coincident with this expansion in size was an evident increase in experience and efficiency, achieved largely through an intensive programme of training carried out during the year both at sea and ashore.

Ships currently in commission include an aircraft carrier, two cruisers, eight destroyers, one destroyer escort, five frigates, four minesweepers, five coastal escorts and 16 miscellaneous craft. The minesweepers are the first of 14 new construction sweepers due to be completed by next summer. Six of these will go to France under the Mutual Aid agreement.

56 IN RESERVE

Besides those ships in service, the Navy has another 56 in reserve. Twenty of these have been modernized and most of the remainder are in varying stages of modernization. Additional ships, including an aircraft carrier, 14 destroyer escorts and an Arctic patrol vessel are under construction, with the Arctic patrol ship scheduled to complete in the spring of 1954. There are also nine naval ships, including three frigates, on loan to other Government departments.

By the end of 1953, there were 16,887 officers, men and Wrens on full-time naval duty. This was two-and-a-half times the personnel strength of the RCN in December, 1947.

More than 3,500 of the Navy's officers and men are veterans of service in the Korean theatre, where Canada continues to maintain three destroyers, despite the truce. This has been a continuous commitment almost since the beginning of hostilities, and one Canadian destroyer, HMCS Athabaskan, has three complete tours of Korean duty, totalling 34½ months, to her credit.

Now serving in the Far East are the Huron, Crusader and Iroquois. The Iroquois is due to be relieved at the first of the year by the Cayuga and the Huron will be succeeded by the Haida early in February.

* * * *

Labour income topped the billion mark for the first time in September 1953 to reach \$1,012,000,000. This was more than double average monthly earnings of \$444,000,000 in 1946, close to five times 1939's monthly average of \$215,000,000.

(Continued from P. 1)

\$24.2 BILLION NATIONAL PRODUCT

with last year, the total of consumer expenditure was up by 6 per cent both in value and volume.

Government expenditure on goods and services in the third quarter amounted to \$1.2 billion, about 8% above the third quarter of a year ago. This increase was split evenly between price and volume increases. Federal Government defence expenditure was the principal item in this increase.

The level of new residential construction continued very high in the third quarter, being 25 per cent above the third quarter of a year ago, almost entirely accounted for by volume gains.

Investment in new non-residential construction was 10 per cent above a year ago in the third quarter, but as there were some price increases, the volume gain was only 5 per cent. New machinery and equipment purchases were approximately 6 per cent above a year ago in value and 4 per cent higher in volume. The seasonally adjusted value data show increases between the second and third quarters for both non-residential construction and machinery and equipment. The book value of business inventories continued to show a positive accumulation in the third quarter. Volume changes were of comparable magnitude, as there was very little price change for inventories in general. Changes in all business stocks, from a year ago, were in proportion to the increases in non-farm output of goods and services.

The seasonally adjusted data on imports of goods and services show a small decline between the second and third quarters. Seasonally adjusted exports of goods and services on the other hand, increased fractionally so that there was a tendency toward narrowing of the deficit in the third quarter.

High levels of personal income in the third quarter were reflected in continued high level of personal saving, which amounted to \$1.4 billion (seasonally adjusted at annual rates) in the third quarter. If farm inventory changes are excluded, the above figure becomes \$1.6 billion, which was 10 per cent of disposable income exclusive of farm inventory changes.

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PETROLEUM AGAIN UP: Canadian output of refined petroleum products rose again in August, totalling 13,432,000 barrels as compared with 12,241,000 in the corresponding month last year. There were production gains for most of the principal products.

* * * *

"VAN DOOS" WINNERS: A 40-man team of officers and men of the 3rd Battalion Royal 22nd Regiment, led by Lt. Marc Soucie of Quebec City, won the five-mile "Forced march" competition held recently in Korea by all major units of the 25th Canadian Infantry Brigade.

BRIG. ROCKINGHAM'S APPOINTMENT: Brigadier J.M. Rockingham, CB, CBE, DSO, ED, who has just completed a year's course at the Imperial Defence College in the United Kingdom, has been appointed commander of the newly formed 3rd Canadian Infantry Brigade, Canadian Army Headquarters announced on December 21.

Brigadier Rockingham is scheduled to arrive back in Canada shortly.

Headquarters of the 3rd Infantry Brigade is now located at Valcartier, Que.

Brigadier Rockingham was recalled from civilian life in 1950 to become the first commander of the 25th Canadian Infantry Brigade in Korea. For his services in the Far East he was made a Companion of the Most Honourable Order of the Bath.

He returned to Canada in April, 1952, as Director General of Military Training at Army Headquarters in Ottawa and sailed for the United Kingdom the following November to attend the Imperial Defence College.

* * * *

PORT OF CHURCHILL: The Minister of Transport, Mr. Chevrier, announced on December 21 that the grain storage facilities at the National Harbours Board elevators at the Port of Churchill, Man., will be increased from 2,500,000 to 5,000,000 bushels. The estimated cost of the addition to the storage facilities is around \$2,000,000 and work is to commence in 1954.

The Minister stated that with the increase in elevator capacity from 2,500,000 to 5,000,000 bushels it would be possible, without any increase in grain galleries, loading berths etc., to ship a maximum potential of 20,000,000 bushels of grain through the Port of Churchill. He pointed out that in the 1953 shipping season at Churchill, 31 ships moved 10,784,446 bushels of grain to overseas ports.

* * * *

EMPLOYMENT, PAY RECORDS: Canada's industrial employment and payrolls indexes rose to all-time peaks at the beginning of October, and average weekly earnings continued to climb, according to the Dominion Bureau of Statistics.

The industrial employment index for October 1, on the 1949 base, stood at 116.8 as compared with 116.6 a month earlier and 116.4 a year ago, and the payrolls index was 158.5 as compared with 157.0 at September 1 and 148.9 at October 1, 1952.

* * * *

Sample surveys show families in Halifax, Montreal, Toronto, Winnipeg and Vancouver spent an average \$6.78 per person per week on food in the first half of 1953, \$7.52 in the last four months of 1952.

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Public library borrowers in Canada read an average of 18 books each per year.

GOVERNMENT



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 DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

CONTINUED PROSPERITY: "Looking to the year ahead, there seems to be little indication of any serious interruption in the generally prosperous conditions now prevailing," the Minister of Trade and Commerce, and of Defence Production, Mr. C.D. Howe, said in a year-end review and forecast of economic conditions.

Of the year just concluded, he said, in part:

"The year 1953 has been another period of record achievement in the Canadian economy. Industrial output has increased substantially. Crops, particularly grains, are again exceptionally good though somewhat below last year's record. Even with some decline in agriculture total production in the economy has risen by about 5 per cent from last year's level. This is roughly the same increase as that achieved in each of the three preceding years.

"This rise in production has been accompanied by a further increase in employment. The civilian labour force, augmented by large numbers of new immigrants, has continued to increase in 1953. Non-agricultural employment is moderately higher but numbers employed in agriculture have continued to decline. As the year progressed, total employment has not quite kept pace with the rise in the labour force. On the whole, however, there has been no scarcity of jobs; and unemployment, though a little higher than a year ago, has remained at a low level.

"Reflecting the overall expansion in output, incomes have increased significantly during the year. The principal exception has been in agriculture, which has been affected by lower production and also by declines in the prices of some commodities. Nevertheless, farm income in 1953, though below the unusually high levels of 1951-52, remains well above that of preceding years. Wage and salary earnings have continued to increase. Total labour income in the first nine months of 1953 was ten per cent above the corresponding period in 1952. Average weekly earnings at the present time are running about 6 per cent ahead of a year ago. In addition, most other income groups have achieved gains over the past year.

"Not only have money incomes on the average been higher in 1953, but people have been able to buy a little more with each income dollar. Prices of consumer goods and services have averaged about one per cent lower this year than last. Rising money incomes and slightly declining prices together have provided the basis for a rise in living standards which became apparent in 1952 and has continued this year. In 1952, real per capita consumption in Canada rose by 2½ per cent over that of the previous year, the first significant gain since 1947. A greater increase has occurred in 1953.

"In the period prior to mid-1952, much of the increase in production and employment

could be traced to defence expenditure and to intensified world demand for strategic materials. Since that time, however, the main impetus has come from increased demands for consumer goods and services...."

Other excerpts from Mr. Howe's statement:

"An important influence contributing to Canada's current prosperity is the still increasing rate of capital expenditure. Total capital outlays in 1953 are now estimated at \$5.6 billion, 9 per cent above those of the previous year. With prices but little higher, this represents a further significant increase in actual new physical assets put in place. As regards the type of physical investment, construction has shown a slightly stronger trend than have purchases of machinery and equipment. Resource development outlays and expansion of basic material capacity have continued to make up a large part of the investment programme...."

NEW DEVELOPMENTS

"The limited evidence now available points to the continuation of a high level of investment spending. It is true that a number of large-scale projects have recently been completed or are now nearing completion. As a result, capital outlays in basic material processing industries are likely to be lower in 1953. At the same time major new developments are in sight. It now seems quite possible that outlays for development of new sources of hydro-electric power, oil, natural gas, and other minerals, will be higher than ever in 1954. There are also indications that expansion of secondary and service sectors is still on the uptrend. These circumstances would appear to indicate further change in the composition of investment during the coming year but probably no significant decline in total outlays.

"Defence procurement, in terms of deliveries of end items and work performed, was somewhat higher in 1953 than in 1952. As far as new orders in value terms are concerned, the programme, taken as a whole, has passed the peak and shows signs of levelling off...."

"Highlights of the individual production programmes included full-scale production of the "CF-100" twin-engined all-weather jet fighter, together with the development of a new version, and continued large deliveries of the "F-86 Sabre", jet, including planes which since July have been powered by the all-Canadian "Orenda" engine...."

"The output of guns and other weapons increased during the year, one factor being a substantial increase in output of the 3" 50-calibre twin naval guns and mountings...."

"Most of the new facilities required for a large-scale defence programme were established by the end of 1953. Canada is now able not only to maintain a larger production of defence items, but also to depend less on foreign suppliers...."

"The supply of essential materials in the free world improved so much during 1953 that it was possible to abandon all Canadian domestic controls on their use...."

"Procurement between Canada and the United States continued to be an important factor in purchasing by the Department of Defence Production, although the Department was less dependent on U.S. sources than before. Mutual procurement was carried out under the joint "Statement of Principles for Economic Cooperation", which was signed by Canada and the United States on October 26, 1950...."

"Our exports in 1953 have been running very moderately below those of the previous year. With prices slightly lower, export volume is relatively unchanged. The value of exports to the United States is up by about six per cent on the basis of figures for the first 10 months. Commodities showing increases include aluminum, copper, lumber, newsprint, barley and pork products...."

OVERSEAS MARKETS

"Total sales to overseas markets, which increased substantially in 1952, are down considerably this year. High stock positions for some items, together with increased availability of supplies from non-dollar sources, resulted in lower exports to the United Kingdom and some other European countries. Canadian exports seem also to have been affected by the slowing down of activity in certain European countries...."

"Perhaps the most striking feature of Canada's trade in 1953 has been the continued rise in imports which, in the first ten months of the year, were up twelve per cent in value and fourteen per cent in volume. This record volume of imports has occurred in spite of reduced dependence on foreign sources of supply for such materials as oil, coal and steel. It reflects both the strong consumer demand and the further expansion in Canadian capital investment...."

"Moderately lower exports and increased imports have resulted in a change from a positive merchandise trade balance in 1952 to a negative balance in 1953. This has been the principal factor contributing to the change from an international current account surplus of \$151 million in 1952 to a deficit amounting to \$386 million in the first 9 months of 1953. In the exchange market, however, this deficit on current account has tended to be offset by continued capital inflow, so that the Canadian dollar has been maintained at a premium over the American dollar. In comparing different areas, Canada's current account surplus with the Sterling Area and other overseas countries has been reduced substantially, while the deficit in dealings with the United States has increased...."

"Looking to the year ahead there seems to be little indication of any serious interruption in the generally prosperous conditions

DEFENCE RESEARCH BOARD, 1953

WARNING DEVICE OUTSTANDING: The outstanding accomplishment of the Defence Research Board made public during 1953 was the development of an early warning device designed to supplement radar chains in the Canadian north, the Department of National Defence has announced.

The project was directed by DRB with the assistance of the Eaton Electronics Research Laboratory, of McGill University, and the National Research Council. The experimental equipment tested was manufactured by the RCA Victor Company of Montreal which has supplied similar Canadian-designed and produced installations to the U.S.A. for additional tests in the far north.

Summer trials confirmed the value of the device as a warning system that can be installed economically in terms of money, materials and manpower and all component parts can be manufactured in Canada. Development work and further trials are proceeding.

DRB's Arctic activities again proved dramatic during the past 12-month period with the discovery at the tip of Canada's Ellesmere Island, northernmost land mass of North America, of relics from past historical expeditions.

PEARY'S RECORDS

Glaciologist Geoffrey Hattersley-Smith, of Ottawa, accompanied by Geologist Robert Blackadar, also of Ottawa, recovered records left in 1906 by U.S. explorer Admiral R.E. Peary on Cape Columbia Mountain peak. From the Cape, Peary made a historical trek over Arctic Ocean ice floes the same year and claimed to have reached the North Pole.

In the same area, the young scientists found relics of two additional Arctic expeditions of yesteryear - the 1875-76 Royal Navy Expedition commanded by Capt. Sir George Nares and the 1920 explorations of Danish Godfred Hansen.

The purpose of the two-man 1953 expedition was to investigate the ice shelf bordering the northern coastline of Ellesmere Island, suspected source of Arctic Ocean ice islands. Blackadar, of the Geological Survey of Canada, was examining the geology of the rugged coastline at the rear of the ice shelf.

With the completion of permanent facilities for three DRB laboratories and a new wing for a fourth during the past year, the end of the Board's construction programme is in sight.

The two-storey wing opened in January at the Defence Research Northern Laboratory, Fort Churchill, completes construction at Canada's northernmost scientific establishment. Modern laboratories in the new wing are available also to visiting scientific teams from Canada, the U.K. and the U.S.A. to test military equipment in an Arctic environment.

Current activities include the designing and testing of special military equipment, physiological studies of loads that can be carried most efficiently by troops in the north, assessment of current methods of ground navigation, and equipment investigations relating to survival and operations.

The Radio Physics Laboratory activities include research into radio propagation problems and particularly, the investigation of radio communication in the Arctic which is affected by the presence of the auroral zone.

The laboratory serves also as the centre of a comprehensive system of nation-wide ionospheric recording stations. Besides providing facilities for basic research, RPL extends consulting services in specialized fields to the Armed Forces and other Government agencies as well as co-operation with scientific groups and universities in Canada and elsewhere.

PREVENTIVE MEDICINE

The defence Research Kingston Laboratory began operating in its new building, research centre in bacteriology and the various aspects of preventive medicine, staff scientists are following promising leads in the field of antibiotics, substances developed in nature to maintain the balances of micro-organisms. Among current investigations, several seek to determine the effect of penicillin in the formation of immune substances.

Important fundamental studies on immunization and the resistance of the body to disease aim at increasing knowledge of health protection. An entirely different approach to disease studies is the use of radioactive isotope tracers to follow the life processes of microbes.

Led by Dr. Solandt, a group of Canadian military representatives and senior DRB scientists participated in the fourth meeting of the Commonwealth Advisory Committee on Defence Science at New Delhi, India, in March.

The Committee's main objective is to promote scientific research relative to defence in all fields by closer collaboration within the Commonwealth. The conference provided a valuable opportunity for participants to exchange views on important current defence matters.

In September, Canadian aviation research developments, radar installations and Canada's latest aerial navigation advances were demonstrated to a USAF military mission led by Lieut.-Gen. Donald L. Putt, Commander of the USAF Air Research and Development Command.

Detailed progress reports on DRB scientific investigations featured the December fifth annual Symposium held in Ottawa with about 400 scientists and military representatives participating from Canada, the U.K. and the U.S.A.

Dr. Solandt confirmed press reports that routine development tests of the guided missile being developed by DRB for the RCAF were under way during the summer. He explained that the project progresses in stages with trials following the completion of each stage. He added that as the missile then under test was not finished, continuing firings could be expected.

DRB provided financial assistance in an interesting project being carried out at Royal Military College, Kingston - the development of a submersible exploration craft or diving bell with likely useful possibilities for undersea repair work, as an aid in finding equipment lost overboard from ships and as a "water-taxi" for divers.

Besides the activities carried out in DRB establishments, as in past years, the Board provided approximately \$1,000,000 during 1953 to 21 universities and colleges for grants in aid of fundamental research and contracts. This assistance was extended to pure and applied science faculties and the medical faculties of educational centres representative of every Canadian province.

Besides furthering specific DRB research, the grants aim at the training of Canadian scientists in many fields and particularly those in which experienced specialists are in short supply.

The exchange of information and liaison with the U.K. and the U.S.A. continued as in previous years, not only through conferences in Canada and elsewhere but also through DRB representatives in Ottawa, London and Washington who maintain close liaison with their opposite numbers in the other countries.

* * * *

COLOMBO PLAN: The Acting Secretary of State for External Affairs, Mr. Paul Martin, on December 15, tabled in the House of Commons the Progress Report on the Colombo Plan for Co-operative Economic Development in South and South-East Asia, prepared by the Consultative Committee at its Fifth Meeting which was held in New Delhi, India, in October.

The Minister of Fisheries, Mr. James Sinclair, headed the Canadian Delegation to the New Delhi meeting. On the invitation of the Canadian Government, extended by Mr. Sinclair, the Committee decided to hold its next meeting in Ottawa. This meeting will take place probably in the autumn of 1954.

The Report reviews the substantial achievements that have been made in the co-operative effort to implement the economic development programmes of the countries in the Area, as well as the difficulties that have been encountered. It indicated a continuing need for the provision of external assistance to supplement the efforts which the South Asian countries are themselves making to better the lot of their peoples.

NOVEMBER "SURPLUS": Budgetary revenues for November amounted to \$338.5 million, an increase of \$16.4 million over November, 1952, while budgetary expenditures totalled \$329.5 million or \$11.3 million more than those for November, 1952. For November, 1953, the budgetary surplus was \$9 million compared with \$65.9 million for October, 1953, and \$3.9 million for November last year, the Minister of Finance, Mr. Abbott, announced on December 19.

For the period April 1 to November 30, 1953, budgetary revenues amounted to \$2,789.5 million or \$102.7 million more than for the corresponding period of 1952. Budgetary expenditures for this period in 1953 totalled \$2,514.4 million, an increase of \$119.5 million, over the total for the same period in 1952. For the eight-month period to November 30, 1953, the surplus was \$275.1 million or \$16.8 million less than that for the same period a year ago.

Pension payments out of the Old Age Security Fund (which are not included in budgetary expenditures) totalled \$28.4 million for November, 1953 and tax receipts credited to the Fund amounted to \$23.5 million resulting in a deficit of \$4.9 million for the month.

* * * *

REVOCATION OF CONTROLS: The Minister of Defence Production announced on December 16 the revocation, effective December 31, 1953, of the following orders, Primary and Wrought Aluminum - NFM-2; Copper Rod, Wire and Cable - NFM-3; Wrought Copper and Alloys - NFM-4; Primary Copper - NFM-5; and Primary Nickel - NFM-10. The effect of the announcement was to complete the revocation of formal orders relating to controls over essential materials.

* * * *

RECORD AUTO ENTRIES: Foreign vehicles entering Canada on traveller's vehicle permits in November reached a new high record total for the month of 99,192, according to the Dominion Bureau of Statistics. The gain over last year's November total was 13 per cent. Cumulative entries for this year's January-November period rose 10 per cent from 2,214,481 last year to 2,428,726. All provinces shared in the increase both in the month and 11-month period.

* * * *

NEW NAVAL BADGE: A badge, designed at Naval Headquarters, will soon be available for wear by ex-members of the naval forces of Canada.

To be known as the Former Naval Personnel Badge, it may be worn by all former naval officers, men and women who have been honourably released from the service. The badge is to be reproduced only in metal, suitable for wear in the left lapel button hole, or embroidered for wear on the left breast pocket of blazers and jackets.

(Continued from P.2)

CONTINUED PROSPERITY

now prevailing. In the United States there have been numerous predictions of a moderate decline in activity in 1954. The basis for these expectations has been explained in terms of lower defence outlays, reduced capital spending, inventory liquidation, a decline in housing, softening in the automobile market and a number of other reasons.

"Without trying to evaluate the significance of each of these factors it is, perhaps, worth emphasizing that in the United States as elsewhere there appears to be a significant absence of conditions normally characteristic of a pre-recession boom. By and large, speculative excesses have been absent since 1951. Commodity prices have been following a steady to slightly downward trend and business sentiment, seemingly influenced by oft-stated reminders of the dangers of a post-defence let-down, has remained on the cautious side. In such circumstances, there is little tendency for businesses to become over-extended and vulnerable.

"The present situation would appear to be one in which adjustments could occur in one or in several sectors without any danger of these multiplying into a general collapse.

U. S. ECONOMY

"In these circumstances any adjustments in the United States economy in the months ahead are not likely to be of sufficient magnitude to seriously curtail sales of Canada's major export items to that country. If we can assume also that no new obstacles to the entry of Canadian materials are created, the United States should continue to provide a receptive market for Canadian goods. Even so, it is doubtful whether Canada's sales to the United States will keep pace with the sales of United States producers in Canada.

"With some notable exceptions such as Japan, Canadian exports to overseas markets have declined considerably in 1953. The circumstances which have contributed to the decline in sales of basic materials are not likely to be repeated in the year ahead. In fact with the continued increase in the dollar reserve position of the non-dollar world, some pick-up in sales of basic materials is possible. On the other hand grain sales are almost certain to fall short of the record shipments achieved in the last two years. Nevertheless, in spite of increased world supplies, requirements of importing countries remain large and there is good reason to expect that Canada will obtain a fair proportion of this market.

"Sales prospects are probably firmer at home than in export markets. As previously indicated, it is likely that capital spending will remain high. Government expenditure for defence and for other purposes should continue to act as a stabilizing influence. In these

circumstances the trend of personal incomes should be at least sustained. Given a stable price level, this would continue to support a high level of spending on consumer goods and services even though a levelling in the rate of expansion of consumer credit might reduce the buoyancy in the durable goods market. As previously indicated, inventories are now high in a few specific lines. These are, however, exceptions, since total business inventories have not quite kept pace with the total volume of business sales.

"These considerations suggest the continuation of generally stable market conditions in the period ahead. At the same time some industries are encountering difficulties and for this reason expansionary trends in the Canadian economy in the year now ahead may be less pronounced than in the past three years."

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ABOUT 12,000 TO GRADUATE: A total of 12,132 young men and women are now completing their final year in Canadian universities and preparing for graduation in the spring of 1954, according to an announcement by the Minister of Labour, Mr. Gregg.

The total enrolled at present in the graduating classes is approximately the same as in 1953, although experience has shown that wastage due to failure and drop-outs may cut down the total by as much as four or five per cent in one year before final graduation takes place.

In addition to the more than 12,000 young men and women in the graduating classes who are aiming for bachelor's degrees there are 2,929 students in their final year of post graduate studies.

Included among those in the final year were 1,270 engineers, 3,228 in arts, 1,078 in education, 790 in commerce and business administration, 892 in medicine, 172 in dentistry, 235 in agriculture, 387 in law, 340 in pharmacy, 683 in nursing, and 85 in forestry.

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OCTOBER SALES UP 9.4 P.C.: Canadian retailers had estimated sales in October valued at \$1,088,379,000, a gain of 9.4 per cent over the preceding month's \$996,740,000, and a rise of 5.4 per cent over last year's October value of \$1,032,253,000, according to the Dominion Bureau of Statistics. This brought the cumulative value for the first 10 months of 1953 to \$9,920,338,000 as compared with \$9,412,048,000 a year earlier, an increase of 5.4 per cent.

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WHEAT SUPPLIES: Visible supplies of Canadian wheat in store or in transit on December 9 moved up to 341,710,000 bushels from 340,466,000 a week earlier, and 243,774,000 at the same time last year, according to the Dominion Bureau of Statistics.

NEW AIRCRAFT FOR NAVY: Approval has been given for the rearming of anti-submarine squadrons of the Royal Canadian Navy with the Grumman S2F aircraft, a twin-engined high wing monoplane designed specifically for carrier-borne operations against submarines, the Minister of National Defence, Mr. Claxton, announced on December 28.

The aircraft will be built at the Toronto plant of de Havilland Aircraft of Canada Ltd., under license from the Grumman Aircraft Engineering Corporation of Beth Page, N.Y. These will be the first naval aircraft for the RCN to be manufactured in Canada.

Delivery of the first S2F's is expected to take place early in 1956, enabling the squadrons to be re-armed prior to the commissioning of Canada's new aircraft carrier, HMCS Bonaventure, later in the same year. The Bonaventure is now under construction at Belfast, Northern Ireland.

The S2F was designed and is being built to United States Navy specifications by the Grumman Aircraft Engineering Corporation. In the RCN, it will replace the Grumman Avenger, a Second World War torpedo-bomber modified for service as an anti-submarine aircraft.

ADVANTAGES

The principal feature of the S2F is that it is the first comparatively small aircraft capable of meeting the modern requirements of aerial anti-submarine warfare. It is highly manoeuvrable, has a short take-off run and low landing speed, and at the same time is able to carry all of the devices and weapons considered necessary for the efficient performance of the anti-submarine search and attack role.

Advances in the design of both aircraft and equipment have made possible the fitting of the S2F with a variety of electronic devices for the detection of submarines and with the most modern of anti-submarine weapons. This has been achieved without any sacrifice of endurance or speed. The S2F is, in fact, capable of speeds considerably in excess of those of the Avenger and this, combined with other features, makes the aircraft easily adaptable for additional operational functions, if required.

The S2F is an all-weather aircraft and its capabilities in this respect are enhanced by the installation of the latest in navigational and automatic flight equipment.

Acquisition of the S2F will complete the change-over of RCN squadrons to new type aircraft. As was announced in November, arrangements are being made with the U.S. Navy to purchase F2H3 Banshee all-weather jet fighters for the navy's carrier-borne fighter squadrons.

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Newsprint exports were valued at an average \$111.08 a ton in 1952, up \$6.16 from 1951, \$42.18 since 1946, \$67.93 since 1938.

C.N.R. TRAFFIC PROBLEM: "Total earnings for the Canadian National Railways System are expected to exceed somewhat the record 1952 figure despite a general and serious falling off in freight traffic which was experienced in the last quarter of the year," Mr. Donald Gordon, Chairman and President of the Canadian National Railways announced in a year-end review.

"The higher revenue figure is accounted for by rate increases which became effective during 1953," he added.

"Expenses, however, have mounted even more sharply, due in part to higher average prices of materials and supplies but more particularly to heavy increases in the wage bill. Wages paid out in 1953 exceeded the 1952 figure by \$36,000,000. Consequently, in all probability, when the 1953 accounts are finally closed the new revenue found from the increased rates will not be sufficient to meet the increased expenses of operation...."

"The serious over-all decline in the physical volume of tonnage moved, despite the fact that the nation's business activity and industrial development were at record rates, raises some disturbing questions which call for careful analysis. Most significant among these is the diminishing traffic volume against a background of steadily increasing costs of operation and intensified competition from other transportation agencies. Such competition is encouraged by the growing discontent of shippers with rising railway freight rates which cause them to search for every opportunity to reduce their shipping costs. Under such circumstances, the diversion from the railways of high-rated traffic is seriously undermining their ability to carry bulk traffic at marginal rates.

"The diminished volume and revenue position also appears in passenger traffic accounts. Both sleeping and dining car patronage is down, compared with the previous year, and though parlor car revenues are slightly improved, the gain has been more than offset by additional wage expenses...."

* * * *

HELICOPTERS FOR RESCUE WORK: The RCAF will take delivery of six Piasecki H21A helicopters early in the new year, it has been announced by Air Force Headquarters. One of the largest helicopters now being built, the Piasecki is fitted with omniphibious type landing gear, capable of landing on land, snow, swamp, or water.

The RCAF will use these helicopters for rescue operations. The cabin can be fitted with either 12 litters or 20 seats. At the moment the RCAF uses only the single-rotor Sikorski S-51 used by search and rescue units.

The Piasecki H21A, which is over 52 feet in length, has twin-rotors driven by a single high horsepower engine.



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WEEK'S EVENTS IN REVIEW

"SOME HEARTENING ACHIEVEMENTS": "If complacency is unjustified, so too is defeatism or despair," said the Secretary of State for External Affairs, Mr. L.B. Pearson, in a year-end address broadcast by the International Service of the Canadian Broadcasting Corporation.

The text of his address, which both reviewed 1953 events and touched on 1954 problems, was as follows:

"The year just past has seen some heartening achievements in the weary and seemingly endless struggle for world security. It has also seen some old problems remain unsolved and new ones arise which demand action.

"During the year we have become more conscious than ever of the fact that many of the problems which we face are long-term ones, and that there is no quick or easy way to solve them. Great wisdom, great patience and great effort will be demanded of us, if we are to develop the strength and co-operation among the free democratic nations which is required if the right solutions are to be found and put into effect.

"Prominent among the achievements of 1953, in the search for security, was the signature of an armistice agreement in Korea, which has brought--if not yet peace--at least an end to fighting.

"The fact that aggression has been stopped in Korea by the collective action of the free world is in itself a major achievement of the

United Nations; and especially of the United States, which has provided the leadership and by far the largest proportion of the United Nations forces involved. That the armistice was signed only after twenty-five months of weary and often exasperating negotiations, is also important as an illustration of the principle--no less true in diplomacy than in other fields of human action--that patience and perseverance can produce results, even in the face of obstacles that often seem to make further effort futile. In the pursuit of peace, whatever the difficulties, hope must never be abandoned.

"Korea, however, is only one phase of the great challenge presented by forces now on the move in the Far East, demanding national freedom and better conditions of life; as well as by the attempt of Communism to exploit these forces for their own purposes. We of the West must be careful lest differing views as to how we should face these Far Eastern questions should disrupt the unity of our coalition against Communist imperialism. Anti-Communism or anti anything else will not be enough to hold us together. Our Asian policy must comprise much more than mere opposition to Communism. We must have a positive policy and convince the peoples of Asia, by deed and word, that free democracy is a vital liberating force and can do more for the individual, and for society, than Communism can ever hope to do.

"In Europe, as in Asia, there has been progress towards security and stability, but here also the outlook gives no reason for complacency.

"At the December meeting of the North Atlantic Council in Paris, from which I have just returned, there was general recognition that international tensions have somewhat diminished, and that the danger of open military aggression is perhaps less than it was a year or two ago. But it was also agreed that the menace to our security from the forces of Communist imperialism remains, and that the Communist conspiracy against freedom still persists.

"Furthermore, any comfort which we might derive from such easing of tension as may have occurred during the year, is neutralized, to some extent at least, by the knowledge that if war does come, it will now be far more terrible even than it would have been a year or so ago; because of developments, in the U.S.S.R. as well as on our side, in the power and the quantity of nuclear weapons and in the means of delivering them.

"It would be folly, therefore, to allow ourselves to be lulled into a sense of false security. But it would also be wrong to so harden our hearts, or close our minds to the point where we could not respond to any genuine peace move, to any sincere offer to negotiate that might eventually appear from behind the iron curtain.

MR. EISENHOWER'S ADDRESS.

"One such move of encouraging and far-reaching significance was made from our side early in December, 1953, when President Eisenhower, in a memorable address to the General Assembly of the United Nations, outlined a new and imaginative approach to the problem of international co-operation in the field of atomic energy. His plan calls for the establishment of a United Nations agency to develop the peaceful possibilities of atomic energy. All men of good will must welcome such a proposal. What its ultimate fate will be, it is too early to say. However, as the year ends, we perhaps may take some hope in the acceptance (however cautiously expressed and however hedged with conditions) by the Soviet Government of the invitation to negotiate on this all-important matter.

"Another major problem which demands a decision during 1954 concerns the relations of the Western democracies and Germany; more specifically, whether the European Defence Community is to come into being, as a framework, within the general system of the North Atlantic coalition, for the association of Germany with the defence of the West. No one with any sense of history can fail to understand and, indeed, to sympathize with the hesitations and doubts of our French friends over this issue; doubts derived from a cruel and tragic national experience. But some solu-

tion must be found, for it is not possible for a political vacuum to remain in the centre of Europe. Nature abhors a vacuum, but a potential aggressor relishes one. It is essential, therefore, that some way be found of completing the arrangements for collective security, begun with the inception of the North Atlantic Treaty system. That completion requires that the German people play an appropriate part in collective defence. The method of achieving this will have to be settled soon.

"In our preoccupation with regional and limited security and political arrangements, we should not overlook or minimize what has been done during the year by our world organization.

"At the United Nations there has been achievement--notably in the Korean armistice. There has also been frustration. The work, however, goes on, and this indispensable piece of international machinery remains at the service of its members in their efforts to realize the ideals of the Charter which established it.

PROGRESS IN 1953

"In many fields which, if not spectacular, are of great long-term importance, encouraging and useful progress has been made in 1953. I have mentioned two of the principal long-term problems of the Western democracies--defence against Communist imperialism, and relations with the peoples of Asia. There is a third basic question which sometimes overlaps with the two, but which has a fundamental and distinct importance in itself. In United Nations circles this is called the question of "under-development"--the social and economic relations between the advanced industrial nations and the peoples in those parts of the planet whose economies are still relatively primitive and whose standards of living are consequently low.

"Particularly through its expanded Programme of Technical Assistance, the United Nations has developed a realistic and practicable method whereby the technically more advanced nations can help the economic and social development of those less fortunate. Through this and through other social and economic programmes, and through its various Specialized Agencies, the United Nations has continued to do a great deal of useful, if little publicized, work for human welfare.

"The amount of resources that can be devoted to such activities may be limited, particularly so long as the threat of aggression necessitates large expenditures for defence; but it would be foolish to forget that for most of the so-called under-developed nations of the world, it is precisely in the social and economic articles of the United Nations Charter that they see the main appeal and the greatest value in international co-operation.

"Comparing the situation of the Western world with that of a few years ago (and with

that too of the 1930's), and looking forward to the problems which lie ahead, we can, I think, feel measured confidence that the general lines of the policies pursued by the Western democracies are sound. If complacency is unjustified, so too is defeatism or despair.

"If the free nations, together, with patience and persistence, follow the lines of international policy now laid down, 1954 may bring us closer to the kind of world for which all right-thinking and peace-loving men and women pray."

GOUZENKO INTERVIEW: The Department of External Affairs announced on January 5 that in accordance with arrangements made between the Canadian and United States Governments before Christmas, a meeting was held on January 4 at which representatives of the United States Government interviewed Mr. Igor Gouzenko. The meeting was presided over by Chief Justice James C. McRuer of the High Court of Ontario, who presided at the request of the Canadian Government. The United States Government was represented by His Excellency the United States Ambassador to Canada, Mr. R. Douglas Stuart, Senator William E. Jenner, Senator Pat McCarran and Mr. J.G. Sourwine. Mr. D.W. Mundell, Q.C., represented the Attorney General of Canada. Representatives of the Departments of Justice and External Affairs and of the Royal Canadian Mounted Police were also present at the meeting.

T. & C. DEPT. POSTINGS: The following postings were announced at the year-end by the Department of Trade and Commerce:

Mr. Donald Mackenzie Holton, of Toronto, has been posted to Bombay as Canadian Government Trade Commissioner, and succeeds Mr. Bruce I. Rankin in that post city.

Mr. Charles Reid Gallow, M.B.E., of Toronto, Commercial Secretary for Canada in Rio de Janeiro since 1951, has been transferred to New York as Consul and Trade Commissioner, succeeding Mr. Holton.

Mr. Clarence Joseph Van Tighem, of Strathmore, Alta., Consul for Canada and Trade Commissioner in Sao Paulo, Brazil, is being transferred to Rio de Janeiro as Commercial Secretary for Canada, effective early in the New Year. He will succeed Mr. C.R. Gallow, who has been transferred to New York.

BEST WISHES TO HAITI: The Prime Minister of Canada, Mr. St. Laurent, has addressed a letter to the President of the Republic of Haiti, His Excellency General Paul E. Magloire, conveying to him the best wishes of the Government and people of Canada on the occasion of the celebration of the 150th Anniversary of the founding of Haiti.

APPOINTMENTS: The Department of External Affairs on January 4 announced the following appointments effective immediately:

Mr. R.A. MacKay, Assistant Under-Secretary of State for External Affairs, to be Deputy Under-Secretary of State for External Affairs in succession to Mr. C.S.A. Ritchie who will accompany the Prime Minister on his forthcoming tour.

Mr. J.W. Holmes and Mr. Jean Chapdelaine, to be Assistant Under-Secretaries of State for External Affairs in succession to Mr. Jules Leger (who has been appointed Ambassador to Mexico) and to Mr. R.A. MacKay.

Robert Alexander MacKay, who was born at Woodville, Ont., on January 2, 1894, joined the Department in 1943 having previously been Professor of Government and Political Science at Dalhousie University. He served as a member of the Royal Commission on Dominion-Provincial Relations, 1937-40. He was President of the Canadian Political Science Association, 1943-44 and is a Fellow of the Royal Society of Canada. He served as Deputy Chairman of the Committee of officials on Union of Newfoundland with Canada, 1948-49, and since 1950 has served as External Affairs member of the Canada-United States Permanent Joint Board on Defence.

John Wendell Homes, who was born in London, Ontario, on June 18, 1910, joined the Department in 1943. He has been acting as Assistant Under-Secretary since his return to the Department last October following a two-year assignment as civilian member of the Directing Staff of the National Defence College, Kingston. He has also served as Chargé d'Affaires in Moscow and as Acting Permanent Delegate of Canada to the United Nations, New York.

Jean Chapdelaine was born in Montreal on July 12, 1914, and joined the Department in 1937. He has been serving as Head of the European Division following his return from Germany where he was Counsellor at the Canadian Embassy. Previously he was Chargé d'Affaires in Dublin. He has also served at Washington and Paris, and attended a number of international conferences.

CONSUL AND TRADE COMMISSIONER: Mr. Arthur Evan Bryan, of Ottawa and Winona, Ont., has been appointed Consul of Canada and Trade Commissioner in Detroit, Mich., where he will continue to promote interest in the United States market among Canadian businessmen, the Department of Trade and Commerce announced on December 29. Mr. Bryan, who is being transferred from New York early in the New Year, will succeed Mr. Bertram C. Butler, who is proceeding to Paris as Commercial Counsellor.

Construction of wholesale and retail stores will cost an estimated \$87,455,000 in 1953, nearly three times as much as in 1952.

FARM CASH INCOME AT NEW HIGH

NINE-MONTH RECORD: During the first nine months this year Canadian farmers (excluding Newfoundland farmers) received an estimated \$1,901,500,000 from the sale of farm products and from participation payments on previous year's crops, the largest cash returns yet recorded for this period of the year, according to the Bureau's quarterly report released December 30.

The preliminary estimate for the nine months is four per cent above the corresponding 1952 figure of \$1,827,200,000 and nearly two per cent above the 1951 estimate of \$1,867,100,000. Supplementary payments made to western farmers under the provisions of the Prairie Farm Assistance Act amounted to only \$1,100,000 in the first nine months this year as against \$10,100,000 and \$4,500,000 during the respective periods of 1951 and 1952.

WESTERN WHEAT

The maintenance of farm cash income at this record high level in the nine months this year, states the Bureau's report, can be attributed primarily to the unusually large amounts of western wheat delivered by producers during the January-September period this year at weighted average initial prices somewhat higher than a year ago. While initial prices for specific grades were unchanged from a year ago, the higher grading in 1952 resulted in a higher weighted average initial price.

Total wheat participation payments up to the end of September amounted to \$70,200,000, well above the \$51,000,000 paid during the same 1952 period. Slightly larger marketings of barley were reflected in a small increase in cash returns from this crop. Receipts from most other grain crops were down by varying amounts, but these declines were far less than the increased returns from wheat and barley. The net result was that total income from

grains, seeds and hay rose to an estimated \$713,900,000, about 16 per cent above the estimated \$614,200,000 for the first nine months last year.

Reduced receipts from other field crops such as tobacco, vegetables and potatoes provided the major offset to the total increased returns from grain crops. Of these, the greatest decline was in income from potatoes, which dropped about 56 per cent, as a result of substantially lower prices, to an estimated \$23,000,000 from nearly \$52,000,000 last year.

LIVE STOCK

Total returns from live stock and poultry are placed at \$542,600,000, about one per cent below the 1952 level. Returns from cattle and calves rose to \$250,200,000 from \$237,900,000, increased marketings more than compensating for declining prices. Poultry income was about five per cent higher at \$75,900,000. These gains were more than offset, however, by a drop in returns from sales of hogs to \$211,500,000 from \$232,900,000, with higher prices only partly counterbalancing a substantial decline in marketings, and by slightly lower income from sheep and lambs.

Receipts from dairy products in the period rose to an estimated \$304,500,000 from \$295,300,000, the gain being due to increased production, while a substantial increase in both prices and marketings raised returns from the sale of eggs to an estimated \$90,900,000 from \$70,750,000.

While total farm cash income for all Canada was higher than in 1952, increases were recorded for only three provinces--Nova Scotia, Saskatchewan and Alberta. The largest increase, both on a percentage basis and in absolute terms, occurred in Saskatchewan, followed by Alberta; while the largest decline on a percentage basis was in Prince Edward Island and in absolute terms in Quebec.

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"ONTARIO" TO TASMANIA: On the invitation of the Government of Australia, HMCS Ontario (cruiser) will take part in ceremonies honoring Her Majesty Queen Elizabeth II at Hobart, Tasmania, in February.

The Ontario will sail from Esquimalt, B.C., January 12 on a three-month training cruise to Australia and New Zealand. The ship will visit Melbourne from February 6 to 10, then will proceed to Hobart for a 12-day stay, from February 11 to 23.

* * *

LOCOMOTIVES FOR INDIA: Plans have been made for the construction of 120 steam locomotives at Kingston, Ont., which will be made available to the Government of India under provisions of the Colombo Plan for the Economic

Development of South and Southeast Asia. A contract to this end is being negotiated between the Canadian Government and the Canadian Locomotive Company, Limited, the Department of Trade and Commerce announced on January 5.

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ARMY SHOULDER PATCHES: Army personnel serving with Canadian base units in Europe will wear a distinguishing shoulder patch described as a red diamond with a horizontal blue bar.

The red diamond, three inches in width and two and one-half inches high, with a three-quarter inch blue bar across the centre, will be worn only by units not included in the order of battle of the 1st Canadian Infantry Division.

CRUDE PETROLEUM LEADS ALL MINERALS

1953 RECORD YEAR: Featured by a sharp rise in the production of crude petroleum and lesser but substantial gains in production of iron ore and cement, the value of Canada's mineral production in 1953 outstripped all previous records to reach \$1,331,000,000, according to the Bureau's preliminary annual estimate. This was \$46,000,000 or 3.4 per cent above the previous record of \$1,285,000,000 set in 1952. There were decreased production values for zinc, gold, coal, asbestos, copper and lead.

The value of all metals produced in 1953 was \$709,000,000, a decrease of 2.6 per cent from 1952's \$728,000,000. Prolonged strikes at some of the gold mines curtailed output during the latter half of the year, the annual total amounting to 4,061,000 ounces valued at \$140,000,000 compared with 4,471,000 ounces at \$153,000,000 in 1952. Copper production, at 252,000 tons, was about two per cent less than in 1952 but higher prices raised the total value slightly to \$151,000,000. Zinc output rose seven per cent to 399,000 tons and lead gained 14 per cent to 197,000, but price declines resulted in much lower values at \$95,000,000 and \$52,000,000 respectively.

* * *

SHIPS FOR U.N.: The Minister of Transport announced on December 24 that the Canadian Maritime Commission has recently made arrangements on behalf of the Department of National Defence for the charter of four Canadian cargo ships to serve as transports in United Nations' operations in the Far East. This brings to nine the number of Canadian merchant ships which the Canadian Government has furnished for use in connection with the action in Korea.

The ships come under the operational control of the United States Military Sea Transportation Service for the duration of their charters, which will be about four months.

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ARMY HOSPITAL IN KOREA: The Canadian Army has opened what is almost a complete and modern general hospital near Tokchon in Korea.

This actually was a re-opening of the 150-bed field dressing station in a new form as the unit had never ceased to function while it was transformed from a collection of huts into one structure under a single roof; the National Defence Department announced on December 30.

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CHARGE D'AFFAIRES AT PRAGUE: The Department of External Affairs announced on December 30 that Mr. George Bernard Summers will be posted in March to the Canadian Legation in Prague as Chargé d'Affaires a.i. to succeed Mr. J.M. Teakles who will be returning to Canada for duty in the Department.

Iron ore shipments at 6,500,000 tons were the highest on record, comparing with 5,300,000 in 1952, valued at \$42,700,000 and \$33,744,000, respectively. Remelt iron, a co-product of titanium ore smelting, was valued at \$3,800,000. Nickel production in 1953 amounted to 287,931,000 pounds valued at \$180,861,000--the highest value for any individual metal--as compared with 281,000,000 pounds at \$151,349,000. Tungsten concentrates were valued at more than \$5,000,000 compared with \$4,500,000.

Mineral fuels were valued at \$311,000,000, an increase of 18 per cent over the \$263,600,000 in 1952. Crude petroleum increased to 81,000,000 barrels at \$198,000,000 from 61,000,000 barrels at \$143,000,000. In 1953 crude petroleum led all other minerals in value of production, exceeding gold which had held first place for nearly 25 years. Coal production amounted to 15,760,000 tons at \$102,000,000, a drop of nearly 2,000,000 tons as several coal mines ceased operations. Natural gas output was close to 100,000,000,000 cubic feet at \$11,000,000 as compared with 88,700,000,000 cubic feet valued at \$9,518,000.

MANUFACTURERS' INVENTORIES: Inventories held by Canadian manufacturers at the end of October were valued at \$3,946,200,000, down about one per cent from the preceding month's \$3,982,400,000, but up six per cent from last year's corresponding total of \$3,712,700,000, according to the Dominion Bureau of Statistics. Inventories held but not owned by manufacturers were valued at \$437,000,000, down from September's \$454,200,000, but up from last year's October total of \$345,200,000.

Manufacturers' shipments fell very slightly in value during the month and were two per cent under last year's level. Cumulative shipments for the January-October period were up nearly four per cent from a year earlier. Unfilled orders declined for the ninth consecutive month and were 28 per cent below the October, 1952 level.

* * *

PEACE HOPES: Brigadier W.A.B. Anderson, Commander of the 1st Canadian Infantry Brigade in Germany said in a Christmas message from Germany that it was his sincere hope "that our efforts in the North Atlantic Community will result in preserving the peace for which all peoples so anxiously pray".

The message was directed not only to Canadian forces but to British and Belgian Allies and the German civil population. It was carried on Christmas Day over the British Forces Radio Network throughout the British Zone of Germany.

SEPTEMBER IMPORTS UP: Canada's merchandise imports rose moderately in value in September as compared with a year earlier, both prices and volume being higher, according to final summary figures for the month released by the Dominion Bureau of Statistics. But both the value and volume of imports in September were significantly lower than in the months from April to July.

Total value of the month's commodity imports was \$367,500,000 as compared with \$349,100,000 in the corresponding month last year. Import prices averaged 3.3 per cent above those of a year ago, and the volume gain was 1.2 per cent. Total value of imports for the January-September period was \$3,334,700,000, a gain of 13 per cent over last year's \$2,945,500,000.

Total exports in September rose slightly in value to \$343,800,000 from \$342,300,000 in the same month of 1952. Thus, Canada had an import surplus in the month of \$23,600,000 in contrast to an import surplus of \$6,800,000 a year ago. The preliminary summary for the month issued on November 17, had estimated imports and the import surplus at slightly higher levels. In the nine-month period the debit balance was \$226,100,000 in contrast to an export surplus of \$245,400,000 a year ago.

Imports from the United States rose in September to \$268,018,000 from \$255,144,000,

raising the January-September total to \$2,471,696,000 from \$2,172,317,000. Purchases from the United Kingdom advanced in the month to \$34,338,000 from \$31,495,000 the previous year but were lower than in the period from March to August. In the nine-month period imports from the United Kingdom rose to \$339,406,000 from \$259,392,000 with most of the increase being in textiles and metal products. Imports from the rest of the Commonwealth declined in September to \$16,878,000 from \$19,493,000. From the Latin American group of countries purchases in September rose in value to \$25,296,000 from \$21,798,000; Europe to \$14,638,000 from \$13,108,000; but from all other countries the value declined to \$7,176,000 from \$7,504,000.

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CIVIL DEFENCE: The federal Government will contribute to the cost of an additional \$80,000 worth of civil defence projects in British Columbia, it was announced at Ottawa on December 29.

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The Minister of Trade and Commerce announced on December 29 the appointment of Mr. Walter Spence Frazer, of Winnipeg, Manitoba, as Assistant Commissioner, Board of Grain Commissioners, for the Province of Manitoba.

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GOVERNMENT



CANADA

CANADIAN WEEKLY BULLETIN

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 DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

11-MONTH IMPORT SURPLUS: Canada's commodity imports to the end of November last year were valued at \$4,048,600,000, up 10 per cent from the preceding year's corresponding total of \$3,685,400,000, according to preliminary summary figures released by the Dominion Bureau of Statistics. Total exports were down in the 11-month period to \$3,811,600,000 from \$3,962,000,000. The result was an 11-month import surplus of \$237,000,000 in contrast to an export surplus a year earlier of \$276,600,000.

In November, imports were valued at \$352,400,000, moderately below the \$363,400,000 a year earlier and also less than in most earlier months of 1953. With total exports for the month valued at \$355,100,000 as compared with \$391,800,000, the resulting export surplus amounted to \$2,700,000 as compared with \$28,400,000 in the same 1952 period.

Imports from the United States in November were down in value for the second successive month to \$245,900,000 from \$264,200,000 a year earlier, but for the 11 months were up to \$2,980,500,000 from \$2,711,700,000. Total exports to the United States amounted to \$204,100,000 in the month and \$2,239,600,000 for January-November, leaving import surpluses of \$41,800,000 in the month and \$740,900,000 for January-November. The latter compares with an import surplus of \$587,100,000 in 1952.

Purchases from the United Kingdom in November were up to \$39,900,000 (\$35,300,000 in November 1952), and in the 11 months to \$417,-

000,000 (\$331,700,000). Exports to the United Kingdom in the month were down to \$56,100,000 (\$61,500,000), and in the 11 months to \$621,200,000 (\$703,400,000). The resulting export surplus in November was \$16,200,000 (\$26,200,000 a year earlier), bringing the 11-month total to \$204,200,000 (\$371,700,000).

Shipments of domestic products to the United States in November declined slightly to \$200,671,000 as compared to \$209,841,000 a year earlier, but in the eleven months, there was a 5.5 per cent gain to \$2,199,713,000 from \$2,086,179,000. This trade made up some 58 per cent of all Canadian exports, a substantially larger percentage than in the preceding year.

Domestic exports to the United Kingdom in the month were down to \$55,600,000 from \$61,125,000 the previous year, and in the eleven months aggregated \$617,908,000 compared to \$698,358,000. November shipments to other Commonwealth countries as a whole were off to \$18,305,000 from \$20,908,000 a year earlier, the eleven-month total falling to \$219,402,000 as compared to \$244,444,000 for the 1952 period.

Sales to Latin American countries showed a smaller decline than in preceding months at \$20,311,000 against \$21,507,000 for November, 1952, bringing the cumulative figure to \$183,241,000 as compared to \$249,886,000.

Exports to European countries, as in October, dropped more sharply in the month to \$34,987,000 compared to \$46,072,000, and for

TROPICAL FISH OFF N.S.: Twenty-two specimens of the blue hake, the first ever recorded caught in the Newfoundland area, were taken in one haul last summer by the "Investigator II", one of the research vessels operated by the Newfoundland Fisheries Research Station, working out of St. John's.

This unexpected haul of blue hake--a bottom-feeding fish similar to the cod--was just one of several unusual catches made by the "Investigator II" and other fishing boats, according to a report to the annual meeting of the Research Board in Ottawa, by Dr. W. Templeman, director of the Station.

Unusual fish for Canadian waters also have been turning up off the coast of Nova Scotia. These include tropical fish which have seldom been seen so far north before. During the past year the Research Board's Atlantic Biological Station at St. Andrews, N.B., has recorded specimens of both white shark and tarpon. The appearance of this type of fish in Canadian waters coincides with reports of higher temperatures in the North Atlantic and the fact that large catches of cod are now being made regularly far to the north in Davis Strait off Greenland.

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PETROLEUM OUTPUT UP: Canadian output of refined petroleum products increased in September to 12,754,524 barrels from the preceding year's September total of 12,016,869 barrels. There were production gains in motor gasoline, stove oil, diesel fuel, and furnace oil, but a decline in heavy fuel oil.

The month's output of motor gasoline amounted to 5,841,307 barrels as compared with 5,538,588 a year earlier; stove oil, 754,879 barrels as compared with 510,988; diesel fuel, 940,340 barrels compared with 749,890; furnace oil, 1,428,048 barrels as compared with 1,237,001; and heavy fuel oil, 2,310,053 barrels compared with 2,412,596.

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ST. LAWRENCE HERRING: Bright prospects for a new commercial herring fishery in the southwestern portion of the Gulf of St. Lawrence were indicated in a report presented at the annual meeting of the Fisheries Research Board in Ottawa. With drift-nets--a type of gear commonly used in European waters--the Board was able to bring in catches of herring more than double the yield which a similar effort would produce in the North Sea. Catches with trawls--bag-like nets towed over the bottom--were also successful.

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Iron foundries used 11% less pig iron and 13% more scrap iron and steel in the first three quarters of 1953, turned out a 6% greater tonnage of iron castings and cast iron pipes and fittings than in 1952.

HYDRO ELECTRIC PROGRESS: New hydro-electric developments in 1953 added 638,012 horse power to Canada's total installed capacity, the Minister of Northern Affairs and National Resources, Mr. Lesage, announced at the year-end. This brings the total installations in water-power plants up to 14,921,459 horse power, about 23 per cent of known resources.

With power consumption in 1953 running about seven per cent ahead of the previous year, the output of new plants barely kept pace with added demand, leaving but little reserve capacity available. However, in 1954 the reserve picture will brighten, as plants and extensions under construction for operation in that year total a record-breaking 1,500,000 horse power.

The new developments of 1953 are well distributed across Canada, Mr. Lesage said, although Quebec continues to maintain its lead in water-power installation.

In the field of power distribution, new main transmission lines and substations were built and secondary lines were extended in various parts of the country. Good progress was made in rural electrification and the construction of thermal-electric stations also proceeded vigorously.

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TRANS-CANADA HIGHWAY: The building of the Trans-Canada Highway was carried forward at an increased pace during 1953, the Minister of Public Works, Mr. Winters, reported in a year-end statement.

"Nearly every one of the nine participating provinces have added substantially to the mileage of completed, paved highway during the past year. Ontario, Saskatchewan, Alberta, British Columbia and Manitoba, in that order, have the longest stretches of completed Trans-Canada Highway, but Prince Edward Island, with better than 44 per cent of its total proposed mileage completed, leads the field in this respect."

"The total value of the contractual commitments made by the Provincial Governments and authorized for Trans-Canada Highway construction as at the end of December 1953, amounted to \$137,825,383.97."

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GAS PIPE LINE MERGER: Western Pipe Lines and Trans-Canada Pipe Lines Limited have merged their interests to bring Alberta's natural gas to Eastern Canada at the earliest possible date, it was announced on January 8 by the Minister of Trade and Commerce, Mr. Howe.

At the request of Mr. Howe, the two groups held a series of meetings with him in Ottawa last week and have agreed to get together on a fifty-fifty basis to build a pipe line. The name of the company is to be Trans-Canada Pipe Lines Limited.

"INTERNATIONAL PUBLIC RELATIONS"

MR. PEARSON'S ADDRESS: The New Year may clear up some of the "wonderings" of 1953 - whether Russian words and gestures really meant some concrete move which would ease international tensions was coming and whether changes were taking place in the ruling circles of the U.S.S.R. which would affect them - the Secretary of State for External Affairs, Mr. L.E. Pearson, said in an address on "International Public Relations" to the Canadian Public Relations Society in Montreal on January 5.

Partial text of the address follows:

"The New Year, if I may move into speculation, may clear up some of these wonderings. But let us not count too much on this; or expect too much from any particular meeting, at Berlin or Bermuda or Panmunjom; or read too much into plausible answers from the Kremlin to selected questions.

AN OPEN MIND

"Very far-reaching developments may be taking place behind the iron curtain. If so, we should keep an open mind and a clear head about them. These developments may make it possible to advance the policy of peaceful co-operation between states to which we of the free world are committed.

"On the other hand, words of peace and goodwill which come now from the Communist camp may represent merely an orthodox and normal shift in party tactics, designed to disarm and deceive us.

"We had better wait and make sure, before we draw cheerful conclusions and alter present policies; wait with as much calmness as is possible when exposed to all the weapons of mass propaganda which have now reached such an amazing state of technical efficiency. So many and powerful are they, in fact, that it is at times difficult to decide what actually is going on; to separate facts from fancies, the important from the inconsequential. No wonder that public opinion, while ultimately right, is sometimes immediately wrong. That is itself a strong argument against hasty action on many international problems. Yet public opinion, spurred on by propagandists and pundits, often demands just that; quick and clean-cut solutions for international problems which are not susceptible to this treatment.

"It may, therefore, from the point of view of good international relations and healthy domestic morale, not be amiss to sound a note of caution as we enter a year which could be filled with conferences and discussions from which we may expect too much. It would be a

mistake to pitch our hopes too high for a speedy and satisfactory solution at these conferences of all the cold-war problems which plague us. Many of these problems arise not so much for particular situations, as from the very nature of the relationship between Communism and the free world; a relationship which is likely to be with us as long as we live.

"We would also be wise, I think, not to get unduly exercised over the meaning of every Kremlin word or gesture. We might recall the good advice of Harold Nicholson when, in discussing the practice of diplomacy, he said: '...it is better to concentrate upon rendering your own attitude as clear as possible, rather than to fiddle with the psychology of others'. Nicholson then quoted the words of an experienced diplomat, and they seem particularly apt at this time, 'Don't worry so much about what is at the back of their minds; make quite sure that they realize what is at the back of yours'.

COLLECTIVE STRENGTH

"I hope that, as we enter 1954, we keep at the back, and in the front of our minds, the necessity of following patiently, steadily and persistently the policy that we have now laid down; of building up and maintaining the collective strength and unity of the free world, to be used not to provoke or threaten others, but as the solid foundation for diplomatic negotiation and political settlement. This involves the search for solutions for specific international problems, one by one, so that in so far as we can bring it about the cold war will have begun to disappear by the end of 1954 without having become a hot one.

"We must assume, however, that this unity and strength, especially under NATO, is bound to be the object of increasing attack in the coming year from the Communists, within and without our gates; not so much, I feel, from direct frontal assault as from the insidious pressure of enticing double-talk and bewildering blandishment.

"There never was much doubt that the really serious strain on the Western coalition would begin when the menace of immediate aggression seemed to recede. We are in that period now, with new problems and difficulties - and also new possibilities.

"This is certainly no time to weaken the common front by dissension or doubts or indifference. It is no time to lower our guard; or start wrangling among ourselves...."

Oil pipe line deliveries climbed 41% in the first three quarters of 1953 to 107,060,699 barrels from 76,059,742 in 1952.

Biscuit production in Canada soared to a record 115,364 tons in 1952, 55% more than in 1946, over double the 1938 output.

(Continued from P. 1)

11-MONTH IMPORT SURPLUS

the eleven months were down in value to \$349,068,000 as against \$442,104,000 in the corresponding 1952 period.

Wheat exports in November were down in value to \$38,436,000 from \$57,611,000 a year earlier, while other grains were up to \$32,922,000 from \$27,412,000. Over the eleven months, wheat shipments declined in value to \$530,903,000 from \$549,601,000 in 1952 and other grains rose to \$196,263,000 from \$192,134,000.

* * * *

CONSUMER CREDIT: Retail cash and credit sales in the third quarter of 1953 both showed seasonal declines from the preceding three-month period, according to the Bureau's quarterly report on retail consumer credit. However, cash sales declined only slightly from the second quarter and settled at a higher level than any previous third quarter. Comparisons with 1952's third quarter indicate a gain of 6.8 per cent in cash sales, and decreases of 2.5 per cent in charge sales and a drop of 5.1 per cent in instalment sales.

Third quarter cash sales stood at \$2,110,500,000 as compared with \$2,115,500,000 in the April-June period and \$1,976,100,000 in the 1952 third quarter. Instalment sales in the third quarter of 1953 were \$317,300,000 as compared with \$395,600,000 in the preceding three-month period and \$334,200,000 at the same time in 1952. Charge sales in the 1953 third quarter totalled \$562,700,000 as compared with \$624,800,000 in the three months ending June and \$577,100,000 in the July-September period of 1952.

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BORDER TRAFFIC: The volume of highway traffic between Canada and the United States in November was five per cent greater than in the corresponding month of 1952, vehicle border crossings totalling 879,600 as compared with 836,700, according to the Dominion Bureau of Statistics. In the first 11 months of 1953, vehicle border crossings aggregated 12,973,802 as compared with 11,864,990, for an increase of nine per cent. Foreign and Canadian vehicles contributed to the gain in equal proportions.

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GRAND BANK SWORDFISH: The Grand Bank of Newfoundland is noted mostly for its wealth of cod, but it may also be a rendezvous for swordfish. The Newfoundland Fisheries Research Station at St. John's reported to the annual meeting of the Fisheries Research Board in Ottawa that last July, large numbers of swordfish were seen all along the southwesterly slope of the Grand Bank, and became more numerous towards the southern tip of the Bank. Conditions were ideal for observation.

ARMY REGULAR RESERVE: In order to encourage Korean veterans and other trained troops to continue their Army association after their release, an additional category of the reserves, to be known as the Canadian Army Regular Reserve, has been formed, the Minister of National Defence, Mr. Claxton, announced on January 4.

The Regular Reserve is designed to make available immediately additional trained men should mobilization or partial mobilization be put into effect. It will consist of men who have completed an engagement with the Active Force and who do not wish to re-engage for full-time service but are willing to serve in the Regular Reserve.

Former serving soldiers of the Active Force who were released prior to the formation of the new force may enroll providing they are acceptable and not more than two years has elapsed since their release from the Active Force. This period of two years will be reduced to one year on June 30, 1954.

Members of the Regular Reserve will be enrolled for three-year periods and will carry the rank and trade qualification they held on release from the Active Force.

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ARMY SENIOR APPOINTMENTS: A shift in appointments for two senior Canadian Army officers was announced by Canadian Army Headquarters. Lt.-Col. N.G. Wilson-Smith, DSO, MBE, 37, now General Staff Officer at Headquarters Western Command in Edmonton, will take over a similar appointment at Headquarters 1st Canadian Infantry Division, Petawawa, Ontario. Lt.-Col. D.N.D. Deane-Freeman, CD, 37, now Commanding Officer of Lord Strathcona's Horse (Royal Canadians) (2nd Armoured Regiment) at Calgary, will be appointed General Staff Officer at Headquarters Western Command.

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WHEAT STOCKS: Visible supplies of Canadian wheat on December 23 totalled 371,064,000, up sharply from the preceding year's corresponding total of 251,502,000 bushels, according to the Dominion Bureau of Statistics.

Overseas export clearances of wheat during the week declined to 1,546,000 bushels from 2,457,000 at the same time in 1952, and cumulative clearances to December 24 dropped to 94,298,000 bushels from 123,665,000 a year ago.

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Directors of the International Tuna Cup Match decided at their annual meeting held in New York that the 1954 match - 11th in the series which began in 1937 - will be held on September 8, 9 and 10 at Wedgeport, Nova Scotia.

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Railway employees earned an average \$3,126 in 1952, \$64, or 2% more than in 1951.

POPULATION 15,005,000, DEC. 1: Canada's population stood at 15,005,000 on December 1 last, showing a three-month gain of 112,000 from an estimated 14,893,000 at September 1, according to the Bureau's quarterly estimate of population:

Over the twelve months from December 1, 1952, the population rose by 381,000 from an estimated 14,624,000. This compares with an estimated 396,000 in the twelve months from December 1, 1951 to December 1, 1952. In the thirty months from the June 1 date of the 1951 Census to December 1 last the population gain was 996,000.

According to the Bureau estimates, there were equal gains of 112,000 in the two 1953 three month periods June-August and September-November, and increases of 89,000 from March 1 to June and of 68,000 from December 1, 1952, to March 1 last year. In the previous twelve months, the gain between September 1 and December 1 was put at 90,000 and for the preceding three months at 104,000; the largest three-month increase being 114,000 from March 1 to June 1 and the winter period from December 1, 1951, to March 1, 1952, showing a rise of 88,000.

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SENATOR MACDONALD SOLICITOR GENERAL: The Prime Minister, Mr. St. Laurent, in the House of Commons on January 13, announced the appointment of Senator W. Ross Macdonald as Solicitor General in the following statement:

"Since my colleague, Hon. Ralph Campney, was appointed Associate Defence Minister he has found that the discharge of his duties as such has left him very little time to assist the Minister of Justice, Mr. Garson, as Solicitor General. He has asked to be relieved of the responsibilities of the office of Solicitor General. His resignation has been accepted and His Excellency the Governor General has approved the recommendation that Hon. W. Ross Macdonald be appointed Solicitor General and assume the duties of that office in addition to his present duties as Member of the Government Without Portfolio and as Leader of the Government in the Senate."

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RECORD CHEQUES CASHED: Reflecting the high level of business activity, the value of cheques cashed in 35 clearing centres of Canada reached record peaks in November and the first 11 months of 1953, according to the Dominion Bureau of Statistics. All five economic areas showed gains in both periods. November's total of the cheques cashed in the 35 centres stood at \$12,977,343,000 as compared with \$11,328,857,000; bringing the national total for the January-November period to \$124,949,106,000 as compared with \$112,810,587,000 a year earlier.

3,641,000 HOUSEHOLDS: The number of households or occupied dwellings in Canada's ten provinces increased by 232,000 from 3,409,000 to 3,641,000 in the period of approximately 27 months from the time of the 1951 Census to September last year, according to results of a special survey of housing characteristics and household equipment in private homes by the Bureau.

Ontario and Quebec accounted for nearly two-thirds of the total increase with respective additions of 85,000 and 66,000, bringing the number of occupied dwellings in Ontario to 1,266,000 and in Quebec to 925,000. Next largest increase was in Alberta where the number rose 21,000 to 272,000, followed by British Columbia with a gain of 19,000 to 357,000.

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FARM IMPLEMENTS RISE: Factory shipments reported by firms in Canada's agricultural implements industry rose 20 per cent in value in 1952 to \$205,775,487 from \$171,172,496 in 1951, according to the annual report on the industry by the Bureau. Farm equipment accounted for \$188,183,920 of the 1952 total as compared to \$158,779,197 the previous year, the remainder being made up of miscellaneous types of machinery and parts. There was a small production of farm machinery in other industries, amounting to \$6,504,000 in 1952 and \$3,570,000 in 1951.

Eighty-five factories mainly engaged in the manufacture of agricultural implements were in operation in 1952, an increase from 81 in 1951.

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FEWER AUTOS SOLD: Sales of new motor vehicles in November continued the downward trend which began in September, but gains in earlier months of the year maintained January-November sales at substantially higher levels than in 1952. Financing of both new and used vehicles declined in November but there were increases in the January-November period.

New motor vehicles sold during the month totalled 28,140, with a retail value of \$71,749,138 as compared with 32,176, sold for \$78,591,583 in the corresponding month last year. This brought cumulative sales for the January-November period to 436,817 units valued at retail at \$1,097,879,034 as compared with 375,529 which retailed for \$940,250,400.

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Canada had the lowest general mortality and maternal mortality rates in history in 1952, according to the Bureau's preliminary annual report on vital statistics. At the same time, the infant mortality rate remained at the all-time 1951 low. With a birth rate only exceeded by that of 1947, the rate of natural increase in population climbed to the highest point yet recorded.

"IROQUOIS" HOMEWARD BOUND: After some six months of duty with United Nations naval forces in the Far East, the destroyer Iroquois is headed homeward and, when she arrives in Halifax early in February, will have logged approximately 48,000 miles since leaving Canada last April.

Most of those miles have been steamed during numerous patrols in the Japan and Yellow seas, both before and after the Korean truce, and on exercises with other U.N. ships in the Korean theatre.

Scheduled to arrive in Halifax on February 10, the Iroquois is following in the wake of other Halifax-based destroyers which have circled the globe during their missions to and from the Far East. Her ports of call include Hong Kong, Singapore, Colombo, Aden, Suez, Port Said, Malta, Gibraltar and Ponta Delgada, in the Azores.

The Iroquois sailed from Halifax in company with HMCS Huron on April 29, 1953, and travelled the well-known route via Panama and Pearl Harbour to Sasebo, Japan. It was this ship's second tour of duty in the Far East.

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TO OPEN TRADE FAIR: Captain the Right Hon. Peter Thorneycroft, President of the United Kingdom Board of Trade, has accepted an invitation to open the Seventh Canadian International Trade Fair, in Toronto, on May 31, it was announced on January 14 by the Minister of Trade and Commerce, Mr. Howe.

Mr. Thorneycroft, who is M.P. for the Welsh riding of Monmouth, is one of the group of young Conservative Members of the United Kingdom Parliament who, during the Second World War, established the Tory Reform Committee. He was joint author of the "National Policy for Coal", issued by this Committee in 1945; he contributed to many debates on the subject. He was partly responsible for the booklet "Design for Europe", in which the need for close collaboration between Great Britain and the United States was urged.

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HMCS ONTARIO'S CRUISE: Names of two additional ports which will be visited by HMCS Ontario (cruiser) during her forthcoming cruise to Australia and New Zealand were announced on January 13 by Naval Headquarters.

The Ontario, which sailed from Esquimalt, B.C., January 12, will call at Suva, Fiji Islands, from January 29 to 31, while en route to Australia, and will visit Tongatabu, in the Friendly Islands, from March 24 to 26 and Suva, March 27 to 29, during the homeward voyage.

Other ports at which the Ontario will call in the course of the three-month cruise are Pearl Harbour, Hawaii; Melbourne, Sydney and Brisbane, Australia; Hobart, Tasmania, and Milford Sound, Dunedin and Wellington, New Zealand.

The Ontario's longest stay will be at Hobart, February 11 to 23, and during this period the ship will take part in ceremonies honouring Her Majesty Queen Elizabeth II and in celebrations marking the 150th anniversary of the founding of the city. Her Majesty is scheduled to land at Hobart on February 20.

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IMMIGRATION: During the 11 months ending November 30, 157,638 immigrants landed in Canada, an increase of 0.4 per cent compared with 157,036 admitted during the same period in 1952, according to a report just released by the Department of Citizenship and Immigration.

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Herring catch of Pacific coast fishermen tipped the scales at a record-shattering 99,487,000 pounds last November, was almost 19 times as heavy as landings in the same month in 1952.

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Railways employed an average of 214,143 during 1952, some 10,118 or 5% more than in the preceding year.

CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
 DEPARTMENT OF EXTERNAL AFFAIRS
 OTTAWA - CANADA



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WEEK'S EVENTS IN REVIEW

FISHERIES COMMISSION: The Department of External Affairs announced on January 20 that representatives of Canada, the United States and Japan will hold the first meeting of the International North Pacific Fisheries Commission in Washington, D.C., beginning February 1, 1954.

The establishment of the International North Pacific Fisheries Commission is provided for in the International Convention for the High Seas Fisheries of the North Pacific Ocean, which was signed in Tokyo on May 9, 1952, by Canada, the United States and Japan, and came into effect on June 12, 1953, upon the exchange of ratifications in Tokyo by the three Governments.

Invitations to send an observer to the Washington meeting have been extended to the Food and Agriculture Organization of the United Nations, the International Pacific Halibut Commission, the International Pacific Salmon Fisheries Commission, the International Com-

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VOL. 9 NO. 11: The January 15 issue of Canadian Weekly Bulletin should be designated Vol. 9 No. 11.

mission for the Northwest Atlantic Fisheries and the Inter-American Tropical Tuna Commission.

The purposes of the meeting will be to decide matters of organization of the Commission, to prepare coordinated programmes of research on stocks of fish that are of common concern to the three countries, and generally to carry out the commitments of the Convention.

The meeting will be attended by the Canadian members of the Commission: Stewart Bates, Deputy Minister of Fisheries, Ottawa; J.M. Buchanan, Vancouver, B.C.; R.G. Hager, Vancouver, B.C.; and James Cameron, Pender Harbour, B.C. In addition Dr. J.L. Kask, Chairman of the Fisheries Research Board, Ottawa; A.J. Whitmore, Chief Supervisor of Fisheries, Vancouver, B.C.; Dr. J.L. Hart, Director of the Pacific Biological Station, Nanaimo, B.C.; and Dr. A.W.H. Needler, Director of the Atlantic Biological Station, St. Andrews, N.B., and P.G.R. Campbell of the Canadian Embassy, Washington, will attend the meeting as advisers. Mr. Kunio Shimizu will act as interpreter and translator of Japanese for the Canadian group.

WHEAT MARKETS: Total exports of Canadian wheat flour in terms of wheat during November, 1953 amounted to 24,400,000 bushels and, although considerably below the high November, 1952 exports of 43,700,000 bushels, were relatively unchanged from those of October, and compare favourably with the 1943-44--1952-53 November average of 28,300,000.

Exports of wheat as grain in November totalled 20,400,000 bushels, a decrease of nine per cent from those of the previous month. Total exports of wheat as grain during the August-November period of the present crop year amounted to 88,300,000 bushels as against 118,200,000 for the same period of 1952-53.

The United Kingdom received some 29,300,000 bushels, or about one-third of this year's exports during the four months ending November. Other major markets for Canadian wheat during the period were as follows: Japan, 15,900,000 bushels; the Federal Republic of Germany, 8,200,000; Belgium, 5,800,000; India, 4,300,000; Switzerland, 4,000,000; Spain, 3,400,000; United States, 2,600,000 (of which 1,200,000 bushels were for milling in bond); the Netherlands, 2,400,000; Union of South Africa, 2,200,000; Ireland, 1,600,000; Israel, 1,500,000; and Peru, 1,100,000.

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SMALL ARMS AMMUNITION: The Minister of National Defence, Mr. Claxton, announced in Paris on behalf of NATO on December 5, 1953, the agreement to adopt the new 7.62 mm (.30 calibre) cartridge as the standard small arms round. In consequence of this agreement, a meeting of technical small arms experts has been arranged to take place in Ottawa on January 25, 1954. The representatives of Belgium, France, United Kingdom, United States and Canada will attend the meeting. The purpose of the meeting is to ensure that technical specifications, tolerances and minimum performance characteristics are agreed and embodied in a clear statement of specifications before manufacture of the new round is started in the NATO countries concerned.

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AIR FORCE CONFERENCE: Top ranking officers from across Canada, Metz and Paris, France, London, Eng., and Washington, D.C., gathered in Ottawa on January 13 for a two-day conference on all aspects of Air Force business, the RCAF announced January 13. Under the chairmanship of the Chief of the Air Staff, Air Marshall C.R. Slemon, the group reviewed RCAF plans for the coming year and discussed the major problems associated with these plans.

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Retail sales in the third quarter of 1953 showed a 6.8% gain in cash purchases over 1952, drops of 2.5% for charge and 5.1% for instalment buying.

SUCCESS AGAINST T.B.: The fewest deaths, the lowest death rate and the widest use of new drug treatments in any year highlighted record 1952 strides against a disease that has killed 164,777 Canadians since 1925, the Dominion Bureau of Statistics reports in its latest issue of Tuberculosis Institutions.

Institutional and non-institutional deaths from all forms of tuberculosis tumbled 26 per cent from 3,291 in 1951 to 2,457 in 1952, the sharpest drop ever recorded. The new low represented a decline of 56 per cent from the 5,811 deaths of 1946, 66 per cent from the 7,164 of 1932 and 70 per cent from the 8,116 of 1926.

The T.B. death rate per hundred thousand Canadians also made the sharpest drop in its history in 1952, plunging 30 per cent to register below 20 for the first time.

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LABOUR INCOME: Canadian labour income in October amounted to an estimated \$1,009,000,000, a small decline from the preceding month's \$1,012,000,000, but a rise of 6.7 per cent over 1952's October total of \$946,000,000, according to the Dominion Bureau of Statistics. This brought the cumulative total for the January-October period to \$9,669,000,000, a gain of 9.3 per cent over the preceding year's comparable figure of \$8,849,000,000.

A decline of \$5,000,000 in total wages and salaries for manufacturing was the most important contributory factor to the down-turn in labour income as compared with September. The loss was distributed among such component groups as food and beverages, textile products and clothing, saw and planing mills and motor vehicles. There was also a reduction of \$3,000,000 in the total for the primary industry group with agriculture and fishing totals seasonally lower, and the seasonal increase for logging less than a year ago.

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SNOWMOBILE DASH: A small party of Canadian Army Signallers travelling in Penguin snowmobiles recently completed a 917-mile dash over the Northwest (Alaska) Highway from Dawson Creek, B.C., to Whitehorse, Yukon Territories, in 66 hours actual travelling time, Army Headquarters has announced.

No effort was made to break or set any speed records. Object of the move, Army Headquarters said, was to get the convoy of five snowmobiles to Silver Creek, Y.T., in time for Exercise "Hotdog" later this month and to ascertain the feasibility of moving the tracked vehicles in winter over long distances by road.

* * * *

Natural increase in population was at the record rate of 19.2 per thousand Canadians in 1952, up from 18.2 in 1951, 10.8 in 1936-40 and 12.9 in 1926-30

OIL BENEFITS INDIANS: The oil industry last year paid a total of \$860,000 to Canadian Indians for exploration rights on Indian reservations and as royalties on producing wells, the Minister of Citizenship and Immigration, Mr. Walter Harris, said on January 15.

The majority of Indians benefitted, he said, live in Alberta and Saskatchewan, where oil exploration and production is most active. They have used this money in various ways: for farm machinery, better housing, medical services, and personal incomes.

The practice has been for Indian bands to surrender mineral rights in their lands for negotiation by the Indian Affairs Branch, which operates under Mr. Harris' Department. Indian Affairs then offers exploration rights for tender and the income thus derived goes into the band fund.

There are approximately 5,500,000 acres of Indian reserve land in Canada, of which the mineral rights to 2,500,000 acres were surrendered to Indian Affairs for negotiation. At present, 1,700,000 acres of this land has been placed under contract with various oil companies. There are 302 contracts involving approximately 1,200,000 acres in Alberta; 65 contracts covering about 500,000 acres in Saskatchewan, and a few more covering a total of around 50,000 acres in Ontario and Manitoba.

Among the more fortunate is the Enoch band, whose Stoney Plain reservation west of Edmonton earns approximately \$8,000 a month in leases and royalties. Approximately half of this, amounting to \$15, for each man, woman and child in the tribe, is distributed in cash. The remainder goes into band funds for special projects such as an extensive housing programme and assumption of all hospital and medical expenses.

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REHABILITATION AGREEMENTS: The Minister of Labour, Mr. Gregg, announced on January 20 that Newfoundland and Alberta had signed agreements with the federal Government for the co-ordination of rehabilitation services for disabled persons. Saskatchewan, New Brunswick and Manitoba had signed agreements late last year, and similar agreements were now being studied by other provinces.

Mr. Gregg said that the signing of each of these provincial agreements was an important step forward toward a complete national system of rehabilitation, through which any handicapped Canadian could be helped to gain his place in the community, regardless of where he lived or what his disability was. There were thousands of handicapped men and women in this country who were anxious to become self-supporting, and who could be placed in suitable jobs through a complete rehabilitation service.

The agreements signed by Newfoundland and Alberta, like those signed by the other three provinces, provided that the federal Govern-

ment would spend up to \$15,000 in the fiscal year ending March 31, 1954, to match expenditures by the Provinces, on a dollar-for-dollar basis.

The specific purpose of these agreements, the Minister stated, was to aid the Province in the appointment of a Provincial Coordinator of Rehabilitation and the maintenance of his office and staff. The Coordinator would be a member of an inter-departmental rehabilitation committee to be established within the province.

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FARM PRICES DOWN: The Bureau's index of farm prices of agricultural products for all Canada (Newfoundland excluded) moved downward in November, according to the preliminary estimate, to 228.9 from the revised figure of 235.8 for October. From September to October the index, which is based on 1935-39 equals 100, was unchanged. The decline in November was largely a result of substantially lower prices for live stock and eggs. Prices of dairy products rose, while almost no change was recorded for grains and potatoes.

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EMPLOYMENT REPORT: During the last few months, the expansionary trend in output and employment in the Canadian economy has lost some of its momentum, the Department of Labour and Dominion Bureau of Statistics announced on January 20. In the autumn of 1952, total employment expanded contraseasonally particularly in the manufacturing sector, and remained high during the winter of last year. During the same period in 1953, total employment declined somewhat more than seasonally although it still remained approximately at year earlier levels. This combined with the continued growth of the labour force resulted in a level of unemployment considerably higher than the relatively low level of 1952.

In addition to the usual seasonal declines in many industries, substantial inventories and increased import competition resulted in lower levels of output and employment in a number of industries. Manufacturing employment, which last August was about 4 per cent above 1952 levels, declined so that by November it approximated the 1952 level. While employment in many industries such as construction, transportation equipment, transportation, food and beverages, electrical apparatus, service and others is still well above 1952 levels, employment stabilized or declined in producer goods, some consumer hard goods industries and in lumber, textiles, clothing and mining industries.

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Premier Frost of Ontario prophesies for his Province a population of about 6,000,000 in the next five or six years.

IMPORTANCE OF CANADIAN NORTH

TERRITORIES ACT AMENDMENTS: The importance of the Canadian Northwest Territories as an area for development was stressed in the House of Commons on January 19 by the Leader of the Opposition, Mr. George A. Drew, during second reading of a bill to amend the Act respecting the Northwest Territories.

One of the changes heralded by the Minister of Northern Affairs and National Resources, Mr. Jean Lesage, was an increase from three to four in the number of elected representatives on the Council of the Northwest Territories.

After the Minister's explanation of the changes, Mr. Drew spoke, in part, as follows:

"I welcome the statement by the Minister that the Government has decided to make this increase from three to four, and welcome, too, the manner in which the statement has been made. It is encouraging to feel that out of a discussion of this kind, we can find a substantial measure of agreement in matters of great importance for the years ahead...."

INTEREST IN NORTH

"The important thing is that a decision to increase the number of elected representatives is positive evidence to the people in northern Canada, as well as the people in other parts of this country whose interest we wish to arouse in the north, that there is a steady movement toward elected representation for that area.

"By the standards of representation in the southern areas of Canada, the numbers in those northern parts are small. It is not likely that at any time there will be a great concentration of population in the north. Nevertheless within a comparatively few years we have seen enormous changes taking place. It is only a few years ago that there was practically no mineral of importance in the north, with the exception of the romantic Yukon. Since then we have seen the discovery of increasing quantities of rich ore of different kinds. The Northwest Territories have played a vitally important part in the development of atomic energy. In many ways the north beckons to the young and the vigorous, to people of all ages, who look for the rewards that come with adventure and with new developments such as we have seen in that part of Canada.

"I appreciate the words in which the Minister announced the decision of the Govern-

ment. I should hope the fact that we can find such a substantial measure of agreement as to the desirability of dramatizing in some measure the move toward greater representation in the northern area would be a happy augury of the approach to be made to the broad problems of that great internal empire. Numbers of population are small. I agree with the Minister that in the Keewatin and Franklin areas it would be so small that it would be difficult to have separate representation there at the moment, with any sense of reality. Nevertheless we recall that the Franklin area is one of the historic sections of Canada. Who can tell that any part of that great northland will not provide new opportunities in the years ahead?

"All Canadians should regard the north as an important area for development. There are reasons why the Government and Parliament should seek in every way to encourage increased population in that area.

VITAL IMPORTANCE

"We speak often about our neighbours to the south, but not nearly so often in friendly terms about our neighbours to the west and north. Yet, the fact is that only a little more than 50 miles of open water separates this continent from the mainland of Russia. Our great northland is of vital importance in many ways. I do not often speak of Russia as offering us examples of desirable things, but I must say it is worth noting that Russia has been devoting a great deal of attention to the development of its northland, and to the opening of new possibilities for supporting population in that area. We will hope that those developments will be for peace rather than for war - peace that will provide opportunities for us and for other people.

"I would hope that in every way possible we would direct our attention to that distant area so as to encourage young Canadians and others who have not yet come to Canada to seek opportunity there. I welcome the Minister's statement today respecting the proposed change and accept it as a gesture on the part of the Government which will be welcomed by Parliament, and as an indication that we are interested in the expansion and development of the north."

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RETAIL SALES DOWN: Canadian retailers had estimated sales in November valued at \$1,001,648,000, down eight per cent from October's \$1,088,379,000, and off 0.5 per cent from 1953's November sales total of \$1,006,888,000. This was the first month since the end of World War II that retail sales declined from the same month of the preceding year. Cumula-

tive sales for the first 11 months of 1953 aggregated \$10,921,986,000, a rise of 4.8 per cent over 1952's \$10,418,936,000.

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Agricultural implements were the principal products of 85 factories in 1952, four more than in 1951.

PASSAMAQUODDY POWER PROJECT: If and when the United States Government makes a specific proposal for investigation of the possibilities of the Passamaquoddy tidal power project it will be examined most carefully by the Canadian Government, the Secretary of State for External Affairs, Mr. Pearson, said in answer to a question in the House of Commons on January 19.

The question and answer were as follows:

Mr. A.J. Brooks (Royal): I should like to direct a question to the Secretary of State for External Affairs. My question is based on an Associated Press despatch of January 16 which states that a subcommittee of the United States Senate Foreign Relations Committee has recommended an economic feasibility survey of the Passamaquoddy tidal power project by the United States army engineers in conjunction with the International Joint Commission. Is it the intention of the Canadian Government to join with the United States and assist with this survey?

Mr. Pearson: I have seen the press despatch to which reference has been made and we have made inquiries concerning it but have not yet received an official report from the Senate subcommittee in question through our Embassy in Washington. However, I have no reason to believe that the press report is not accurate. The suggestion that is said to have been made by the subcommittee for a full-scale investigation of this project costing approximately \$3 million is not a new one, and I can assure Hon. Members that if and when the United States Government makes a specific proposal for investigation of the possibilities of this tidal project it will be examined most carefully by the Government.

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HOSPITALS REPORT: In less than a decade the number of patients admitted to public hospitals in Canada jumped 74 per cent from 1,008,822 in 1943 to 1,760,052 in 1952, while the bed capacity of hospitals increased about 26 per cent, the Dominion Bureau of Statistics reveals in Volume 1 of its latest issue of the Annual Report Of Hospitals.

The 777 hospitals reporting to the Bureau for 1952 had a rated capacity of 68,033 beds as against 53,938 reported by 613 hospitals in 1943. However, the average number of beds per hospital actually declined during the nine years to 87.6 from 88, and the ratio of public hospital beds per thousand Canadians rose only slightly to 4.72 from 4.57. On the other hand, the average number of admissions per hospital climbed to 2,265 from 1,646, admissions per bed increasing 38 per cent to 25.9 from 18.7.

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Leather footwear output climbed 11% to 30,274,582 pairs in the first three quarters of 1953 from 27,334,335 pairs in 1952.

AMMUNITION FOR NATO: More than a million rounds of Canadian ammunition of various calibers will be shipped by Canada to the Portuguese Army later this month under terms of the Mutual Aid Agreement of the North Atlantic Treaty Organization.

The shipment - most of it classified as practice ammunition - is one of three the Canadian Army will despatch to NATO countries between now and the end of January.

Others include a smaller shipment of ammunition to the French Army and a quantity of spare parts and repair kits for vehicles and rifles to the Royal Danish Army.

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AMBASSADOR TO RUSSIA: The Secretary of State for External Affairs announced on January 21 that Mr. John B.C. Watkins, who is at present Canadian Minister to Norway and Iceland, will be transferred to Moscow with the rank of Ambassador. Mr. R.A.D. Ford, who is at present Chargé d'Affaires a.i. in Moscow, will return for duty in the Department. Announcement was also made of the appointment of Mr. Chester A. Ronning as Canadian Minister to Norway and Iceland to succeed Mr. Watkins.

John Benjamin Clark Watkins was born at Norval, Ontario, on December 3, 1902, and was educated at the University of Toronto and Cornell University. He was for several years Secretary of the American-Scandinavian Foundation in New York before joining the Department in 1946. Mr. Watkins served as Canadian Chargé d'Affaires in Moscow from 1948 to 1951. He then returned to the Department and served as Head of the European Division. He was appointed Canadian Minister to Norway and Iceland in October, 1952.

Chester Alvin Ronning was born in China on December 13, 1894. He was educated at the Universities of Alberta and Minnesota. After the First World War, during which he served with the Royal Flying Corps, Mr. Ronning held the positions of vice-principal in Edmonton Public Schools and principal of Camrose College, Alberta. He also taught at the Hung Wen Middle School in China. After serving with the RCAF during the Second World War, Mr. Ronning joined the Department in October, 1945, and was posted that year to the Canadian Embassy in Nanking. He served there for over five years, in the course of which he was Chargé d'Affaires a.i. for a period of two years. Mr. Ronning returned to Ottawa in April, 1951, and has recently been serving as Head of the Far Eastern and the Commonwealth Divisions.

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Pulp and paper led all industries in both gross output value (\$1,237,897,000) and net output value (\$679,258,000) in 1952, also had the largest payroll (\$213,170,000) and ranked second in number of employees (57,291).

ST. LAWRENCE SEAWAY: Speaking in Quebec City on January 21, the Minister of Transport, Mr. Lionel Chevrier, envisaged opening up a new waterfront area along the south shore of the St. Lawrence River at Montreal which "would stimulate industrial development there", as a result of the construction of the St. Lawrence Seaway and Power project. The Minister was addressing a dinner meeting of the Canadian Electrical Association and described the various hydro-electric possibilities of the whole project.

Stating that "Canada now proposed to build the Seaway herself from Montreal to Lake Erie", Mr. Chevrier said that "present plans assume a power development in the International Section of the St. Lawrence, and hence the whole project hinges on the authorization of New York to act with Ontario in that development."

"The United States Federal Power Commission has approved the necessary licence to the Power Authority of the State of New York, but opponents have appealed that decision to the courts. The matter is presently before the Court of Appeals for the District of Columbia, and from there we expect that it will be taken to the Supreme Court." In these circumstances,

pointed out Mr. Chevrier, he could make no comment "other than to say we hope it is disposed of by both courts in time to permit a start on actual construction next summer".

Mr. Chevrier reiterated the Government determination to build an all-Canadian seaway. He pointed out that "we are committed to consider any firm proposal for U.S. participation that would not upset present power plans and would not unduly delay completion of the seaway", and referred to the Wiley bill as being "such a measure". But, the Minister added that unless it is approved by both Houses of Congress before Canada is in a position to start her own canals, "the long history will end with an all-Canadian seaway".

Discussing the overall plan of the St. Lawrence Seaway and Power project, Mr. Chevrier pointed out that some 10,200,000 horsepower could be developed in the Niagara and St. Lawrence Rivers. All of this power, he said, was Canadian "except for 2,400,000 horsepower at Niagara and 1,100,000 horsepower in the International Rapids Section". He pointed out that "out of the total potential of 10,200,000 horsepower, about 3,500,000 have been developed, or about one third".

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AVERAGE WAGE RISE: Wage increases in some industries and seasonal changes in industrial distribution resulted in a small rise in average weekly wages in manufacturing at the beginning of November to \$56.88 from \$56.69 a month earlier, according to an advance statement released by the Dominion Bureau of Statistics. The average work-week was insignificantly lower at 41.4 hours as compared with 41.5, and average hourly earnings rose to 137.4 cents from 136.6 cents.

STRIKE TIME LOSS LESS: Time loss through work stoppages arising from industrial disputes in 1953 was less than half the figure for 1952, according to a preliminary summary of strikes and lockouts for 1953, released by the Minister of Labour. He pointed out that total time loss in 1953 was 0.13 per cent of the estimated working time of non-agricultural wage and salary workers in Canada, as compared with 0.29 per cent during 1952.

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WEEK'S EVENTS IN REVIEW

NEW HOUSING LEGISLATION: The chartered banks of Canada are to be permitted to enter the residential mortgage field under legislation now being discussed in Parliament. The Minister of Public Works, Mr. Robert H. Winters, explained the impending changes in the House of Commons on January 21, in moving second reading for his bill to amend the National Housing Act.

After a review of housing legislation and accomplishment to date, Mr. Winters dealt with the main principle of the new legislation as follows:

"It is quite clear that if there is to be an increase in private lending, additional funds must come from somewhere other than the present sources of institutional mortgage funds. The only other source of significant size stems from that part of the personal savings of individuals which year by year flows into savings deposits with the chartered banks. It is realized that at the present time these deposits are rather fully employed in other directions but we must remember that in conditions of normal growth in Canada there should be a substantial annual increase in savings deposits.

"Under our present laws these funds cannot move into the housing sector because the Bank Act prohibits bank lending on the security of real estate mortgages. It is important to remember that the chartered banks perform in Canada a function with respect to savings that

in other countries is performed not only by the banks, but also by building societies, mutual savings banks and savings and loan institutions. Because of the dominant position of the chartered banks in the savings field in Canada, and because mortgage lending is prohibited by the Bank Act, the housing sector is denied access to a large part of the funds which in other countries are available to finance home building.

"This situation in Canada is unique. In the United States the commercial banks, the mutual savings banks and the savings and loan institutions who are the chief holders of the public's savings deposits have been an important factor in the residential field and between them are providing about 60% of all new money in mortgage financing. In Australia the banks are a larger source of mortgage funds than the life insurance companies. In contrast, in Canada the life companies provide approximately 80% of all institutional mortgage financing.

"It is these circumstances, together with the wide geographical distribution of the branch banks in Canada, that have led us to believe that with proper safeguards it should be made possible for the chartered banks to enter into the new residential mortgage lending field.

"Honourable Members will recall that the banking system in the United States encountered certain difficulties in the early thir-

ties, and it is sometimes suggested that mortgage lending was one of the prime causes. Careful analysis of United States Bank experience indicates that their mortgage problems arose mainly in connection with industrial and commercial rather than residential mortgages. Moreover, it should be borne in mind that the proposed changes in the National Housing Act will provide a very different kind of investment from the type of housing mortgage which was current in the twenties and early thirties. The insurance feature eliminates any possibility of substantial losses being taken by the chartered banks on their mortgage portfolio. There is the added safety, not present twenty years ago, of principal, interest and taxes being paid by the borrower on a monthly basis.

LIQUIDITY

"In addition, provision is being made for liquidity of the mortgage portfolios held by banks. In this legislation provision is made that Central Mortgage may purchase mortgages from approved lenders. In addition the Government has announced its intention of proposing an amendment to the Bank of Canada Act whereby the mortgage portfolio of the banks will be eligible for loans from the Bank of Canada, as is presently the case for Government Bonds.

"As the Prime Minister said in announcing this policy on October 1, the establishment of mortgage insurance will make it possible, by safeguarding savings deposits, to remove a barrier to the natural flow of the people's savings into housing investment. Because the banks have a widespread branch system, the benefits from participation by them in housing finance should be particularly important in those communities where other lending institutions have found it difficult to provide facilities for making and servicing mortgage loans. The introduction of an important group of new mortgage lenders should make more private funds available for home mortgages and better facilities should exist in mortgage lending in smaller communities.

"This brings me to the Bill which is now being considered. I will review it briefly. It is proposed to terminate the joint lending arrangement as presently contained in the National Housing Act and to substitute therefor one under which Central Mortgage will insure mortgages made by approved lending institutions to finance new residential construction.

"It is proposed that the group of lending institutions presently authorized to operate under the National Housing Act will be enlarged to include the chartered banks and the Quebec Savings Banks. The amendment to the National Housing Act will have the effect of permitting the banks to make insured loans.

"There will be three types of insured mortgage loans, firstly, those to assist in the construction of houses for home ownership;

secondly, those to assist in the construction of rental housing; and thirdly, those to finance the conversion of existing houses into multiple housing units.

"The amount of the loan will be based upon a statutory percentage of the lending value and will be subject to a dollar limit to be set by the Governor-in-Council. The National Housing Act now makes loans available up to 80%. The Bill before the House contains provision that there will be an 80% maximum ratio in the rental field, but in the home ownership field the ratios will be on the basis of 90% of the first \$8,000 and 70% of additional lending value. This has the effect that up to lending values of \$16,000 the ratio of loan to lending value will be greater than 80%, with corresponding lesser amounts of equity or down payment requirements.

MAXIMUM LOANS

"The proposed legislation contemplates, as in the present legislation, that the Governor-in-Council shall establish maximum loans which may be made in the home ownership, rental and conversion fields. It will be recalled that at the present time the maximum loan is \$10,000 for home ownership. In setting the limit of loan one consideration will be that present costs of residential construction are about 25% higher than they were when the \$10,000 was set...."

The Minister went on to explain that the period of amortization for home ownership loans would be 25 years as a minimum and 30 years as a maximum; Central Mortgage would insure mortgages that were in accordance with the statutory requirements and regulations; and the Governor-in-Council would by regulation determine the maximum interest rate which might be charged. In that connection he said he believed that in the light of the guarantees provided by the legislation a rate of six per cent would be too high.

Debate is proceeding.

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PHYSICAL EDUCATION SCHOLARSHIPS; Scholarships valued at \$4,000 for postgraduate study in physical education, recreation and physical medicine are to be awarded this year by the Department of National Health and Welfare, it was announced on January 23 by the federal Health Minister.

Mr. Martin said that such scholarships were established several years ago to help overcome the scarcity of professional personnel with advanced training in physical education and recreation. They are for postgraduate study only and are restricted to Canadians who have had at least three years' full-time experience in physical education or recreation in Canada, including at least one year's experience since obtaining a degree.

REVOLUTION IN CANADIAN SCIENCE

DR. MACKENZIE'S ADDRESS: A real revolution in Canadian science and scientific engineering has taken place in Canada since 1939, Dr. C.J. Mackenzie, President, Atomic Energy Control Board and former President of the National Research Council, said at a dinner given in his honour by the Professional Institute of the Public Servants of Canada in Ottawa on January 23.

Dr. Mackenzie is the first Canadian to have been awarded the Kelvin Medal and he said that he regarded the award as not only a personal compliment "but a recognition of what has happened in Canada during the past 15 years and of the standing science and scientific engineering have attained".

GROWTH OF CANADA

"The many tributes being paid everywhere to Canada these days are almost embarrassing - her growth, her potential, her sanity and efficiency in public affairs, her prospects," he said. "We are familiar with the statistics: - since 1939 our population has increased 30 per cent, - our trade has increased, - vast new resources have been opened up, - our gross natural product has increased 4 times, - our government revenues have risen 8-fold, but our research expenditures are 16 times greater than in 1939

"Statistics alone, however, are barren. That scientific expenditures have increased twice as much as other comparable expenditures might mean anything, - even waste, - but that is not true:

"What is true is that our science has increased in effectiveness and quality - but of greater importance, our Governments and the people have recognized that effective national science is one of the essential activities on which the strength and well-being of a modern nation depends, in peace as well as in war.

"It is this public recognition which is responsible for the real scientific revolution of the past 15 years, - and it has been a revolution".

* * * *

OCTOBER IMPORTS DOWN: Final figures of Canada's commodity imports in October, released by the Dominion Bureau of Statistics, show the value of the month's purchases at \$358,300,000, down 4.8% from \$376,400,000 a year earlier and the first decline in the year from the corresponding month of 1952. Average prices of imports during the month were about 2.6% higher, indicating a drop of nearly 8% in volume. With gains in all previous months, the value of imports in the ten months ending October was up substantially to \$3,693,000,000 from \$3,321,900,000 in 1952.

"I would like to round out my story," he said at the conclusion of his address, "by mentioning four of the more important factors which I believe helped to develop our national scientific structure:

"(1) The system of scholarships and grants-in-aid given by the National Research Council from 1918 on.

"(2) The method of selecting, recognizing and rewarding scientific staff which by the organization, given to the National Research Council by wise governments, enabled it to demonstrate as the effective way of operating government laboratories.

"(3) The methods for giving support to other institutions and projects and arranging for informal co-operation of scientists across Canada which the Council was first able to successfully demonstrate.

"(4) The effective work done in wartime by all our government, university and industrial laboratories gave to Canadian science the most important thing of all - public confidence and generous financial support.

DEVELOPMENTS

"Finally, I would like to mention some of the developments that have given me greatest satisfaction as a Canadian:

(i) The equalization of scientific standards and opportunities across Canada....

(ii) An evidence of our scientific maturity is the increasing numbers of foreign scientists now visiting Canadian Institutions to observe what is being done. They come to see men not institution - that paradoxically is the test of sound scientific organization.

(iii) Other indications of the healthy scientific Canadian structure are the friendly co-operation which now exists between various scientific bodies, the increase of industrial research establishments and a growing co-operation between government, university and industrial scientists....

WORKERS' HOURS, PAY: In 42 cities across Canada there was widespread application of the five-day 40-hour work-week in the construction industry, it was revealed on January 26 by the Minister of Labour.

This information came from a study of collective agreements in force on December 1, 1953, covering eight construction occupations in 42 cities throughout Canada.

The five-day 40-hour work-week is general in all provinces except Newfoundland and Quebec. In Quebec the work-week is either 44 or 48 hours except in Montréal where it is 40 hours.

The study, which was made by the Economics and Research Branch of the Labour Department, covered collective agreements signed by members of local builders' exchange or standard union agreements signed individually by a number of contractors. The eight construction occupations covered by the survey were carpenters, bricklayers, electricians, plumbers, plasterers, painters, sheet-metal workers, and labourers.

The survey disclosed a wide variation in hourly wage rates in all the occupations with generally lower rates in construction areas in Quebec and the Atlantic provinces than in the rest of Canada. Rates for Toronto and urban centres in British Columbia were found to be generally higher than in other centres.

The ranges of hourly wage rates in the eight construction occupations were: carpenters, \$1.30 to \$2.20; bricklayers, \$1.45 to \$2.35; electricians, \$1.30 to \$2.33; plumbers, \$1.30 to \$2.30; plasterers, \$1.45 to \$2.25; painters, \$1.20 to \$2.07; sheet-metal workers, \$1.25 to \$2.25; labourers, 95 cents to \$1.55.

Dual rates of pay for overtime work were found to be widely prevalent in the construction industry.

* * * *

DECEMBER DEFICIT: Budgetary revenues in December amounted to \$379.1 million, or \$19.3 million less than in December, 1952, and expenditures totalled \$413.8 million, or \$12.4 million less than those for December of last year. For December, 1953 the budgetary deficit was \$34.7 million compared with a surplus of \$9 million for November, 1953, and a deficit of \$27.8 million for December a year ago, the Acting Minister of Finance, Mr. Stuart S. Garson, announced on January 23.

For the first nine months of the current fiscal year, budgetary revenues amounted to \$3,168.6 million or \$83.4 million more than for the corresponding period last year. Budgetary expenditures for the period amounted to \$2,928.2 million, an increase of \$107.1 million over expenditures for the first nine months of the preceding fiscal year. For the nine-month period to December 31, 1953, the budgetary surplus was \$240.4 million, or \$23.7 million less than for the same period a year ago.

In the first three quarters of the present fiscal year, approximately 71 per cent of total revenues of \$4,473 million, as forecast at the time of the budget, have been collected and about 66 per cent of the forecast expenditures of \$4,462 million have been made. To this date last year, 71 per cent of total revenues for the fiscal year as a whole had been collected and 65 per cent of total expenditures for the year had been made.

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Car loadings on railways totalled 3,992,416 in 1953, 4% less than in 1952.

CIVILIAN REHABILITATION: A new federal Department of Labour film, which will be shown to thousands of Canadian business executives during the course of the next few weeks, with a view to widening the employment horizon for the physically disabled, was screened for the first time at Canadian premières in Windsor and Montreal on January 22.

"Everybody's Handicapped" is the title of the film, which has received the endorsement of the National Advisory Committee on the Rehabilitation of Disabled Persons. It contends that a person with a physical disability is not handicapped if properly placed in employment. The film points out that everyone is handicapped for certain occupations, whether his physical limitations are evident or not, and that only by proper selection of occupation does the so-called able-bodied worker overcome his or her particular handicaps. By the same process a person with a serious disability can have a successful career in the workaday world.

The Minister of National Health and Welfare, Mr. Martin, was the chief speaker at the première of the English version at Windsor, and the Minister of Labour, Mr. Gregg, introduced the first showing of the French version in Montreal.

Three federal government Departments, Veterans Affairs, Health and Welfare and Labour are co-operating in the overall planning of a civilian rehabilitation programme in which the film will play a part.

* * * *

FARM INCOME DOWN 4 P.C.: Cash income of Canadian farmers from the sale of farm products and from grain adjustment payments on previous year's crops in 1953 reached an estimated \$2,674,679,000 according to preliminary calculations by the Dominion Bureau of Statistics. This was smaller by 4% than the 1952 total of \$2,778,343,000, and 5% below the all-time high of \$2,811,949,000 received in 1951. Supplementary payments made under the provisions of the Prairie Farm Assistance Act amounted to only \$1,600,000 as compared with \$5,100,000 in 1952 and \$10,400,000 in 1951.

Income from the sale of grains in 1953 was slightly below the 1952 level, largely as a result of smaller participation payments and reduced returns from the sale of coarse grains more than offsetting larger receipts from wheat. Reduced receipts from live stock reflect smaller income from the sale of hogs, sheep and lambs. While income was down substantially for potatoes, gains were registered for dairy products and eggs.

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Hogs on farms numbered 4,721,000 at the start of December last year, 10% less than in 1952, but the 1954 spring crop is expected to raise the total 36%.

DEATH OF MR. WRONG: Mr. Hume Wrong, Under-Secretary of State for External Affairs, died in Ottawa on January 24 at the age of 59. He was a familiar figure to most international diplomats because of his service on Canadian delegations to wartime and post-war conferences. He had served in London, Geneva and Washington, where he helped establish the first Canadian Legation and served seven years as Ambassador of Canada.

The Prime Minister, Mr. St. Laurent, and the Secretary of State for External Affairs, issued the following statements of appreciation of Mr. Wrong's services:

Mr. St. Laurent: "I have learned with deep regret - personal and official - of the death of Mr. Hume Wrong. Canada has lost a great public servant and I shall miss a good and wise counsellor."

Mr. Pearson: "The Department of External Affairs, and indeed the public service of Canada, has lost one of its outstanding members in the passing of Mr. Hume Wrong.

"Since 1927, he has served his country with great distinction and devotion. No man has made a greater contribution to the building up of Canada's foreign service, or to the wise administration of Canada's foreign policies.

"He represented the finest type of public servant; one who, though of outstanding ability and great achievement, sought neither acclaim nor advertisement, content in the satisfaction that comes from work well done and duty honourably discharged.

"To me, he was more than an old and highly esteemed colleague. He was a close friend. Our friendship, indeed, has been unbroken from the days of the First World War, when he served gallantly at the front; through a teaching association at the University of Toronto, and right up to our last days together at Ottawa.

"It will not be easy to replace Hume Wrong in the service of Canada. It will be far harder to replace him in the hearts of those of us who knew him as a true and loyal comrade."

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IRON AND STEEL: Factory sales of pig iron, ferro-alloys, steel ingots and castings and finished rolled products were valued at a record \$504,000,394 in 1952, an 8.5% increase from \$464,587,486 in 1951, the Dominion Bureau of Statistics reports in the latest issue of The Primary Iron & Steel Industry. This was more than double the 1947 value of \$216,275,618 and over three times the 1946 value of \$153,082,616.

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Volume III of the Foreign Trade of Canada for the calendar year 1952 was released on January 22 by the Dominion Bureau of Statistics. It contains final detailed statistics on imports by articles and countries of origin for the years 1950, 1951, and 1952.

AIRCRAFT INDUSTRY RISE: Canada's aircraft production was valued at \$104,188,368 in 1952, over triple 1951's \$34,701,964 and 40 times the 1950 post-war low of \$2,666,348, the Dominion Bureau of Statistics reveals in its latest edition of The Aircraft and Parts Industry. Topped only in the three war years 1943-5, the 1952 value exceeded the combined 1946-51 value of \$96,122,155 by more than 8% and was 74% more than the 1936-41 total of \$60,009,681.

In addition, the value of work done on planes not completed by the end of 1952 rose to \$64,656,323 as compared with \$39,109,841 in the preceding year, while the value of repairs to aircraft was \$22,321,416 against \$14,974,438. Aircraft parts produced were worth \$32,116,714 against \$16,960,234 in 1951, while the value of other products and of work done on developing aircraft and engines more than doubled to \$53,848,053 from \$24,274,984. Excluding the value of work done in the preceding year on completed aircraft - \$32,523,554 against \$12,833,383 in 1951 - total value of the industry's output was \$244,607,320 in 1952, a jump of 109% from \$117,188,078.

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AUTO SHIPMENTS SLUMP: Continuing the decline which started in September, factory shipments of Canadian-made motor vehicles slumped to a four-year monthly low in November, but substantial gains in earlier months of the year raised January-November shipments above the same period of 1952, according to the Dominion Bureau of Statistics. The month's shipments of made-in-Canada vehicles amounted to 19,931 units as compared with 35,898 in October, 31,340 in November, 1952, and 19,721 in November, 1949 (next lowest monthly output). Cumulative shipments in the January-November period were 445,879 units compared with 402,828.

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ELECTRICITY PRODUCTION UP: Production of electric energy by central electric stations in November climbed to 5,138,372,000 kilowatt hours from the preceding year's corresponding total of 4,804,931,000 according to the Dominion Bureau of Statistics.

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NEW OIL PIPE LINE: With the official opening of the Trans-Mountain Oil Pipe Line Company's main line (718 miles in length) between Edmonton, Alberta and Burnaby, adjoining Vancouver, British Columbia, total deliveries of oil through Canada's pipe-line system in October rose to 12,925,109 barrels from the preceding year's October total of 10,847,742. Cumulative deliveries in the January-October period increased to 119,985,808 barrels, an increase of 38% over the 86,907,484 barrels delivered a year earlier.

NATIONAL FLAG: The Minister of Transport, Mr. Lionel Chevrier, speaking at Moose Creek, Ont., on January 27, aligned himself with those who favoured the adoption of a distinctly national flag for Canada. The Minister said that "it is now felt by many Canadians that the time has come for Canada to assert further the fully autonomous status of our country within the British Commonwealth of Nations by the adoption of a distinctly national flag."

Mr. Chevrier pointed out that a private member's resolution for the adoption of a national Canadian flag was on the Order Papers of the House of Commons but he assured his audience that no change would be made until after the most careful consideration.

"For myself," he added, "I am in full agreement with the Prime Minister who has indicated that no decision would be made until there is evidence that the changes will be acceptable to a majority of Canadians."

In making known his personal views on the need for a Canadian flag, Mr. Chevrier drew attention to the important steps in Canada's constitutional history. "This position of sovereign nation was achieved within a short period of some twenty years, a fact in which we can take pride and which stands to the enduring credit of the statesmen who have made it possible."

However, "if Canada occupies today a place in the assembly of Nations which is out of proportion with our population of fifteen million people," said Mr. Chevrier, "it is mainly due to our economic strength." He said that the industrial and commercial development of Canada in the last twelve years had "been unequalled by any nation in the world".

WHEAT SUPPLIES: Visible supplies of Canadian wheat on January 13 this year totalled 379,644,000 bushels, a shade above the 379,543,000 bushels in store a week earlier, but sharply above last year's corresponding total of 258,561,000 bushels, according to the Dominion Bureau of Statistics. Prairie farmers marketed 5,740,000 bushels of wheat during the week, larger than the preceding week's 4,991,000 bushels but smaller than last year's 7,168,000 bushels. Overseas export clearances of wheat during the week totalled 3,194,000 bushels as compared with 2,489,000 the week before and 3,501,000 at the same time last year.

Birth rate was 27.9 per thousand Canadians in 1952, second only to the record 28.8 rate of 1947.

PARACHUTE COMPUTER: A new and improved method of determining the exact moment to drop paratroopers and supplies being parachuted from the air, and which was developed by two RCAF officers, has been adopted by the United States Air Force.

The new system, in use by the RCAF for some time, was devised by Flight Lieutenant J.H. Riva of Canmore, Alta., in conjunction with Flight Lieutenant J.W. Michaud of Montreal.

The two officers have produced what is known as the Canadian (Riva) method of dropping paratroopers and para-borne supplies, and have designed a computer for making the correct calculations. This computer enables the navigator of an aircraft to determine exactly when to ring the jump bell, the signal for the paratroops to leave the aircraft. Formerly, the dropping area was marked by Army personnel from a ground position, or from an advance aircraft. Succeeding aircraft then released their loads when over this ground marker.

46,300 BANK EMPLOYEES: The ten commercial banks in Canada employ 46,300 workers in nearly 4,000 branches from coast to coast, it was revealed Jan. 28 by the Minister of Labour in reviewing the results of the annual survey of working conditions conducted by the Economics and Research Branch of his Department, which, in 1953, included the chartered banks for the first time.

The survey showed that almost three-quarters, or 73 per cent, of the bank employees were in branches operating on a five-day week as of the survey date in 1953.

A survey of Canada's 3,641,000 households last September showed that 91% had electricity, 77% had running water, 51% had central heating, 96% had radios, 82% had powered washing machines, 67% had telephones, 66% had mechanical refrigerators, 66% had sewing machines, 58% had electric or gas ranges, 48% had electric vacuum cleaners and 52% had cars.

Crude petroleum led all minerals in 1953 with a production value of \$198,000,000, exceeding gold, which had held first place for nearly a quarter of a century, by \$58,000,000.

By 1952, 82% of public hospitals had fluoroscopic facilities, 88% had radiography facilities, and 47% took routine chest x-rays of all patients admitted.

GOVERNMENT



OF CANADA

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WEEK'S EVENTS IN REVIEW

MR. PEARSON ON WORLD AFFAIRS: While there is somewhat more hope for peace and stability in the world than existed a year ago, "the world still remains an unsafe place for the weak, the weary and the unwary," the Secretary of State for External Affairs, Mr. Pearson, said in the House of Commons on January 29 in his annual survey of world affairs.

Mr. Pearson said at the outset that he would leave many subjects untouched because some of them, at least, would be dealt with at a later time by his Parliamentary Assistant, Mr. Pinard. Some excerpts from Mr. Pearson's speech, on world-tension, NATO, Germany and Canada-U.S. relations, were as follows:

"The reduction of tension in Europe which began a year ago, and which was mentioned in this House about that time, has been maintained. Nevertheless, the menace of Soviet Imperialism remains and foreign and defence policies of our country and other countries of the free world must continue to be based on this fact. And I suppose we should also not forget that if there has been improvement - and I think there has been - it is largely due to the increased strength and unity of the free world, especially within the Atlantic alliance.

"In Europe two developments have occurred since I spoke last in the House on international affairs, which I think deserve special attention. In the first place there has been a change, whatever it may portend, in the

attitude and in the tactics, if not in the foreign policy, of the Soviet Union since the death of Joseph Stalin. There has been some indication in the past year of a trend away from the sterile rigidity of Stalinist policies both in domestic and in foreign affairs.

"Among the more interesting Soviet internal developments have been the new emphasis on collective leadership in Moscow as opposed to personal dictatorship, and the modification of Stalin's denationalizing policy as applied to the non-Russian peoples of the Soviet Union. And there has been a greater stressing, I think, in their Governments of practical considerations, of technical efficiency, rather than of Marxist orthodoxy. However, the outstanding domestic development in the Soviet Union during this period has been in economic policy, where a programme of increased production of consumer goods has been given such wide publicity that the failure of the regime to carry out its promises in this respect would, I think, cause very great disappointment among the people, and possibly even some unrest.

"Agriculture in Russia has received particular attention, with an apparent reliance on greater money rewards for the peasant as the best way now to get results. The Communists have not of course retreated from the principle of collectivization, but the peasant's own plot now seems to have become again

a respectable part of the system; whereas previously, in recent years, it was merely a reprehensible survival of Capitalism.

"As for Soviet external policy, it still presents a mixed pattern of some things that are hopeful and more that remain stubbornly discouraging. There have been some minor concessions and some reassuring words. However, I suggest that nothing in all this gives us cause to believe that basic Soviet objectives in foreign policy have changed, or that Soviet leaders are in fact ready to accept reasonable solutions to major international problems. That is one reason why we are watching so closely the Berlin Conference today.

"The second European development which stands out in the last year is of course the remarkable, and to some people disturbing, recovery of West Germany. While this process has been under way for some time, both in the economic and the political field, the decisive electoral victory of Chancellor Adenauer last September, drew special attention to the progress and the stability of the West German Republic. The people of the Soviet zone of Germany, where an election such as that would never have been permitted by the occupation authorities, nevertheless managed to show their own will for freedom during June of 1953 in courageous demonstrations against the communist regime, and by so doing they exposed once and for all the hollowness of the claim that the Soviet puppet regime could speak for them at home or before the world. And that fact, Mr. Speaker, is worth keeping in mind, particularly at this moment. The Soviet delegation at the Berlin Conference may once again pretend that Germany can be united in an all-German Government, formed not by free elections but by merging the present East and West German Governments. Well, we all know what happened to democracy in Poland and Czechoslovakia when Russian communist agents were allowed to share governmental responsibility with genuine democrats. It would be deplorable if that tragic error were repeated in Germany.

REVERSE SIDE

"There is of course a reverse side to this medal. The very qualities of energy and discipline which have served the West Germans so well and resulted in their new strength are beginning to arouse concern among some old friends of ours who are also old neighbours of theirs, and it is easy for anyone whose knowledge of European history goes back beyond the last two or three years to understand this concern. Europe is no longer simply an East and a West, with a void left in the centre by the total collapse of Germany in 1945. Once again there is a centre. We have therefore not only the continuing danger of Soviet Imperialism; there is also fear of what many Europeans and others who remember 1914 and 1939 regard as the reviving danger of German ambition and German armed strength. I think we can under-

stand this fear without agreeing with the conclusions which are sometimes drawn from it. But let us assume that there is a basis for it, a reality to the fear. What then is the best method of removing it, to restrain a re-armed and perhaps a reunited Germany from aggression again?

"Well, one method of controlling the menace of German aggressive expansion is the old unhappy one, by which the West joined with the East against an independent armed Germany in Central Europe. Neither in 1914 nor in 1939 was such an alliance effective in preventing war, though that alliance later contributed enormously to Germany's defeat and punishment. The second method, which is new and not yet tried, is to bring Germany into an alliance of West and Central Europe against aggression, an alliance in which European unity can develop for other than defence purposes. And we have that, Mr. Speaker, in the European Defence Community.

"The Canadian Government has already expressed its support for EDC as a method for associating Germany with the European system and with the Atlantic community. Surely the harnessing of German rearmament to a defensive collective purpose would provide the best security for all, east as well as west, from the possible danger that Germany, isolated and with renewed strength in Central Europe, might once again play off east against west and eventually be tempted once more to follow the old policy of defeat and attack, subdue and occupy.

GERMANY

"I do not think myself that a solution of this European problem, which is also an Atlantic problem and therefore a Canadian problem, can be found in Germany's disarmament and neutralization, or indeed in Germany's rearmament and neutralization. That solution might of course and indeed does appeal to the Communists for obvious reasons. It would mean the exclusion of Germany from the developing European system, and it would release her from any responsibility for sharing in collective defence against aggression. In any event, as I see it, such a solution, even if it were desirable - and it certainly has its appeal - is simply not practicable. Surely it is unrealistic to base any permanent policy on the disarmament, the control and the neutralization of 65 million Germans inside their present boundaries. Surely it is better to bind Germany not only to the rest of Europe but to the Atlantic Community. I know it will be argued that the Russians and their satellites will simply never agree to this and therefore will never agree to any unification of Germany on these terms. Nevertheless, this is the policy that has been accepted as best and wisest in the present circumstances by the German Republic, the United States, the United Kingdom and France, by ourselves and by many other coun-

(Continued on P. 6)

PRIME MINISTER ST. LAURENT'S WORLD VISIT

STATEMENT IN COMMONS: On the eve of his departure on a world visit, the Prime Minister, Mr. St. Laurent, told the House of Commons and the nation that the main purpose of his tour was a visit to Asia, where happenings "vitally concern" Canada. He left Ottawa on February 4.

The Prime Minister made a statement in the House on January 29 as to the reasons which had induced him to make the trip. The partial text was as follows:

"I do not need to remind anyone that as Canada has developed in the past fifteen years, and as the nations of the world have become more and more dependent upon one another, the extent of the relations of this country, not only with our immediate neighbours and with other members of the Commonwealth, but with all countries, has increased at an astonishing rate. You will recall that it was as recently as 1926 that Canada named her first diplomatic representative abroad. In the intervening years we have established diplomatic relations with over 40 countries. In addition, through our contribution in two world wars, our membership in the League of Nations, the United Nations, the North Atlantic Treaty Organization, and our close association with the other members of the Commonwealth, we have come to play an even larger role in the councils of the world.

EXTERNAL POLICY

"Our external policy has acquired a growing importance in the thinking of our people, and the importance of external relations has been reflected in the debates in the House and in practically all aspects of the activities of those who are charged with the responsibilities of government. I think that fact is well illustrated by the fact that later today the unanimous consent of the House is expected to be given to a rather extraordinary debate upon external affairs.

"An indication of Canada's increasing place in international affairs is to be seen also in the number of recent official visits paid to us here in Ottawa. Since the war, in addition to the royal visit of our gracious Sovereign and her consort, before her accession to the throne, we have been honoured by visits from such distinguished Commonwealth leaders as Sir Winston Churchill, Mr. Nehru, the late Liaquat Ali Khan, Mr. Atlee, Mr. Menzies and Mr. Holland. Prominent visitors from other lands have included the former President of France, Mr. Vincent Auriol; the Chancellor of Germany, Mr. Konrad Adenauer; the former Prime Minister of Italy, Mr. de Gasperi; Crown Prince Akihito of Japan; the former President of the United States, Mr. Truman; and, at the beginning of this session of our new Parliament, President Eisenhower. It is partly

with a view to repaying some of these courtesies that I am making this tour.

"Another purpose of my journey is to see for myself the conditions existing in other parts of the world and to assure the governments of those countries of the sincerity of our desire to co-operate with them in our own interests as well as in theirs. I am sure you will agree that it is important for us as Canadians to understand these conditions abroad and to have our own conditions understood abroad in order that we may all try to adopt the best course in our relations with each other.

"Of course I do not feel that I should be absent from Canada for too long a period, especially while Parliament is in session, and it will not be possible for me to make a long stay in any one country; but this is no doubt the most appropriate season to visit the East. By taking advantage of air travel I will try to make the best possible use of what time will be available. From the conversations I will have with the leaders of many countries I shall visit, I hope that I shall be able to bring back with me and also to leave behind not only useful information but perhaps a clearer picture of the problems which all of us have to face together.

AUSTRALIA, NEW ZEALAND

"I have wanted for some time to visit Australia and New Zealand, both because I should like to see those sister countries of the Commonwealth with which our relations have become so close, and also because we have recently been honoured by the visit of their Prime Ministers. The time available, however, would have been regrettable short and my visit to Australia would have taken place at a time when Her Majesty the Queen will still be in that country. I therefore proposed to the Prime Ministers of Australia and New Zealand, for that reason, and I can assure the House that it is for that reason alone that my visit to their countries be postponed, and to this they kindly agreed. But I sincerely hope that such a visit may be arranged in the not too distant future. In fact, you know, it is not very much more difficult to go by air from this continent to Australia and New Zealand than it is to go there by air from Tokyo, from which point it had been originally planned that I would set off to visit Australia and New Zealand.

"Europe, which I shall visit during the first part of my tour, is faced at present with a decision of great importance. Our own future may be quite largely influenced by its outcome. The presence of our soldiers and our airmen over there is an indication of our interest in the maintenance of some efficient

method of collective protection against aggression, and I think all members will feel that this method is apt to be all the more efficient if we can all participate in it.

"But the main purpose of my tour is a visit to Asia. That vast continent, which contains in fact well over half the world's population, was once a vague and rather romantic concept far over the horizon for most of us in this part of the world. Today we are vitally concerned with what happens in Asia. This concern arises both from our membership in the United Nations and from our membership in the Commonwealth which now includes three important Asian countries, India, Pakistan and Ceylon.

"We have joined with other members of the United Nations in helping to repel aggression in Korea. Only a few months ago our troops were engaged in actual and violent fighting which I trust will not be renewed. I look forward to visiting these troops during my brief stay in Korea and to bringing them greetings from all Canadians.

INTEREST IN ASIA

"Our interest in Asia has also been increased as a result of the desire of our people to assist our Asian friends to improve their social and economic conditions. For several years we have been contributing quite substantially to United Nations efforts in this field, and for the past three years we have also been spending more than \$25 million a year for this purpose through the Colombo plan. These facts give some indication of how important Asia has become in our lives. Decisions taken there, and the welfare and happiness of these peoples, have become of real concern to us.

"Canada, I think, has welcomed the opportunity to share in the encouragement of freedom and economic improvement in Asia because we realize the importance of maintaining good relations between the western world and the hundreds of millions of our fellow men in these ancient nations of Asia. I feel that we can maintain good relations with them only as long as we treat them on terms of complete equality, with respect for their older and perhaps somewhat less materialistic culture and achievements, and in a spirit of genuine understanding and co-operation. We must deal with them in the realization that while we may seem to have much to give they too have a very important contribution to make to the general welfare of the world.

"Wherever my travels take me I know that my fellow Canadians will want me to bear their greetings and to assure our friends that we do want to play our part in the cause of peace, freedom and social justice, in our own interest as well as in theirs...."

The Leader of the Opposition, Mr. George A. Drew, said the Prime Minister could be well assured that he would be carrying greetings

from all members of the House and from all the people of Canada to the lands which he visits, and the C.C.F. Leader, Mr. M.J. Coldwell, and the Social Credit Leader, Mr. Solon E. Low, concurred.

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SECURITIES TRADE: Trade in outstanding securities between Canada and other countries in November resulted in a capital inflow of \$4,300,000, slightly under the preceding month's \$4,500,000. Over the January-November period there was a capital outflow of \$16,600,000 in contrast to \$91,300,000 in the first 11 months of 1952.

In November, securities trade with the United States produced a small sales balance of \$500,000 in contrast to a purchase balance of \$4,800,000 in October, while 11-month totals show a purchase balance of \$59,600,000 as compared with \$102,300,000 a year earlier.

November's security trade with the United Kingdom produced a sales balance of \$3,500,000 as compared with \$5,600,000 in October, bringing the 11-month total to \$24,000,000, which compares with a purchase balance in the 1952 January-November period of \$2,200,000. With all other countries, net sales in November amounted to \$300,000 as compared with \$3,800,000 a month earlier, bringing the 11-month total to \$19,000,000 as compared with \$13,100,000.

Sales to all countries in November totalled \$42,300,000 as compared with \$43,500,000 in October, and purchases amounted to \$38,000,000 as compared with \$39,000,000. In the 11-month period the sales aggregated \$444,500,000 (\$463,000,000 a year earlier), and the purchases \$461,100,000 (\$554,300,000).

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ARMS FOR NATO: Canada will ship several tons of ammunition, hand grenades and other explosives to NATO countries early in February under terms of the Mutual Aid Agreement of the United Nations Treaty Organization.

Earmarked for use by the armies of Portugal, the Netherlands, Italy and France, the shipments will be sent from Halifax, N.S., and Saint John, N.B.

France also will receive quantities of maintenance stores for rifles and a supply of electrical equipment. The United Kingdom will receive 16 cases of maintenance stores for radar equipment, and Belgium a quantity of electronic valves and tubes.

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Per capita expenditure on public libraries is highest in Niagara Falls (\$2.12), London (\$2.09) and Peterborough (\$1.75), but per capita circulation of books is highest in Sarnia (10.7), Owen Sound and Port Arthur (8.7) and Kingston (8.5), all seven of which are in Ontario.

CRUDE PETROLEUM JUMP: Canadian production of crude petroleum in October jumped almost 18% to 7,236,875 barrels as compared with the corresponding month of 1952, bringing the cumulative output for the January-October period to 65,221,979 barrels, almost 31% above 1952's 49,842,448 barrels.

The month's output of natural gas increased to 8,163,008,000 cubic feet from 7,102,107,000, boosting the 10-month aggregate to 78,520,730,000 cubic feet from 69,895,320,000. October's sales of manufactured gas declined to 2,003,056,000 cubic feet from 2,078,136,000, and in the 10 months fell to 21,371,899,000 cubic feet from 21,747,073,000. Natural gas sales in the month were up to 4,842,913,000 cubic feet from 4,465,714,000, raising 10-month sales to 55,694,005,000 cubic feet from 52,660,428,000.

Alberta's production of crude petroleum in October climbed to 6,815,600 barrels from the preceding year's 5,937,967, bringing the 10-month output to 62,039,972 barrels as compared with 47,967,423. Saskatchewan's output for the month was up to 271,174 barrels from 149,992, and for the January-October period to 2,235,716 barrels from 1,367,406. Manitoba's output soared in October to 78,779 barrels from 17,468, and in the 10-month period to 426,340 barrels from 52,346.

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AIRCRAFT FOR NORWAY: The last of 15 RCAF Norseman aircraft, allotted to Norway by the NATO standing group, was shipped from Halifax last week aboard the "TOPDALSFJORD", Air Force headquarters has announced. The 15 Norseman, part of Canada's mutual aid contribution to NATO, were used by the RCAF for search and rescue operations, and as supply ships for aerial survey detachments in the north. The Norseman, capable of carrying 2500 lbs. of cargo under winter conditions, was replaced in the RCAF by the Otter. The Otter is noted for its short take-off and landing qualities, an essential characteristic for operations from small lakes in northern Canada.

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SHOW TO KOREA: An all-Canadian concert party will leave for the Far East by air early in February to entertain Canadian troops in Japan and Korea. The Army sponsored show, billed as "Canadian Variety Show No. 3" was to leave Montreal January 31, and fly from Vancouver. The group will spend three weeks in the Far East.

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Output of cheddar cheese rose 5% to 70,050,000 pounds in 1953 while process cheese production increased 9% to 44,785,000 pounds, the former exceeding the latter by 56% as against 62% in 1952.

INTERNATIONAL TRADE FAIR: Amid the hurly-burly of current world affairs, a concrete expression of international goodwill is quietly taking form once again in Toronto. From across Canada and around the world, manufacturers of products ranging from pie plates to punch presses are booking space to exhibit at the seventh consecutive Canadian International Trade Fair.

More than 20 countries are already represented, including Indonesia, a new exhibiting country, while several more are making plans to participate in Canada's international business event. The Trade Fair this year runs from May 31 to June 11.

The Trade Fair Administrator, Mr. C.C. Hoffman, commented that during his recent trip to Europe, a good many of the business men he met were anxious to contact Canadians from all parts of Canada at the Trade Fair. As a result strenuous efforts are currently being made to interest more Canadian business men from the Western and Eastern provinces to visit the Fair.

"Many exhibitors from abroad," said Mr. Hoffman, "are interested in establishing plants or sales agencies in Canada, and wish to talk to a good cross section of Canadians from across the country to learn as much as they can about Canada before deciding where to establish."

The Trade Fair this year promises to break all records for exhibitor support. Towards the end of January the figure for exhibit space actually booked stood at 185,000 square feet, higher than ever before at this time.

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CANALS RECORD: Volume of freight transported through Canadian canals during the 1953 season of navigation reached a modern record total of 33,402,789 tons, surpassing the previous high of 31,354,139 tons in 1952 by 6.5%. All of the canals, except the St. Andrews, reported increased traffic, with the Welland Ship canal showing the greatest gain, followed by the St. Lawrence and the Sault Ste. Marie. Increased tonnage of soft coal and iron ore shipped through the Welland canal, crude oil and petroleum through the St. Lawrence system, and wheat, other grains and other freight on all three were mainly responsible for the advance.

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Capital investment in aircraft assembly and parts plants increased over eight times in four years from \$1,168,000 in 1948 to \$9,700,000 in 1952.

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22,068,770 pounds of printing ink were made in 1952, nearly 40% more than the 1946 output of 15,891,841 pounds.

(Continued from P. 2)

MR. PEARSON ON WORLD AFFAIRS

tries. It would I think be a great misfortune if it were abandoned now.

"The establishment of the European Defence Community is the best and quickest way of implementing this policy. It is the only proposal now under consideration, and it came originally, we should not forget, from France itself.

"But it is not of course, the only way it could be done. West Germany could, for instance, be permitted to rearm as a member of NATO. She could also rearm outside NATO but in treaty relationship with NATO countries. But not many of those who oppose EDC would support either of these courses as a preferable solution to the problem. The EDC could be altered into an arrangement of co-operating national armies instead of a consolidated supra-national European army.

"This weaker form of EDC could then be brought into association with a stronger and more unified NATO, which would have greater collective control over the national defence budgets and policies of its members. But there are also objections to this idea and it is unlikely that it would secure greater support than the present EDC proposal. However it is to be done, close and organic association with a free, strong and cohesive international community, European and Atlantic in character, with membership in the United Nations, provides I think the best guarantee that the military strength of a revived Germany will be used only for defence purposes.

COSTLY LUXURY

"There is one thing we can be sure of. The Communists will use these German and European questions as they use every other opportunity to divide and weaken the free world coalition. If the situation seems to be a little less critical now the temptation is therefore the greater to relax and indulge in the costly luxury of quarelling among ourselves. If we yield to that temptation too often we will soon dissipate the unity and strength that have been so patiently and effectively built up, especially since the establishment of NATO.

"Personally I am more than ever convinced that the continuing cohesion of all the Atlantic powers, not merely the European powers, is vitally important to the preserving and reinforcing of the peace of the world and that no security and no stability can be achieved through isolated arrangements, either in North America or in Europe. Continentalism, whether of the European or American variety, is not enough for safety.

"Because of this I feel that the essential steps which are required to bring about European unity can be taken only when there are also close and continuous lifelines across the channel and indeed across the Atlantic. One of the most heartening developments of the post-war period has been the building-up of those

lines which are now I think, or at least I hope, strong enough to stand the strain, psychological and otherwise, on certain European countries, of including Germany in our arrangements.

"Obviously that inclusion must be brought about in such a way that the fears that come from the past will be replaced by new hope for a future where Germany will be only one country in a group that will embrace more than Germany and even more than Europe.

"This question naturally leads to the consideration of the meeting between the Foreign Ministers of the four great powers going on at Berlin at the present time, a meeting which seems to have got down to business with a minimum of argument over the agenda. We can at least take some encouragement from that. It is to be hoped that this meeting will concentrate on the Austrian and German problems and that something constructive will come from it. It seems hard to understand that in 1954 Austria, one of Hitler's first victims, should still be occupied while other countries which were his accomplices have long since had their prewar status restored by treaties.

"As for Germany, we shall soon see whether or not the Soviet Union is really prepared to allow its unification on acceptable terms, namely, under a government freely elected by the whole of the German people and with freedom to make its own political arrangements, within of course the framework of the United Nations charter. I think we can express a hope for some good results from this meeting, but we should not expect too much from it.

NUMEROUS OBSTACLES

"From even this cursory survey of European affairs it is clear that there are still numerous obstacles to be overcome before the security and prosperity of the free nations of the Atlantic community can be insured. However, I think there has been a significant advance from the fear and instability of the immediate post-war period, and for that I suggest we ought to be grateful to NATO.

"NATO's work, which I think has been pretty effective in this regard, is far from finished. Indeed it is just getting under way. It has taken time for the decisions taken and the plans approved to bear fruit, and their full impact has only recently begun to be felt. For the majority of NATO countries the proportion of the total output of their economy devoted to defence is only now reaching its peak. According to General Gruenther, the present Supreme Commander in Europe of NATO forces, the forces under his command have approximately doubled since 1951, and the gain in their effectiveness, in their modernization and in their fighting efficiency is greater still. These NATO forces are now strong enough to make an aggressor think twice before taking them on.

"But the Soviet and satellite forces are also being steadily increased in numbers and

in effectiveness. That is why it is still important for the West not only to add a German contribution to the existing NATO strength but also to improve further NATO forces in equipment and in quality so that if the worst emergency should happen, these forces could act as a shield behind which the full strength of the member countries could rapidly be mobilized."

After touching on developments in Korea, Mr. Pearson dealt with Canada-U.S. relations in part as follows:

"We can be happy, then, that our relations with the Commonwealth members remain so close and so friendly. But there is another country with which our relations must also remain close and friendly, and that is our neighbour, the United States. We have a special responsibility here too, not only because these relations are so fundamental to our joint security and prosperity but also because the United States is the leader of our free world coalition and is bearing the greatest share of the burden to maintain peace. These relations with the United States are becoming more and more important to both countries, and more varied and more complicated. That was inevitable, as the state of the world has changed, as our own progress towards economic and political strength has accelerated, and as we become more important in the scheme of things.

RELATIONS WITH U.S.

"Naturally, therefore these relations with the United States have become more important and more complicated for us. We should not be surprised or discouraged by that. We will work out these problems, these increasing problems - these problems of security against attack, security against subversion, of trade and communications, of border crossings - we will work them out with less difficulty if we keep constantly in mind how great our dependence is on each other for safety and prosperity, if we in Canada do not forget on our side the heavy burden of leadership and responsibility which the United States is carrying, and if our neighbours remember that partnership and co-operation are a two-way process and, above all - and this is a simple rule - if neither partner asks the other to do what it would not like to be asked to do itself....

"If Canada and the United States cannot grow closer together in friendship, in mutual respect and in the understanding on which friendship must rest, there is not much chance for peace and stability in the rest of the world. But, Mr. Speaker, we can solve our problems with our neighbour in a reasonable manner, and there is somewhat more hope for peace and stability in the world than existed a year ago. We can take some comfort from this, as we face the numerous problems before us, and so long as we do not forget that the world still remains an unsafe place for the weak, the weary and the unwary."

Mr. Pearson was followed in debate by Mr.

John Diefenbaker, Opposition foreign affairs spokesman; the C.C.F. Leader, Mr. M.J. Coldwell; the Social Credit Leader, Mr. Solon E. Low; Mr. Roch Pinard, Parliamentary Assistant, and the Leader of the Opposition, Mr. George A. Drew. The debate is continuing.

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ATOMIC ENERGY INFORMATION: The study of the feasibility of power-producing nuclear reactors has been facilitated by the removal from the secret list of certain technical data as a result of the recommendations of the Sixth International Declassification Conference held at Chalk River last April, it was announced on January 30 by the Right Honourable C.D. Howe.

At the conference representatives of Canada, the United Kingdom and the United States discussed the revision of the declassification guide used by the three nations to decide what atomic energy information may be published and what must remain secret.

The main topic of discussion at the 1953 conference was the release of information on power-producing reactors. A major difficulty faced by the delegates of the three nations who met at Chalk River was the fact that no sharp dividing line can be drawn between reactors designed for the production of useful power and reactors designed for the production of weapons-grade plutonium. In fact, reactors have been designed which would produce not only electricity but also plutonium for bombs. Furthermore, some purely research reactors, such as the NRX reactor at Chalk River, although not involved in a weapons programme, have certain features which are identical with those having a military purpose.

The conference agreed that while information of critical importance in the operation of reactors for military purposes would remain secret, certain information required for the study of the economics of power reactors could be released.

The classification revisions will have no effect upon information on the NRX reactor. Those details of NRX made releaseable by the various preceding declassification conferences have already been released.

Among the other subjects declassified is information of industrial interest concerning the production of uranium metal, pure graphite and heavy water.

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LUMBER PRODUCTION: Canadian production of sawn lumber was lower in November than in the corresponding month of 1952, but cumulative output for the January-November period rose to higher levels, according to the Dominion Bureau of Statistics. November's production of sawn lumber and ties in British Columbia dropped to 266,235,000 feet board measure from 309,226,000, but 11-month output climbed to 3,535,401,000 feet board measure from 3,408,497,000.

PROGRESS IN HEALTH AND WELFARE

MINISTER'S REPORT: Widening scope of federal activities in all concerning the well-being and security of Canadians is indicated in the Annual Report of the Department of National Health and Welfare for the last fiscal year.

In tabling the report in Parliament, the Minister of National Health and Welfare, Mr. Martin, noted that it covered the first full year of operation of the new three-part programme embracing Old Age Security, Old Age Assistance and Allowances for the Blind. This new legislation accounted largely for an increase of some \$250,000,000 voted for this Department's work last year.

GRANT MONEYS

Mr. Martin also noted that the Provinces had made greater use, during the year, of federal grant moneys available under the National Health Programme, that there had been large increases in appropriations for Indian Health Services and that the federal Government, in this period, had initiated a system of grants-in-aid to assist the Provinces in developing civil defence projects.

Outstanding development of the year in the welfare field was the successful implementation, with co-operation of the Provinces, of the new three-part programme replacing the Old Age Pensions Act of 1927. At March 31, 1953, no fewer than 782,134 Canadians were benefiting under the three new measures. Under the Old Age Security Act, a total of 686,127 persons 70 years or over, were receiving payments of \$40 a month, administered and financed entirely by the federal Government, without means test of any kind. Another 87,675 persons in need, between 65 and 70, were receiving old age assistance payments, administered by the Provinces, with the cost shared equally by federal and provincial Governments and 8,322 blind persons 21 years or over were receiving allowances administered by the provincial Governments, with the federal Government bear-

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EMPLOYMENT DOWN: Industrial employment moved downward at the beginning of November in the first general decline since the early Spring. This is also the first occasion since the early part of 1950 on which a comparison with a year earlier has been unfavourable. The existence of labour-management disputes causing substantial losses in employment, hours and earnings, contributed to lower levels of activity.

The Bureau's industrial employment index for November 1 stood at 115.7 as compared with 116.9 a month earlier and 116.2 at the same time in 1952. Reversing the trend followed since April 1 the weekly payrolls index de-

ing 75 per cent of the cost. Federal payments under these three measures totalled \$345,255,669.68 for the year reviewed.

As the National Health Programme, inaugurated in May 1948, approached its fifth anniversary, the report noted that some \$94,000,000 had been granted to the Provinces to assist them in surveying their health facilities and future needs, in overcoming serious shortages in hospital accommodation and in improving public health services and facilities generally. More than 400 individual hospital construction projects, providing some 46,000 additional hospital beds, 5,900 bassinets for infants, 5,700 beds in nurses' residences and various other facilities equivalent to an additional 2,600 beds, had been supported by the federal grants.

TRAINING OF WORKERS

Also, the National Health Programme had made possible the training of nearly 5,000 specialized health workers, employment of an additional 4,700 on provincial and local health staffs, the financing of more than 200 health research projects and the strengthening of provincial and municipal health services. As a result, the Provinces had been able to intensify their campaign against major health hazards, such as cancer, tuberculosis and mental illness, and to lay foundations for the introduction of health insurance.

There was marked expansion during the year in facilities and services provided for the health care of Indians and Eskimos and the report noted that there had been a further gratifying decline in the death rate from tuberculosis, the greatest single health threat to Canada's native population.

The Health Department reported that modern methods of prevention and improved treatment procedures had continued to reduce the incidence and mortality of many communicable diseases.

clined to 157.2 from 158.7 a month earlier. The November 1 index, however, was the second highest in the record, exceeding by 4.7% the November 1952 index of 150.1. At \$58.14, the latest average of weekly wages and salaries established a new maximum, slightly above the October 1 per capita figure, and 4.5% higher than at November 1, 1952.

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About 77% of the primary iron and steel industry's output in 1952 was produced in Ontario, 12% in Quebec, 8% in Nova Scotia, and the other 3% in Manitoba, Alberta and British Columbia.

CANADIAN WEEKLY BULLETIN



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WEEK'S EVENTS IN REVIEW

TOTAL TRADE \$8.5 BILLION: Canada's total commodity exports in 1953 were slightly below the 1952 peak value, but commodity imports reached a new record value, the increase exceeding the decline in exports to produce a new record also in the value of total trade for a year and a surplus in imports over exports, according to preliminary summary figures for 1953 released by the Dominion Bureau of Statistics.

Total exports in the twelve months were valued at \$4,172,600,000, a decrease of 4.2% from the 1952 peak value of \$4,356,000,000, while commodity imports rose nearly 9% to an estimated value of \$4,387,400,000 from \$4,030,500,000. Total trade for the year - the sum of exports and imports - thus climbed to \$8,560,000,000 from \$8,386,500,000 in 1952, these figures comparing with \$8,048,200,000 in 1951 and \$4,266,400,000 in the first postwar year 1946.

The rise in value of imports combined with the drop in exports to produce an estimated import surplus of \$214,800,000 in contrast with an export surplus of \$325,500,000 in 1952. Last year's import surplus was the third in the postwar years, imports exceeding exports in value by \$121,500,000 in 1951 and \$17,200,000 in 1950. In the four years 1946 to 1949 there were export surpluses ranging from \$237,800,000 to \$473,100,000.

Canada's purchases from the United States and sales to that country were both higher in

value in 1953 than in 1952, but the rise in imports exceeded the gain in exports. The former increased to an estimated value of \$3,229,600,000 from \$2,977,000,000, and total exports to \$2,463,000,000 from \$2,349,100,000. The estimated import surplus for 1953 thus moved up to \$766,600,000 from \$627,900,000 for 1952. These import surpluses compare with trade deficits of \$479,000,000 in 1951, the low of \$80,000,000 in 1950 and the postwar peak of \$918,100,000 in 1947.

Total commodity sales to the United Kingdom declined in value last year to \$668,800,000 from \$751,000,000 the previous year, but imports increased to an estimated \$454,900,000 from \$359,800,000. The customary export surplus in trade with the United Kingdom thus fell to \$213,900,000 from \$391,300,000, but was still above the figures for 1951 and 1950, which stood at \$214,700,000 and \$68,300,000 respectively. Largest export surplus of the postwar years was \$564,300,000 in 1947.

Total exports to all other Commonwealth countries were also lower in value at \$234,600,000 compared to \$264,600,000; while imports from these countries fell somewhat less to \$169,500,000 from \$184,700,000. Commodity sales to all foreign countries other than the United States declined to \$806,200,000 from \$991,300,000, but imports from these countries rose moderately to an estimated \$533,400,000 from \$509,000,000.

Lower average prices and reduced volume

both contributed to the decline in value of 1953 exports, the easing of prices being the major factor. On average, prices of exports were more than 2.5% below the level of 1952, while the volume was down less than 1.7%. Average prices of imports were lower in the early months of the year than in 1952 but from June were above 1952 levels. On the average, however, they were lower than in 1952, and the gain in the volume of imports in 1953 was more than 9%.

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QUEEN ELIZABETH ISLANDS: The Minister of Northern Affairs and National Resources, Mr. Lesage, announced in the House of Commons on February 5 that Her Majesty the Queen had been graciously pleased to allow that her name be given to the entire group of islands which lies north of Lancaster Sound and Viscount Melville Sound. Henceforth this northern half of the Canadian Arctic Archipelago is to be known as the Queen Elizabeth Islands.

Mr. Lesage said, in part:

"It seems particularly fitting that our present sovereign should allow her name to be permanently associated with this part of Canada. It was during the reign of her illustrious namesake that British seamen made their first voyages of discovery into what is now the Canadian Arctic. In the more than three and a half centuries which have passed since then, our Arctic has been widely explored and mapped. Now, in the reign of Her Majesty Queen Elizabeth II, we have every confidence that we are on the threshold of a new age, if not of discovery, then of development of our Arctic lands and seas.

"It was important for the sake of administrative convenience that these particular islands should have some collective name. They stretch in a great triangle whose base along the Arctic Ocean's polar pack is almost as wide as our three Prairie Provinces; to see even the outer edges of the group would require a flight of 2,300 miles. And yet these islands are in many ways a unit with its own peculiar conditions and problems. The lands themselves are, of course, the most northerly in North America and the most northerly of the Queen's realms. On their 160,000 square miles dwell less than 200 of her people, but beneath their surface may lie some of the richest treasures which we possess."

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SALUTE FOR QUEEN: Twenty-one gun Royal Salutes were fired by Active and Reserve Army artillery units at noon, February 6, at 13 traditional saluting stations across Canada to mark the second anniversary of the accession to the throne, of Queen Elizabeth II, Army Headquarters announced. The salutes were fired at all provincial capitals and at Ottawa, Vancouver and Montreal.

1953 PRICE TRENDS: Retail prices, as measured by the consumer price index, were notably stable in 1953 and averaged 0.9% lower than those prevailing in 1952. The level position of the index during the 12 months ending December, 1953 was a continuation of the plateau established during the latter half of 1952, although the slightly lower level in 1953 as compared to 1952, marked the first decline in the yearly average during the war and post-war period. The remarkable stability of the total consumer price index during 1953 may be judged from the fact that at no time during the year was the index more than 1% from the annual average of 115.5. This reflected both stable prices within certain areas of the index and compensating upward and downward movements between other areas, the Dominion Bureau of Statistics reported on February 2.

The total index dipped from 115.8 at December 1, 1952 to 114.4 at May 1, 1953, rose to 116.7 over the next five months and returned to 115.8 on December 1, 1953. The two main turning points at May and October can be traced to movements of the food index which largely determined the pattern of the total index. The steady fall in the food component from 114.1 at December, 1952 to 110.1 at May, was mainly attributable to declines in beef, vegetable, and butter prices. Increases for eggs, pork, bread, flour and coffee, contributed to the rise in the level of the food index between May and October when it reached a high for the year of 115.5.

In the shelter group, steady fractional gains were recorded in all months except March. This was a continuation of the movement of this series since early 1950. Both rent and home-ownership contributed to the advance with rent maintaining a slight edge over the other series throughout the year. On average, the clothing index was 1.5% lower in 1953 than in 1952, with four of the five sub-group indexes averaging from 1.1 to 2.6% lower.

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EMPLOYMENT DECLINE: Industrial employment showed a further decline at December 1 when the Bureau's preliminary index, on the 1949 base, stood at 113.9 as compared with 115.9 a month earlier and 116.1 at December 1, 1952. The expenditures in weekly payrolls fell by 1.6% in the month, but were 2.4% above those reported at the same time in 1952. The advance figure of average weekly wages and salaries, in the major industrial groups, at \$58.19, slightly exceeded the previous maximum of \$58.14 at November 1. Earnings recorded at December 1, 1952, averaged \$56.12.

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The primary iron and steel industry sales reached a record \$504,000,394 in 1952, more than twice as much as five years earlier, over three times as much as in 1946.

CONQUEROR OF MOUNT EVEREST: The Department of External Affairs presented a sleeping bag to Sir Edmund Hillary, New Zealand member of the team that successfully climbed Mount Everest, when he visited Ottawa on February 8. The sleeping bag, like those used by the expedition, was designed and manufactured in Canada.

The presentation was made by the Secretary of State for External Affairs, Mr. L.B. Pearson. The New Zealand High Commissioner, Mr. T.C.A. Hislop, C.M.G., was present. Sir Edmund, who is on a North American speaking tour, was visiting Ottawa, to address the Canadian Club.

When the expedition conquered Mount Everest the Prime Minister, Mr. St. Laurent, sent congratulatory messages to Sir John Hunt, leader of the expedition, and to Sir Edmund Hillary and Tensing Norkay. In recognition of their feat the Canadian Government also decided to present them with sleeping bags, identical with those used on the expedition. One has been sent to London for presentation to Sir John Hunt by the Canadian High Commissioner, and another has been sent to New Delhi for presentation to Tensing Norkay. The third was retained in Ottawa pending the arrival of Sir Edmund.

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SUPPLIES FOR NATO: Canada's February and March NATO shipments to Europe under terms of the Mutual Aid Agreement of the North Atlantic Treaty Organization will include military supplies for use by the armies of Turkey, France and Portugal.

The Turkish Army will receive 184 military-type trucks, the French Army a shipment of spare parts for vehicles already delivered, and the Portuguese Army a quantity of maintenance stores for wireless sets shipped earlier under terms of the agreement.

Supplies for the French and Portuguese Armies will be shipped from Halifax about mid-February. Trucks for the Turkish Army will be shipped from the Port of Saint John, N.B., early in March.

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PRICE INDEX DOWN SLIGHTLY: The consumer price index remained practically unchanged between December 1 and January 2, moving from 115.8 to 115.7. As was the case last month, the January 2 index is at the same level as one year earlier. The food index declined 0.4% from 112.1 to 111.6. Clothing prices were generally stable. The shelter index moved from 125.2 to 125.4 as rents continued to rise fractionally.

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TO U.S. DEPARTMENT OF THE ARMY: Second World War Victoria Cross Winner, Lt.-Col. J.K. Mahony, will be posted to the United States Department of the Army in Washington early in April as Canadian Army Liaison Officer, it was announced on February 6 by Army Headquarters.

LABOUR-MANAGEMENT COMMITTEES: The Minister of Labour, Mr. Gregg, stated on February 8 that the principle of Labour-Management Production Committee, as a means of improving productivity, was becoming more widely recognized by industry. The number of committees recorded at the beginning of 1954 was almost three times the figure for 1945 - 979 against 346.

The Minister suggested that this marked growth in the number of Labour-Management Production Committees indicated a steadily mounting appreciation by both labour and management of the mutual benefits to be derived from joint consultation on problems of plant operation in obtaining high efficiency and production.

Mr. Gregg explained that as a consequence of the labour shortage in World War II the Department of Labour had undertaken to sponsor the formation of these Committees which deal only with subjects which are outside of the field of collective bargaining.

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BASIC COMMODITIES: Further moderate weakness was registered in basic commodities in January as indicated by a change in the composite index for 30 industrial material prices at wholesale from 225.8 for the week of December 31 to 224.1 for the week of January 22.

Among commodities, scrap steel dropped sharply, while lesser declines were noted for lead, zinc, steers, steel bars, raw rubber, tin, copper, iron ore, bleached sulphite pulp and western wheat. On the other hand, higher quotations were noted for beef hides, hogs, western oats, raw cotton and sisal.

Canadian farm product prices at terminal markets registered a slightly firmer tone in the opening month of 1954 as the index moved up from 208.4 for the week of December 31 to 210.4 by the week of January 22.

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\$63,877,000 SEA-FISH INDUSTRY: Mainly as a result of larger catches of herring and salmon on the Pacific coast, overall landings of sea-fish in Canada in the full year 1953 climbed to 1,223,699,000 pounds from the preceding year's 1,181,523,000 pounds. The landed value was moderately higher at \$63,877,000 compared with \$63,558,000. With a particularly sharp rise in the catch of herring on the Pacific coast, December's catch of all species rose in total to 104,626,000 pounds from 31,474,000, and the value advanced to \$3,831,000 from \$3,461,000.

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MOVIES FOR 1ST BRIGADE: Current movie fare is now available for all members of the 1st Canadian Infantry Brigade in West Germany, following the opening of the last of four small but modern theatres, one in each of the main camp areas occupied by the brigade.

SPENDING FOR EDUCATIONAL ACTIVITIES: The federal Government of Canada is now spending, directly and indirectly, nearly \$30,000,000 a year for various educational activities, the Minister of National Health and Welfare, Mr. Paul Martin, announced in an address to the Hamilton, Ont., Teachers' Council on February 9. He itemized the expenditures as follows:

Federal grants of \$5,100,000 a year to universities to help offset mounting administrative and teaching costs;

More than \$8,500,000 a year for the education of Indians and for grants to Indian residential schools;

Under the National Health Programme, \$3,250,000 a year for the training of needed health workers and to support health research in the universities;

Under the Vocational Training Act, the Department of Labour provides training grants of nearly \$5,000,000 a year for youth training, apprenticeship training and assistance to vocational schools;

For the Royal Military College and other educational projects for the armed services, the federal Government spends upwards of \$1,000,000 a year;

Through the National Research Council, the Atomic Energy Control Board and the Defence Research Board, about \$1,500,000 is given annually to universities for scholarships and research;

Although on nothing like the scale in the immediate post-war years, he said, substantial sums, totalling nearly \$2,000,000 a year, are still being spent on vocational and university training for veterans of the armed forces.

In addition to federal assistance for specific educational purposes, it should be remembered, Mr. Martin added, that Family Allowances, now totalling some \$350,000,000 a year, unquestionably have a marked effect in improving and equalizing educational opportunity throughout Canada.

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RECORD STORE SALES: Boosted by an all-time monthly high in December, sales of department stores passed the billion-dollar mark for the first time in the full year 1953. The month's sales were estimated at \$142,148,000, up 2% from the preceding year's December sales of \$139,417,000. This brought the year's aggregate to \$1,028,621,000, 3.3% above 1952's \$996,028,000. Inventories at the end of November were valued at \$256,519,000, exceeding by 11.6% the value of a year earlier.

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RECORD FUR GOODS: Canadian production of fur goods reached an all-time peak value of \$66,745,000 in 1952, the Dominion Bureau of Statistics reports. This was 9% more than 1951's \$61,209,546 and slightly more than the previous record of \$66,384,085 set in 1948.

UTILIZATION OF SEAWEED: Seaweed meal seems to present possibilities as a cheap supplementary feed for farm animals and also as a combined soil conditioner and fertilizer, according to a National Research Council press release of February 10.

At the Dominion Experimental Farm at Nappan, Nova Scotia, it has been shown that kelp meal (dehydrated ground rockweed) may be incorporated up to 10 per cent in the feed of growing chickens and laying hens, says the statement. This serves as a substitute for ground oats or as an addition to a balanced ration if soy-bean meal is also added to provide sufficient protein. No adverse effect was noted on mortality, egg production, strength of shell, hatchability or body weight.

Similar experiments have been carried out on the growth and fattening of bacon hogs. Seaweed meal may form up to 6 per cent of the ration from a weight of approximately forty pounds to maturity of the animals.

The Maritime Regional Laboratory of the National Research Council has been concerned with the possibilities of the greater use of the prolific beds of seaweed around the coast of the four Maritime Provinces.

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ARCTIC STATIONS TO BE SUPPLIED BY CANADA:

Canada is assuming full responsibility for supplying its Arctic weather stations, the Minister of Transport, Mr. Chevrier, announced in the House of Commons on February 9.

Departmental vessels will carry out this special work in addition to their regular duties in Arctic and sub-Arctic waters. The CGS "C.D. Howe" will carry out, as in previous years, medical, dental and supply work at Government outposts in the Hudson Bay and Strait, Baffin Island and lower Ellesmere Island as well as at Resolute. The "C.D. Howe" will rendezvous with the convoy in northern waters.

The Arctic weather station at Alert on the northernmost tip of Ellesmere Island will continue to be supplied by United States forces which will be servicing American establishments in Greenland.

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WHEAT SUPPLIES: Supplies of wheat remaining on or about January 1 this year in the four major exporting countries for export and carry-over at the end of their respective crop years amounted to 1,923,700,000 bushels, some 22 per cent greater than the 1,583,200,000 available a year earlier. Supplies in all four countries were larger than in the preceding year.

This year's January 1 supplies were held as follows, with last year's figures in brackets (in millions of bushels): United States, 923.2 (715.9); Canada, 696.1 (580.2); Argentina, 163.2 (154.6); and Australia, 141.2 (132.5). Estimates for both years include on-farm stocks as well as those in commercial positions.

MORE POWER FOR SABRES: Recognized as a leading fighter formation in Europe, Canada's air division overseas is to be given a substantial increase in its combat capabilities, the Minister of National Defence, Mr. Claxton announced on February 9.

"For some time Canadair Limited's plant at Cartierville, P.Q., has been producing F-86E Sabre fighters with Canadian-made Orenda engines," he said. "These engines have been entirely designed, developed and produced in Canada at the Malton, Ontario plant of A.V. Roe (Canada) Ltd.

"Until recently, Sabres manufactured at Canadair were equipped with General Electric J-47 jet engines. The Orendas now going into the Sabres have about 1,500 pounds more thrust than the engines formerly used to power them.

"In this way Canada's fighting Sabres overseas will have a power increase of about 20 to 25 per cent, placing them in the front rank of operational aircraft in fighting formations anywhere in the world today. This extra power will shorten the run on take-off, give a faster rate of climb, a higher ceiling and increased speed.

TO RCAF SQUADRONS

"The first Orenda-equipped Sabres are being assembled at Cartierville and at RCAF Station St. Hubert, P.Q., from where they will be flown across the Atlantic for posting to the 12 RCAF squadrons overseas.

"The J-47 powered Sabres now flown by the Air Division squadrons, and which are to be replaced by the newer, more powerful Orenda-powered Sabres, will be transferred to other NATO countries as part of Canada's Mutual Air programme for NATO. In addition, a considerable number of J-47 jet engines will be transferred to other NATO countries, as mutual aid. This will be a combined operation, with the United States supplying spares, in order that each engine will be transferred with a year's supply of spares.

"A combined Canadian-U.S. Mutual Aid programme has already resulted in 370 Canadian-built Sabres being provided to the United Kingdom, for use by the RAF. These Sabres, made in Canada, had about 30 per cent U.S. components.

"In all, about 600 Canadian-made Sabres have been flown across the Atlantic. This total includes the Sabres flown over by the RCAF Fighter Wings as they moved across to their NATO bases in Europe, and the Sabres provided to the RAF, which were flown over by RAF pilots.

"The Mark 5 Sabres will follow the path blazed by the Leapfrog Operations, the trans-Atlantic flights of the RCAF Fighter Wings. This involves "hops" through Goose Bay, Greenland, and Iceland."

TRADE WITH WEST INDIES: The Minister of Trade and Commerce, Mr. Howe, made the following announcement in the House of Commons on February 9 respecting trade with the West Indies:

"I am glad to be able to announce that confirmation has been received from London that the West Indies token import plan is being continued for 1954. I also have word that a number of commodities of importance to Canadian trade are being added to those on open general licence in the West Indian colonies.

"The list of commodities on open general licence will include: newsprint; kraft paper; dried, smoke, pickled and salted fish; onions; potatoes; cheese; powdered and canned milk; split peas; meats; canned fish. Animal feeds are also on the list except in British Guiana.

"Several of these items were previously traded under token import plan vouchers in the colonies. They will now be unrestricted and vouchers will not be needed for them.

"The West Indies token import plan is playing a valuable part in keeping Canadian brand names before the public in the colonies, and in holding a place in those markets for Canadian goods until the trade need no longer be restricted. The transfer of commodities from the plan to open general licence is an encouraging sign for the future.

"Full details of these changes are being given to the trades concerned by my departmental officers."

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CIVIL DEFENCE TALKS WITH U.S.: The federal Minister responsible for civil defence in Canada, Mr. Martin, and officials of his Department of National Health and Welfare, conferred with U.S. civil defence authorities in Washington on February 11. The consultations took place at a regular meeting of the Joint United States-Canada Civil Defence Committee which was set up under the terms of the Civil Defence Mutual Aid Agreement signed by the two countries in March 1951.

Accompanying Mr. Martin were the federal civil defence co-ordinator Major-General F.F. Worthington, the Deputy Minister of National Welfare, Dr. G.F. Davidson, and other senior officials of the Department of National Health and Welfare.

The co-operative arrangements that have been worked out between Canada and the United States for joint planning in civil defence matters of mutual interest were reviewed at the meeting. Discussions took place on such problems as advance warning, transportation and communication arrangements, health and welfare planning, training methods, public information, operational planning and the interchange of civil defence equipment and supplies.

HOUSING UPSURGE: Swelled by a 65.5% boost in December completions, the number of new dwelling units built in Canada surged to an all-time peak of 96,839 last year, 23,752 or nearly a third more than in 1952 and 7,824 or 9% more than in 1950, the previous high year, according to advance figures released by the Dominion Bureau of Statistics.

Counting 3,824 units added by the conversion of existing dwellings the total 1953 supply of new housing units was 100,663 as compared with 76,338 in 1952 when 3,251 units were added by conversions.

There were more new dwelling units of all types constructed last year, but a smaller proportion were one-family houses. Of the total, 68,916 or 71% were one-family houses as compared with 55,967 or almost 77% of the total in 1952. Apartments or flats numbered 19,837 against 11,707 and accounted for 20% as against 16% a year earlier. Two-family houses numbered 7,714 against 5,314 and represented 8% as compared with 7%. The number of row or terrace units was 372 as against 99 in 1952.

The 1953 construction upsurge was common to all parts of the country.

NAMING SMALL SHIPS: Most smaller vessels of the Royal Canadian Navy will henceforth be known by name rather than by number. Familiar names of ships which were in service during the Second World War are being used in the naming of the navy's smaller craft.

HMC Ships Cougar, Beaver, Moose, Reindeer, Wolf and Raccoon are the names assigned to six Fairmile motor launches allotted to Great Lakes training.

New to the RCN will be the bird names assigned to the seaward defence patrol craft now under construction - the Loon, Cormorant, Blue Heron, Mallard, Arctic Tern, Sandpiper, Herring Gull and Kingfisher. These are the names of "water" birds which commonly nest in Canada.

TV BUYING JUMPS: Producers' sales of television receivers climbed steeply again in October, and exceeded the sales of radio receivers which declined from a year earlier. In the January-October period, TV sales more than tripled while radio sales advanced 15%. TV sales in October rose to 59,277 units from 23,020, and the value advanced to \$23,318,865 from \$9,798,156. In the ten-month period the sales were up to 259,721 units valued at \$105,112,199 as compared with 85,704 units valued at \$38,761,092.

The number of pig iron blast furnaces in operation increased by one to 15 in 1952 and rated capacity totalled 3,450,000 net tons, nearly one-fifth more than in 1951.

WHEAT AND FLOUR EXPORTS: Exports of Canadian wheat and wheat flour in terms of wheat in December amounted to 17,800,000 bushels, a considerable decline from November's 24,400,000 bushels, but only six per cent below the 1943-44 - 1952-53 average of 19,000,000 bushels. This brought the cumulative total for August 1 - December 31 period to 120,600,000 bushels as compared with 168,100,000 for the comparable period of 1952.

December's exports of wheat as grain totalled 13,700,000 bushels, a decrease of one-third from those of the preceding month, and August-December exports dropped to 101,900,000 bushels from 143,000,000. Preliminary customs returns indicate that 4,100,000 bushels of wheat flour in terms of wheat equivalent were exported in December, unchanged from November, but down from the adjusted total of 5,100,000 a year earlier. In the five months, August-December, exports totalled 18,600,000 bushels compared with 25,200,000.

The United Kingdom took some 32,500,000 bushels of Canadian wheat during the August-January period. Other major markets were as follows: Japan, 20,100,000 bushels; the Federal Republic of Germany, 8,900,000; Belgium, 7,000,000; Switzerland, 4,300,000; India, 4,300,000; the Netherlands, 3,400,000; Spain, 3,400,000; United States, 3,400,000 (of which 1,400,000 was for milling in bond); Israel, 2,200,000; Union of South Africa, 2,200,000; Ireland, 1,800,000; and Peru, 1,100,000.

RECORD CHEQUES CASHED: Topping all previous annual totals, the value of cheques cashed in 35 clearing centres of Canada in the year 1953 climbed to \$137,417,000,000, a gain of 10% over the high 1952 total of \$125,197,000,000. December's total was up to \$12,468,000,000 from \$12,386,000,000 in the same 1952 month.

Advances were general throughout Canada in the year, Ontario showing the largest regional gain of 12%. Debits in the Atlantic Provinces advanced nearly 11%, and the Prairie region by almost 10%. Quebec's increase was 7.5%, and British Columbia's, 6.1%.

Among the clearing centres, London and Kitchener showed the largest relative increases over 1952 with gains of 26% and 24%, respectively. Payments in Toronto rose more than 16%, Montreal by nearly 8%, Vancouver 6.5%, and Winnipeg 4.9%.

BRIGADE REINFORCEMENTS: Nearly 300 officers and men of the Canadian Army will sail from Saint John, New Brunswick, about February 17 aboard the Empress of France for service in Europe and the United Kingdom, it was announced February 10 by Army Headquarters.

Most of the soldiers are bound for West Germany as reinforcements for various units of the 1st Canadian Infantry Brigade.

GOVERNMENT



CANADA

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WEEK'S EVENTS IN REVIEW

ECONOMIC OUTLOOK 1954: A capital expenditure programme in Canada for 1954 of \$5.8 billion, roughly three per cent above the previous record achieved last year, is indicated in a survey soon to be tabled in the House of Commons, the Minister of Trade and Commerce, Mr. C.D. Howe, announced on February 15.

Speaking in the House to a motion calling for a select committee to report and make recommendations as to methods for dealing with the unemployment situation, Mr. Howe said the Government believed that as the 1954 season opened up "we can expect a return to the employment conditions that we have had for the last several years".

In an analysis of economic conditions and outlook he spoke, in part, as follows:

"What then is the nature of the economic climate in which we now find ourselves? Is it a relatively minor adjustment or, as some would apparently have us believe, is it the beginning of a major decline? No one, of course, can answer this question categorically or with complete certainty of being right. This, however, does not mean that we should not look over the evidence systematically and make as sound judgment as possible.

"Toward the latter part of 1953 those indicators which gauge the over-all level of activity in the economy began to level off, and in a few cases have declined slightly. This change in trend reflects largely a reduction in the pressure of demand rather than any de-

cline in over-all volume. In other words requirements, which in the past two or three years have been mounting rapidly, are now simply not expanding at the same rate. This applies to expenditures for defence and for other government requirements, purchases by consumers and also outlays for investment. In each of these instances the rate of expansion has slowed down. The important exception is exports, which are now running moderately below the levels of one year ago.

"This levelling off in demand, taken in conjunction with the moderate decline in activity in the United States economy, has brought a change in the tempo of business activity in Canada. This type of situation is invariably accompanied by a hesitancy on the part of business in placing orders, more hand-to-mouth buying, and a tendency to reduce inventories. This causes a temporary slow-down in the pace of business which in the present instance has coincided with the seasonally slack period in the economy.

"Such a situation admittedly gives rise to a good deal of anxiety and, I think, has been prematurely interpreted by many as the beginning of a recessionary trend. Before coming to any such conclusion it is necessary to look carefully at the more basic determinants of the level of economic activity.

"In this connection current and prospective levels of investment spending are of utmost importance. At the beginning of each year a

(Continued on P. 4)

U.N. TECHNICAL AID: Canada this year will increase from \$800,000 to \$1,500,000 her contribution to the United Nations programme of technical assistance to materially underdeveloped countries, the Secretary of State for External Affairs, Mr. L.B. Pearson, announced in the House of Commons on February 10.

His statement came during a debate on a member's resolution asking the Government to "consider the advisability of introducing legislation at this session to substantially increase Canada's contribution to the United Nations technical assistance organization fund". Members of all parties spoke in support of the resolution.

Some excerpts from Mr. Pearson's speech were:

"At the United Nations we are often reminded by Asian and African speakers that Asia and Africa are on the march, and that they will not be stopped. That of course is true; and there is no reason why we should want to stop them. But we should of course do our best to assist that march toward peaceful co-operation and free progress. And the kind of work referred to in the resolution is one way in which we can help direct that march in the right direction. That is why the subject is such an important one...."

"The Canadian contribution to technical assistance has been exceeded only by that of the United Kingdom, the United States and France in the past. If Parliament votes the amount... Canada's contribution will be the third largest of the members of the United Nations. I do not think that is anything we should say boastfully, but it does at least show we are playing a respectable part in this very important effort.

"We are also playing a part not only in the contribution of funds but in the contribution of experts through the United Nations. In Canada today there are 217 United Nations technical assistance trainees out of a total of 300; the rest of them come under the Colombo plan programme. And there are 96 Canadian experts now serving abroad in the United Nations...."

"In conclusion I would like to express my agreement with the spirit and indeed the content of this resolution, and to emphasize that we are doing something to carry out the advice contained in it. I also express the hope that it will commend itself to all hon. members in this House because, as has been said more than once, the war on want and backwardness, on deprivation and distress, is a road to peace."

Both consumption and supplies of new coal available for consumption in Canada were moderately lower in 1952 than in the preceding year, according to the Bureau's annual report on the coal mining industry. At the same time there were declines in domestic production, exports and imports.

CULTURAL AGREEMENT: The Department of External Affairs announced on February 13 that a cultural agreement has been concluded between Canada and Italy. The agreement came into force through an exchange of notes at Rome between the Canadian Ambassador to Italy and the Foreign Minister of Italy.

In accordance with the terms of a previous settlement of Canadian "blocked balances" in Italy, the Government of Italy will deposit with a Canadian foundation, to be established in Rome, the equivalent of \$500,000 (Canadian) in Italian Government bonds, bearing interest at the rate of 5%. Interest from the bonds, amounting to approximately the equivalent of \$25,000 (Canadian) annually, would be used in Italy for Canadian cultural activities including the provision of scholarships and fellowships for Canadians who wish to pursue studies or research in Italy.

The agreement gives the Government of Italy the right to maintain, at its own expense, an Italian cultural institute in Montreal. The purposes and functions of this institute would be generally similar to those of the Canadian foundation in Rome.

In general the two Governments agree to co-operate closely in order that the citizens of each country may know and understand better the people, the institutions, and the cultural life of the other. Thus, they will encourage the exchange of scientific and technical publications and material of an educational nature.

RECORD AUTO SALES IN 1953: Last year Canadians bought more new cars than ever before and the smallest number of new trucks since 1949, the Dominion Bureau of Statistics reported February 11. Combined sales reached an all-time high of 461,887, up 15% from 400,777 in 1952 and more than four times the 114,747 sold in 1939. The 1953 total was 7.5% above the previous peak of 429,695 sold in 1950.

A 23% jump in the number of new cars sold, to 358,661 from 292,095 in 1952, more than offset a 5% drop in commercial vehicle sales to 103,226 from 108,682. More new passenger cars were bought in all provinces, percentage increases ranging from 11% in Prince Edward Island to 37.5% in Newfoundland.

Retail value of new motor vehicles climbed 16% in 1953 to a record \$1,161,660,756 from \$1,003,662,341 in 1952, with advances everywhere except in Prince Edward Island. New car sales were valued at \$898,628,285, a gain of 24% from \$725,167,630, while new commercial vehicle sales were valued at \$263,032,711, a 6% drop.

Wholesale sales were slightly higher in value in December than in the corresponding month of 1952, and the Bureau's index, on the 1935-39 base, moved up to 344.4 from 340.8.

TO HONOUR MR. HAMMARSKJOLD: Carleton College, Ottawa, will confer an honorary degree of Doctor of Laws (LL.D.) upon Mr. Dag Hammarskjold, Secretary General of the United Nations, at a special convocation to be held in St. James' United Church, Ottawa on Friday, February 26. This will be the first honorary degree awarded by Carleton College.

The announcement was made by Dr. M.M. MacOdrum, President and Vice-Chancellor of the College. In commenting upon the announcement, Dr. MacOdrum said, "It is most appropriate that the first honorary degree ever to be given by Carleton College should be conferred upon one so distinguished in the field of international relations as Mr. Hammarskjold.

"The faculty, the students, and all who are associated with Carleton College will welcome him because of what he is and what he stands for."

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IRON, STEEL INCREASES: Canadian production of pig iron during 1953 increased 12% to 3,012,269 tons from 2,682,065 in 1952 to reach a new high year's total. It was the seventh successive year's gain from the post-war low of 1,406,252 tons in 1946. The wartime high was 1,852,628 tons in 1944.

Production of basic iron accounted for 2,437,749 tons of the total in 1953 against 2,064,357 in 1952, while foundry iron amounted to 170,421 compared to 220,561 tons and malleable iron to 404,099 compared to 397,147 tons.

Output of steel ingots in 1953, as reported on February 3, also reached an all-time high, amounting to 4,010,000 tons as against 3,578,100 tons in 1952, an increase also of 12%.

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LABOUR INCOME: Mainly due to the seasonal reduction in construction and the lower level of factory production, Canadian labour income in November declined to \$995,000,000 from \$1,009,000,000 in the preceding month. It was, however, 4.5% above 1952's November total of \$952,000,000. For the January-November period the aggregate was \$10,664,000,000, up 8.8% from the preceding year's \$9,801,000,000.

The month's total for construction dropped to \$76,000,000 from \$83,000,000, with more than half of the decrease in payrolls in non-residential construction. A decline from \$328,000,000 to \$324,000,000 in total salaries and wages for manufacturing was dispersed among such component industries as canning, textile production, clothing, wood products and rubber products.

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Department store sales rose 5.2% during the week ended February 6 as compared with the corresponding week last year, according to the Bureau's weekly release.

INVENTORIES HIGHER: Reversing the movement of the two previous months, the value of inventories held by Canadian manufacturers at the end of November rose to \$3,969,800,000 from \$3,960,600,000 a month earlier, advances in consumer goods, capital goods and producers' goods, outweighing a drop in construction goods. At the end of November, 1952 total inventory value stood at \$3,720,400,000.

There was a seasonal drop of 8% in the value of shipments as compared with October, and a moderate decrease of 1% from November, 1952. Despite the decline, cumulative shipments for the January-November period were still 3% above those of a year earlier. The value of unfilled orders for the group of firms reporting this item dropped for the ninth consecutive month and were 28% below November, 1952. Total unfilled orders for the group averaged 4.0 times current month's sales value.

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HARBOUR TRAFFIC INCREASE: Harbour traffic continued at a high level in 1953. Traffic returns of the National Harbours Board show an increase in the number and net registered tonnage of vessel arrivals, and a small gain in aggregate cargo tonnage over the previous year. Summary figures, released by the Minister of Transport, Mr. Chevrier, show that in the eight "national" harbours, vessel arrivals in 1953 had a total net registered tonnage of 45,307,299 as compared with a total net registered tonnage of 42,652,542 in 1952. Aggregate cargo tonnage, inward and outward, was 42,522,783 last year, as compared with 42,337,198 in 1952, the increase being 185,585 tons.

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ROTATION PROGRAMME: More than 8,000 officers and men will be involved in the rotation of major units of 25 Canadian Infantry Brigade during the next two months, Canadian Army Headquarters announced on February 12.

Main embarkations from the West Coast for Korea and Japan are scheduled for March and April and the rotation programme will be completed by mid-May. Advance parties of some of the major units will leave for Korea around the end of February.

Units of 25 Canadian Infantry Brigade now serving in Korea will return to Canada as soon as they are relieved and the handover completed.

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OFFICERS TO PALESTINE: Two senior Canadian Army officers have been selected for a tour of duty with the United Nations Truce Supervision Organization in Palestine. They are Lt.-Col. J.E.L. Castonguay, CD, 39, of Montreal, and Lt.-Col. D.R. Ely, MBE, 42, of Toronto. They will report to the United Nations Secretariat in New York this month, before departing for Palestine.

(Continued from P. 1)

ECONOMIC OUTLOOK 1954

survey is made of the amount of capital expenditures planned for the ensuing year by business, institutions and governments and also for housing. Compilation of the returns from the 1954 survey are now complete, and a report embodying the results will be tabled as soon as copies can be printed.

"The survey indicates a capital expenditure programme for 1954 of \$5.8 billion, roughly 3 per cent above the previous record achieved last year. Expenditures for new construction are estimated at \$3,865 million, an increase of 6 per cent, while outlays for new machinery and equipment are expected to be 3 per cent lower. With spending on defence construction now past its peak, the federal capital expenditure programme, as presently planned, is a little lower than in 1953. Reports from provincial governments indicate their programmes to be roughly unchanged, while capital outlays of municipalities should show a moderate increase. Capital outlays of federal, provincial and municipal governments, taken as a group, are expected to remain about the same as last year. Non-government capital spending will be up by roughly 4 per cent and non-government outlays on new construction are expected to increase by 6 per cent.

CAPITAL SPENDING

"This projected volume of capital spending has far-reaching significance for the trend of economic activity in 1954. Expenditures on new capital goods account for about 23 per cent of total production in the economy. Prospects of a further increase in the capital expenditure programmes mean that in over-all terms this important sector of demand will be more than maintained.

"In addition, investment plans tell us a good deal about the state of business confidence. While the foregoing expenditure estimates cover total outlays for new capital goods, including replacement, a major portion of the programme represents net additions to capacity. Yet no one builds new capacity except on the expectation that markets will be available for the additional goods or services to be produced. It should be borne in mind also that these investment intentions have been recently submitted, and therefore can be assumed to take into account the uncertainties which have prevailed in recent months, particularly in respect to the future trend of economic activity in the United States.

"In these circumstances one can only conclude that, notwithstanding these uncertainties, the collective view of Canadian business enterprise is on the side of continued growth and prosperity in our economy....

"The next important factor is the prospect for exports. There again I believe we can look for another good year. The final figures for 1953 show a decrease of 3 per cent in value of

exports but, as a matter of fact, in volume the last year was a record year for exports, being even greater than 1952. The reason for the lower dollar value of exports during 1953 was, of course, the drop in prices of many important commodities that are represented in our list of exports. For example in the metals, in 1952 we were exporting zinc at 19 cents a pound; last year we were exporting zinc at 10 cents a pound; we were exporting lead at 21 cents a pound in 1952, and at 13 cents a pound in 1953. There was a sharp drop in the price of lumber included in the exports for 1953.

"I believe that our prices have stabilized and that the pricing of our exports for 1954 will not be much different from the pricing in 1953. Our principal export is wheat. The volume of exports to date is not as great as last year owing, as I have explained on several occasions, to exceptionally good crops in many of our principal markets, and also owing to the fact that the war threat has receded to a point where many governments have been using their war stocks of wheat for civilian purposes.

EXPORT PROSPECTS

"In other directions export prospects have improved. A few days ago I mentioned the opening up of markets in the West Indies, a fact which is important. The return of trading from governments to private hands in the United Kingdom has been helpful to Canada. As that trend proceeds I think we can expect even better markets in the United Kingdom than we have had in the past.

"Today I was reminded that our sales to South America are off, and it was suggested that my trip may be the reason. May I say that the reason I went to South America was that our markets at that time were abnormally high. Since then dollar difficulties in several of the South American countries, particularly Brazil, have caused restrictions of exports from dollar countries. However, I am happy to say that today we received confirmation of a large sale of wheat to Brazil. We have not sold wheat to Brazil for several months. I think there are indications that the South American market is finding it possible to use dollars to a greater extent, which will, I am sure, mean greater purchases from Canada....

"The other factor, of course, is consumer buying. Consumer buying in Canada is at a high level and there is every reason for thinking that high level of purchasing should continue. I believe those are the three elements that we look to for a forecast of the level of the Canadian economy during 1954, and in those several directions there seems to be no indication of any serious recession in the year 1954.

"In the investment field our economy will be reinforced by two large projects. One is the St. Lawrence waterway project, which we fully expect to be under construction before

the end of the year. The other is the longest pipe line that has ever been built anywhere, namely the gas pipe line from Alberta to Ontario and Quebec. I, therefore, think we can look for a continuing high level of investment in Canada not only in 1954 but well into the future...."

* * * *

GOUZENKO TESTIMONY: Except for two or three sentences comprising about 30 or 35 words, the Canadian Government is prepared to make public the transcript of testimony given by Mr. Igor Gouzenko before representatives of the United States Government on January 4, the Parliamentary Assistant to the Secretary of State for External Affairs, Mr. Roch Pinard, announced in the House of Commons on February 16 in reply to a question by Mr. Ambrose Holowach, Edmonton East.

Mr. Pinard said:

"As hon. members will recall from previous statements made by the Secretary of State for External Affairs (Mr. Pearson) and the Minister of Justice (Mr. Carson), the Canadian Government, following a request from the United States Government, informed that Government that it was prepared to make arrangements for a meeting at which Mr. Gouzenko could be interviewed by representatives of the United States Government. This offer was subsequently accepted. In accordance with these arrangements a meeting was held on January 4, 1954, at which representatives of the United States Government interviewed Mr. Gouzenko. The United States Government was represented by the United States Ambassador to Canada, Senator William E. Jenner, Senator Pat McCarran and Mr. J.G. Sourwine. I should like to emphasize that Mr. Gouzenko was interviewed by representatives of the United States Government and not by a committee of the United States Senate.

"After the meeting the Canadian authorities examined the transcript of the proceedings in order to determine whether there was any reference either in the questions or in the answers, publication of which in this context might jeopardize Canadian security investigations or might prejudice unfairly the reputation of individuals or organizations in Canada or might be open to question on grounds of international propriety, as relating primarily to the interests of a friendly third country.

"With the exception of a few words in the transcript - in fact, there were about two or three sentences comprising about 30 or 35 words - which fell within one or other of these categories, the Canadian Government saw no objection from its point of view to making the transcript public if the United States Government so wished. The Canadian Government did not, however, consider that it would be appropriate to make the transcript public unless the United States Government requested that this action be taken, since the inquiry

related directly to names of persons in the United States or to the internal security of the United States.

"The Canadian Government therefore informed the United States Government in the latter part of January that it was prepared to make public the transcript with or without any further deletions, if the United States Government wished this done. Up to the present time no further word has been received from the United States Government on this question."

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RECORD IMPORTS IN 1953: Canada's commodity imports in the first 11 months of 1953 were valued at \$4,044,400,000, up 9.7% from the preceding year's January-November purchases of \$3,685,400,000, according to final figures for the period released by the Dominion Bureau of Statistics. A preliminary estimate for the full year by the Bureau on February 5 placed 1953's imports at a new high record figure of \$4,387,400,000, 9% above the 1952 value of \$4,030,500,000.

Final figures for the month of November place the value of imported commodities at \$351,400,000, down 3.3% from the preceding year's November purchases of \$363,400,000. The preliminary value for the month of December was \$338,800,000 as compared with \$345,100,000 a year earlier. There were declines in October, November and December in contrast to increases in each of the months from January to September.

In the 11-month period of 1953, substantially increased imports from the United States, the United Kingdom, Latin American countries as a group, and European countries more than balanced smaller purchases from the rest of the Commonwealth and other foreign countries. Smaller imports from the United States accounted for a large part of the overall decline in November, gains of varying sizes being recorded for most other major areas.

Purchases from the United States in the January-November period rose in total value to \$2,974,468,000 from \$2,711,742,000 in the same 1952 period, and from the United Kingdom to \$415,045,000 from \$331,725,000. Purchases from Venezuela - third largest source of supply - rose in value to \$143,345,000 from \$124,367,000, followed by the Federal Republic of Germany with an increase to \$32,805,000 from \$20,505,000.

Imports from Brazil were off to \$30,194,000 from \$32,566,000. Belgium and Luxembourg to \$27,495,000 from \$31,580,000, and India to \$25,326,000 from \$25,597,000. Purchases were higher from Australia at \$22,307,000 compared with \$17,919,000. Columbia at \$21,274,000 compared with \$16,577,000, the Netherlands at \$20,976,000 compared with \$15,386,000, France \$20,440,000 compared with \$17,663,000, Switzerland \$18,478,000 compared with \$14,762,000, and Lebanon \$18,088,000 compared with \$14,078,000.

RCAF EQUIPMENT FOR NATO: Offers of more than 10 million dollars worth of RCAF equipment has been accepted by five NATO nations under Canada's mutual aid programme for the 1953-54 period, Air Force headquarters announced on February 15.

Official acceptance has been received from France, Italy, Belgium, the Netherlands, and the United Kingdom of \$10,265,000 worth of aircraft radio compasses, fragmentation bombs, and spares for F-86 Sabres. Included are 1,000 radio compasses at an estimated cost of \$4,471,000 and 3,000 fragmentation bombs costing approximately \$394,000. The entire shipment of bombs will go to France.

The United Kingdom will receive a \$5.4 million contribution of spares for the 370 F-86 Sabres allotted to them under the 1952-53 mutual aid programme. Of this amount \$740,000 will be shipped during the present fiscal year leaving \$4,660,000 to be manufactured and delivered during the 1954-55 financial year.

Shipments of Canadian military equipment to NATO countries started in 1950 under a plan whereby Canada offered to donate equipment to assist Atlantic treaty powers in their defence organizations.

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CANADA-AUSTRALIA TALKS: The Department of External Affairs announced on February 18 that during the last few weeks discussions have been held in Melbourne between representatives of the Canadian and Australian Governments for the purpose of considering amendments to the Canada-Australia Air Transport Agreement of 1946. Under that Agreement air services were established between Canada and Australia on behalf of the two countries by Canadian Pacific Airlines and by British Commonwealth Pacific Airlines respectively.

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TOUR OF ATTACHES: More than a score of foreign naval, military and air attachés and service advisers to Commonwealth High Commissioners appointed to Canada are visiting defence and industrial establishments in Northern and Western Canada from February 15 to 27, it was announced by National Defence Headquarters in Ottawa.

Members of the party left by plane on February 15 for Fort Churchill, Manitoba.

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TRIBUTES TO AGNES MACPHAIL: All parties in the House of Commons paid tribute at the opening of the sitting on February 15 to the late Agnes Macphail, first woman to be elected a member of the Canadian House of Commons, who died in Toronto on February 13. Miss Macphail was first elected in 1921 and spent 19 years in the House of Commons. Subsequently she served in the Legislature of the Province of Ontario.

HALF BILLION STEEL WORK: Value of work done by Canada's bridge building and structural steel industry rose to a new peak for the fourth straight year in 1952, the \$139,716,836 total topping the \$109,650,351 high of 1951 by more than 27%, the Dominion Bureau of Statistics reports in its annual review of the industry's operations. This was close to three and a half times the 1946 value of \$40,122,695, nearly double the 1943 wartime peak of \$72,515,834 and almost nine and a half times the 1938 value of \$14,817,901.

The latest figure brought the total value of work done by the industry in the seven postwar years 1946-52 to \$565,974,274, over 63% more than the \$346,170,587 total of the seven war years 1939-45 and nearly eight times the \$71,881,328 total of the seven prewar years 1932-38.

* * * *

THEATRES FOR TROOPS: With all the colour of a Hollywood premiere, four modern theatres will be officially opened later this month at Canadian Army camps in West Germany.

The new theatres, managed and staffed by the British Army Kinema Corporation, are equipped with the most modern equipment available and are easily adaptable to three-dimensional films. Small but modern, the theatres have a combined seating capacity of 1,200.

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SECURITY PRICES FIRMER: Common stocks presented a progressively firmer price tone through January as the composite index for 101 representative issues moved up from 152.4 for the week of December 31 to 160.4 for the week of January 28. All three major groups were higher with the index for 80 industrials changing from 151.6 to 159.4, while that for 13 utilities advanced from 144.0 to 152.2, and eight banks from 180.4 to 189.1.

* * * *

Unemployment insurance benefit payments increased in December to \$16,882,107 from November's \$10,172,035 and 1952's December total of \$10,926,557. At the same time the number of days for which compensation was paid rose to 5,413,801 from 3,337,519 the month before and 3,586,600 a year earlier.

* * * *

Farm cash income from the sale of farm products and from grain adjustment payments on earlier crops totalled an estimated \$2,674,679,000 in 1953, about 4% less than in 1952 and 5% under the 1951 record of \$2,811,949,000.

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Average purchase price of new cars was \$2,505 last year, \$22 more than in 1952, \$957 more than in 1946, \$1,426 more than in 1939.

GOVERNMENT



OF CANADA

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WEEK'S EVENTS IN REVIEW

NATIONAL PRODUCT \$24 BILLION: The market value of the nation's total production of goods and services, as measured by gross national product, was \$24,242 million in 1953 compared with the revised figure of \$23,110 million in 1952. This represents an increase in the value of the national product of almost 5%. Since prices were relatively steady throughout the year, the total volume increase was about 4%.

Although one of the highest on record, the 1953 grain crop was considerably below the 1952 level, so that a decline in production occurred in the agricultural sector of the economy. On the other hand, the volume of non-farm output increased by more than the average of approximately 4% noted above, available evidence indicating an increase of about 5%.

National income, that is, the value of the nation's total earnings from current production, is estimated at \$18,977 million in 1953, an increase of 5% over the preceding year. Wages, salaries and supplementary labour income, which is the largest component of national income, amounted to \$11,655 million, a gain of about 8% over 1952. With consumers' prices remaining relatively unchanged between the two years, the above increase represented a "real" income gain for wage and salary earners.

The advance was widespread throughout the major industrial groups and only in the pri-

mary industry component was a small decline recorded; the latter reflected a lower level of activity in the logging industry. The largest increase, amounting to about 12%, occurred in construction, attributable mainly to the higher level of activity in residential building.

Investment income showed a small increase of 2% over 1952. The largest single item, corporation profits before taxes, declined moderately. Interest and net rental income received by persons increased by approximately 10%, with higher rental income accounting for the greater part of the gain. A rise in government investment income was accounted for chiefly by a gain in the profits of government business enterprises at the federal and provincial levels.

Accrued net income of farm operators from farm production was \$1,667 million in 1953, a decline of \$267 million or 14% from the high level of \$1,934 million in 1952. The most important factor in this decline was the lower level of crop production in 1953; outturns of wheat, oats and barley were smaller by 11, 13 and 10% respectively. At the same time, hog production was somewhat lower than in the previous year. Lower prices for potatoes were also a factor in the drop in accrued net income of farm operators in 1953.

Net income of non-farm unincorporated business, including unincorporated retailers, un-

incorporated manufacturing establishments, and professional practitioners showed an increase of about 6% over 1952.

The gross national product includes, in addition to the factor costs which comprise the national income, indirect taxes less subsidies and depreciation allowances and similar business costs. Indirect taxes less subsidies increased by approximately 7% over 1952. All of this gain is attributable to indirect taxes; subsidies remained virtually unchanged. The largest advances were recorded in customs import duties, associated with the large increase in the level of imports, and in excise taxes, reflecting mainly higher levels of consumer expenditures. At the provincial level there was a substantial increase in gasoline taxes, while at the municipal level a large gain occurred in real and personal property taxes. Depreciation allowances and similar business costs increased by 9% in 1953 to reach a total of \$2,266 million.

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ANTI-SUBMARINE MORTARS: Another step in the development of Canadian self-sufficiency in the production of weapons and materials for the armed forces has been achieved with the delivery to the Royal Canadian Navy of the first anti-submarine mortars to be manufactured in this country, the Minister of National Defence, Mr. Brooke Claxton, announced on February 17.

The mortars, known as "Squid", were produced in the Vancouver plant of the Dominion Bridge Company and are the first of the order to be completed.

Of British design, the Squid is being produced in Canada under licence from the British Admiralty. Certain alterations have been made to facilitate production in this country.

The weapons will be fitted in frigates and other ships being modernized and converted for service as anti-submarine escorts and will also be used in training establishments on shore.

The mortars usually are fitted in pairs and are linked to an asdic set through an electronic fire control system. The weapon is three-barrelled and can fire a pattern of large high-explosive projectiles ahead of the ship with great accuracy. The projectiles can be set to explode at a pre-determined depth. The chances of "killing" a submarine with the Squid are much greater than with earlier weapons such as the depth charge or hedgehog.

The cost of the complete installation in a ship is approximately \$100,000.

The production of Squid in Canada not only assures the RCN of a source of supply in the event of an emergency but also opens up the possibility of Canada being able to furnish other NATO countries with the weapon should the necessity arise, Mr. Claxton said.

RECORD SALES IN 1953: Sales of Canada's retail merchants topped all previous annual records in 1953, aggregating \$12,092,174,000, according to preliminary estimates by the Dominion Bureau of Statistics. This was 4.5% above 1952's \$11,575,478,000. The 1953 gain was smaller than in 1952 when an increase of 8.6% was shown as compared with 1951.

There were increased sales in all months of 1953 over 1952 except in November when a small decrease of 0.5% occurred. Gains in monthly sales during the year ranged from a high of 12.3% in January to a low of 1.2% in December.

Both independent and chain establishments increased their dollar sales in 1953 as compared with 1952. Sales of independent retail outlets climbed 3.9% to \$10,029,493,000 from \$9,647,728,000 in 1952; and chain store sales rose 6.9% to \$2,062,681,000 from \$1,929,750,000.

All provinces shared in the increased sales in 1953 as compared with 1952, Saskatchewan leading in rate of gain with a rise of 7.2%, followed by Ontario with an advance of 5.2%, Quebec and Manitoba 4.6% each, Alberta 3%, British Columbia 2.5%, and the Atlantic Provinces 2.4%.

There were sales gains in 1953 for all trades except general stores, men's clothing stores, restaurants, and fuel dealers.

Motor vehicle dealers' sales again led all others in dollar size in 1953, with grocery and combination stores a close second. Motor vehicle dealers' sales aggregated \$2,274,584,000 (\$2,119,195,000 in 1952); grocery and combination stores, \$2,126,536,000 (\$2,039,454,000); department stores, \$1,028,621,000 (\$996,028,000); garages and filling stations, \$542,413,000 (\$503,711,000); general stores, \$532,642,000 (\$546,342,000); restaurants, \$446,624,000 (\$457,073,000); and lumber and building materials, \$422,804,000 (\$380,073,000).

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FOR KOREAN ORPHANS: Nickels and dimes contributed by a group of Canadian Sunday School children recently brought a wealth of gladness to the hearts of 19 Korean war orphans.

The senior Protestant chaplain of the 25th Canadian Infantry Brigade, Major John M. Anderson, MC and Bar, received a twenty dollar money order from the Cardston, Alberta, United Church Sunday School. "The money," wrote Mrs. W.L. Beales, "was collected through a white gift service held by the children at Christmas time," and the padre was requested to "use it as he saw fit".

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An all-time peak of 461,887 new motor vehicles were sold last year, 15% more than in 1952, 7.5% more than in 1950, the previous high year, and more than four times as many as in 1939.

INDUSTRIAL EMPLOYMENT: Industrial employment showed a further decline at the beginning of December, and the Bureau's index number fell 1.6% from November and 1.9% from December, 1952. With this exception, the December 1 index, which stood at 113.9, was the highest on record for the time of year. Following the seasonal pattern, the reduction in the month took place among men, whose numbers declined 2.3%, while that of women rose 0.5%. In the 12-month comparison there was an increase of 0.2% among women, but employment for men was lower by 2.4%.

Disbursements in weekly salaries and wages declined 1.6% from November but climbed to a new peak for December 1. The index of payrolls stood at 154.9 as compared with 157.4 a month earlier and 151.3 at December 1, 1952. Per capita weekly earnings, at \$58.19, established a new high, slightly exceeding the November 1, 1953, average of \$58.14, and rising 3.7% over the preceding year's December figure of \$56.12.

Industrially, employment showed widely-distributed contractions. Among the major industrial divisions, the losses as compared with November 1, ranged from 0.7% in public utility operation, to 6.5% in construction, in which the curtailment approximated that indicated 12 months earlier. There was a contra-seasonal decline of 2.8% in logging. The situation in mining continued to be affected by industrial disputes.

In manufacturing the reduction in the month was 1.9%. Employment fell to about the same extent in the durable and the non-durable categories, and in both groups was slightly below the December 1, 1952 level. Within these classes, the largest decreases were in transportation equipment and food processing. Employment in the transportation, storage and communication group diminished by 2.5%, exceeding the loss recorded at December 1 in recent years.

AID FOR REFUGEES: Four thousand pounds of clothing and other relief supplies collected in Halifax for South Korean refugees have been turned over to the Korean Civil Assistance Command in Pusan by the Royal Canadian Navy.

The shipment is the first of an estimated eight tons of supplies - mostly clothing - collected under the auspices of the Halifax Junior Board of Trade and destined for distribution to South Korean refugees in the Pusan area.

Production by establishments comprising the boilers and plate work industry in 1952 climbed to a new high annual value of \$90,428,000, 20% above the previous top value reached in 1951, according to the Bureau's annual report on the industry.

GENERAL EMPLOYMENT SURVEY: Employment declined and unemployment increased during January somewhat more than is usual for the month. As a result, the number of persons working full time dropped slightly below year-ago levels. Manufacturing employment continued to dip slightly below year-earlier levels, although relatively few industries have contributed appreciably to this drop. The easing of activity in manufacturing has been reflected in higher levels of unemployment this year, particularly in industrial centres. There has also been an increase in short-time employment in a number of industries.

Severe winter weather conditions, particularly in the western provinces, brought most outdoor activity such as construction, logging and sawmilling to a virtual standstill during the month. This resulted in much higher than usual lay-offs of workers in the areas affected by bad weather. Over one-third of all paid workers were in local labour markets classified as having substantial labour surpluses, compared to about one-quarter a year ago. This was largely the result of the settling of business activity in some manufacturing industries which coincided with heavy lay-offs in seasonal industries.

The civilian labour force, at 5,242,000 in the week ended January 23, 1954, was down from 5,275,000 in the week ended December 12, 1953, but up slightly compared with 5,210,000 recorded in the week ended January 24, 1953.

BRITISH EMPIRE MEDAL: L/Cpl. Paul Dugal of Quebec City, the man who set at rest the minds of numerous relatives and friends of soldiers listed as "missing" in Korea but who were actually prisoners-of-war, has been awarded the British Empire Medal by Her Majesty, Queen Elizabeth II.

The award was made in recognition of Dugal's outstanding work while a prisoner of war in Korea, Canadian Army Headquarters announced.

L/Cpl. Dugal, the first Canadian POW to be returned by the Communists, was released on April 21, 1953, after being a prisoner for nearly a year. During that time, he kept a diary with complete information on other Canadian prisoners of war, many of whom, up to that time, had been listed as "missing". He managed to retain the diary until his repatriation when he turned it over to the Canadian authorities. The information recorded was completely accurate and, not only was it of great assistance to the authorities, but it also gave assurance to relatives and friends of other prisoners that their men were alive and in custody.

Fur dressing industry treated 12,085,066 skins in 1952, a jump of 2,316,450 or 23% over 1951.

CIVIL DEFENCE: Speaking at the official opening of the Civil Defence Control Centre in Montreal on February 19, the Minister of National Health and Welfare, Mr. Paul Martin, announced closer integration of civil defence preparations on both sides of the Canada-U.S. border.

"I had occasion recently to inspect an installation such as this in the United States while attending the meetings of the Joint U.S.-Canadian Civil Defence Committee at the State Department in Washington," he said. "At this important meeting we were able to work out plans for the closer integration of civil defence preparations on both sides of the border.

"For obvious reasons, I cannot make public the decisions reached in our talks with U.S. civil defence authorities, but I can report that throughout our discussions we had the most reassuring evidence of the spirit of mutual aid and helpfulness that characterizes the relations between our two countries in this vital field."

Of Canada's civil defence preparations he said:

"Perhaps the best evidence of the determination of Canadians to do something about civil defence is the fact that, in no less than 558 Canadian communities, civil defence organizations are now in existence. More than 100 communities are organized and trained by services. The remainder are in various intermediate stages of organization.

"Across Canada, some 160,000 civil defence workers have been enrolled in local, provincial and federal organizations. Of these, about one in three have been trained. This total, of course, includes a considerable number of civil government employees as well as citizen volunteers."

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MR. HAMMARSKJÖLD IN OTTAWA: The Secretary-General of the United Nations, Mr. Dag Hammarskjöld, arrived in Toronto on February 25 to attend a luncheon given in his honour by the Empire Club of Toronto.

On February 26 Mr. Hammarskjöld called upon the Secretary of State for External Affairs in Ottawa and was to hold a press conference later that day. Following lunch at the Legation of Sweden he was to visit Carleton College, and meet members of the Senate and Faculty.

In the afternoon Carleton College was to convene a special convocation to confer upon the Secretary-General an honorary degree of Doctor of Laws.

In the evening Mr. Hammarskjöld was to call on the Governor General, and later Mr. Pearson was to entertain at dinner in his honour.

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Railways moved 12,709,000 tons of forest products in the first three quarters of last year, 2,604,000 or 17% less than in 1952.

AUSTRALIA TO BUY SALMON: The Minister of Trade and Commerce, Mr. Howe, announced in the House of Commons on February 18 a decision of the Australian Government involving a measure of relaxation in its import restrictions upon canned salmon. He said, in part:

"I wish to inform the House that the Australian Government is undertaking a measure of relaxation in its import restrictions upon canned salmon. This news is important because it signifies the partial reopening of the Australian market to a Canadian export product which has been excluded from there in recent years. Further details on this matter will come from the Australian Government.

"While the total quantities involved may not be large, this renewed opportunity for trade will undoubtedly be welcomed in British Columbia and elsewhere in Canada as evidence of progress in returning to more normal conditions of world trade. Canned salmon is one of our major export products. Immediately before the war Canada had a market for canned salmon in Australia which amounted to \$1½ million or \$2 million per year. Since then these exports have been much reduced, until in recent years the quantities have become negligible. The Australian decision will, therefore, permit the Canadian industry to return once more to this traditional market...."

* * * *

INTER-PROVINCIAL CONFERENCE: A conference of provincial Ministers on the regulation and control of highway transport was announced by the Minister of Transport, Mr. Chevrier, in the House of Commons on February 23. He said:

"In view of the decision of the Privy Council in the case of Winner versus S.M.T. (Eastern) Ltd. et al., it appears that an inter-provincial or international undertaking within the meaning of Section 92, head 10 (a) of the British North America Act is not subject to the provincial law relating to public carriers.

"In our view it would not be in the public interest to have a divided jurisdiction, with the provincial boards controlling the traffic within the provinces, and a federal board controlling the traffic moving between the provinces or between a province and the United States and for this amongst other reasons, we are reluctant to enter this field and thereby bring about divided jurisdiction.

"In view of this situation I propose to call a conference of provincial Ministers having jurisdiction over highways to discuss the problems arising herein and to endeavour to find a common ground on the best way to regulate and control highway transport, whether intraprovincial, interprovincial or international...."

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Rigid insulating board production rose 15% last year to 278,696,000 sq. ft., and domestic shipments climbed 18% to 277,302,000.

NORTH AMERICAN PARTNERSHIP

MR. PEARSON'S ADDRESS: Canada's role as the "junior member of a North American partnership" was discussed by the Secretary of State for External Affairs, Mr. L.B. Pearson, in an address at Rollins College, Winter Park, Florida, on February 21. He said, in part:

"We are the junior member of a North American partnership which will not be dissolved by Communist blandishment or isolationist timidity. You will not be surprised, however, if the junior partner occasionally expresses its own point of view and in the North American idiom. We do this because freedom is the basis and the glory of our partnership; a partnership far removed from the kind of relationship between a Communist dictatorial power and its obedient satellites. Occasional disagreement only emphasizes its fundamental unity.

"Let those who would divide the nations of the free world coalition remember that the things that hold us together are far stronger than those that would pull us apart. That is especially true of the friendship between Canada and the United States.

BEACON OF HOPE

"If in the stormy world of today that friendship shines as a steady beacon of hope and confidence, it is not because we have no problems to solve or difficulties to face. There are lots of these - economic and political - and they will doubtless increase as the relations between the two countries continue to grow in importance.

"We are more conscious of these problems than you are because they loom larger on our more limited horizon. All of them, continental defence arrangements, trade problems, St. Lawrence Seaway delays, border-crossing and security difficulties, all these and many others make up what could be quite a budget of trouble.

"While we do not need to get too excited over these increasingly complex problems, we should not try to conceal them by comforting platitudes about the 125 years of peace or the undefended border.

"It is in our joint interest and it follows our joint tradition to work out solutions to

our mutual problems which will be fair and just; will leave no bitterness and breed no strife. In the process Canadians - being North Americans - will protect their own rights and interests. But we will also realize, I hope, that these rights and interests - indeed, our whole future - is inseparable from yours.

"You will find Canada no automatic 'yes-man' but a staunch and loyal friend, especially in time of difficulty. From 1914 to 1918, and from 1939 to 1945 Canada, when she was not as strong or united or self-reliant as she is now, gave proof - for us tragic proof - that her men were willing to die in battle for a good cause. We are also giving evidence now of our will to participate in a collective effort to prevent a recurrence of such a tragedy. In this spirit many thousands of young Canadians went to Korea. Many thousands are also serving today under the banner of NATO in Europe, including the men who are flying 300 Canadian-built front line jet fighters. Since the end of the war we have also made available to our friends mutual aid which if expressed in terms of your national income, would amount to almost 57 billion dollars' worth. Nearly half of our budget is today devoted to defence.

SIDE OF FREEDOM

"Canada is a young country, crying out for development; a country of vast distances, expensive and difficult to govern and to administer. Hers is not a determining voice when the big international decisions are to be made, nor will her contribution be decisive in the conference room or where the conflict rages. It might therefore be tempting to try to stand aside in any struggle between the giants and excuse that course by arguing that those who call the tune should pay the piper.

"But that is not the way we feel about it. The conflict today is not between empires, or between one super-power and another, but between freedom and slavery, despotism and democracy, right and wrong. So we range ourselves on the side of freedom, under the leadership of the United States of America, and we will play, I hope, a good part in the long and unending fight for peace and a decent world."

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1952-53 WHEAT POOL: In announcing the Government's decision to close out the 1952-53 wheat pool as of January 30, 1954, the Minister of Trade and Commerce, Mr. C.D. Howe, said, in part, in the House of Commons on February 25:

"The final surplus in the 1952-53 pool is \$58,282,438.38 after deducting the Prairie Farm Assistance Act levy and final payment expenses and adding estimated interest earnings subsequent to January 30, 1954. This is the net surplus payable to producers and

amounts to an average of 10.934 cents per bushel on their deliveries to the 1952-53 pool.

"I might add that including the proceeds of the interim payment last fall, which amounted to \$63,962,036.83, the total surplus in the 1952-53 pool was \$122,244,475.21 over and above the adjusted initial price of \$1.60 per bushel basis No. 1 Northern in store Ft. William/Pt. Arthur or Vancouver. This compares with the final surplus in the 1951-52 pool of \$114,585,112.69.

SEAL RESEARCH: Opening dates for the 1954 Atlantic sealing operations were announced on February 25 by the Minister of Fisheries, Mr. Sinclair.

Mr. Sinclair said that two areas are involved - the Gulf of St. Lawrence, where sealing will be permitted as of March 5, and what is commonly known as the "front", where sealing will be permitted as of March 10. The "front" covers the ice-bound expanse off the east coasts of Labrador and Newfoundland.

Informal discussions between Canada, Norway, Denmark and France have resulted in standard opening dates for the past three seasons. Both sealing areas will be patrolled prior to the opening of the season by aircraft with Department of Fisheries personnel aboard.

The harp seals of the North Atlantic have been hunted for centuries by expeditions from both Europe and North America, which set out each spring as the herds of seals move southward from the Arctic with the ice floes. During recent years the Fisheries Research Board of Canada has carried out tagging operations and has made aerial surveys to obtain new information as to the size of the herds and their productivity. The research programme is to be continued this year by survey parties which will accompany the Canadian ships taking part in the hunt.

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CANADA-U. S. COMMITTEE: The Department of External Affairs announced on February 26 that the Joint United States-Canada Committee on Trade and Economic Affairs will hold its first meeting in Washington on March 16.

Arrangements for the establishment of the Joint United States-Canada Committee were made in an exchange of notes on November 12, 1953. It will be recalled that the suggestion for a Joint Committee was originally made during the visit of the Prime Minister to Washington in May 1953. The Canadian members of the Committee consist of the Secretary of State for External Affairs and the Ministers of Finance, Trade and Commerce and Agriculture or Fisheries. The United States members include the Secretaries of State, the Treasury, Agriculture and Commerce.

The activities of the Joint Committee constitute one aspect of the efforts of both countries in promoting satisfactory trade relations on a multilateral basis.

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RECORD POWER OUTPUT: Canadian production of energy by central electric stations in the full year 1953 climbed to a new record total of 65,489,253,000 kilowatt hours, 6% above the previous high of 61,786,035,000 in 1952. All provinces shared in the rise during the year. December's output rose to 5,718,496,000 kilowatt hours from 5,535,561,000.

AIR AGREEMENT WITH PERU: The Department of External Affairs announced on February 24 that a Bilateral Air Transport Agreement was signed at Lima, Peru, on February 18 by the Canadian Ambassador, Mr. Emile Vaillancourt, on behalf of Canada, and by the Minister of Foreign Affairs, Dr. Ricardo Rivera Schreiber, on behalf of Peru.

It provides, among other things, for the reciprocal exchange of air traffic rights to be exercised between Canada and Peru by the designated airlines of both countries over an eastern route between Montreal and Lima, and over a western route between Vancouver and Lima. For several months Canadian Pacific Airlines have been operating a service between Vancouver and Lima, via Mexico City, under a temporary authority granted by the Peruvian Government.

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RECORD AUTO SHIPMENTS: Factory shipments of Canadian-made motor vehicles climbed to an all-time high of 479,649 units in the year 1953, almost 11% above the previous top of 432,696 in 1952. Figures released on February 11 show that the year's sales also reached a new high of 461,887, up 15% from 400,777 in 1952.

Reversing the downward trend of the previous four months, December's output of motor vehicles rose to 33,770 units from 29,868 a year earlier. Gains were shown in each of the first seven months of 1953. Top monthly figure for the year was 52,420 in April.

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VARIETY SHOW FOR TROOPS: The first all-Canadian variety show to visit Germany since the Second World War raised the roof at the Globe Cinema at Fort Henry and Fort York Barracks February 24 to the applause of more than 600 members of the 2nd Battalion The Royal Canadian Regiment and Headquarters 1 Canadian Infantry Brigade.

The show, consisting of five entertainers, was sent to Germany for the official openings of the four theatres of the camp areas occupied by the Brigade.

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MILITARY ATTACHE: Major C.P. Haynes, of Toronto, Ottawa, and Vancouver, has been appointed Canadian Military Attaché to Sweden and Finland.

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VETERANS RETURN: Three officers and 167 men, representative of most units of the 25th Canadian Infantry Brigade, are to arrive at the Port of Seattle on February 28, it was announced on February 25 at Army Headquarters. All are veterans of a year or more service in the Far East.



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
 DEPARTMENT OF EXTERNAL AFFAIRS
 OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

INVESTMENT OUTLOOK: Private and public investment outlays for new construction and for machinery and equipment in Canada in 1954, as planned at present, will be 3 per cent greater than the amounts spent in 1953, according to a report tabled in the House of Commons on February 26 by the Minister of Trade and Commerce, Mr. C.D. Howe.

The report, entitled "Private and Public Investment in Canada - Outlook 1954", states that capital expenditures in 1954 will probably reach a total of \$5.84 billion, compared with \$5.68 billion in 1953. These estimates are based on a survey of some 17,000 business establishments across Canada and upon surveys of proposed expenditures by governments, institutions and private house builders.

The additional strength in the 1954 capital expenditure programme is expected to occur in those groups engaged in providing services. This follows the pattern in capital spending established in 1953. These groups as a whole provide for outlays 8 per cent above those of 1953. Expenditures for institutions, such as schools and hospitals, are expected to increase by 36 per cent; those in the trade, finance and commercial service sector by 14 per cent; and those for utilities by 6 per cent.

It is estimated that outlays for new housing will be slightly higher. With respect to government projects, reduced expenditures on defence construction will tend to offset in-

creases in other categories. Capital outlays by federal, provincial and municipal governments, taken as a group, are expected to be slightly higher.

It is estimated that capital expenditures in commodity-producing industries, considered as a whole, will be 8 per cent below those of 1953. However, trends within this group diverge. The mining industry is likely to show further expansion in 1954, with companies in this field planning capital outlays 11 per cent above those of 1953. The major declines in capital spending are expected in agriculture and in the manufacturing industries.

The anticipated decline in manufacturing reflects, in part, the virtual completion of the round of expansion following Korea in such industries as iron and steel, non-ferrous metal products and chemicals. Other industries in the manufacturing group, notably foods and beverages, printing and publishing, non-metallic mineral products and petroleum products, plan to spend larger amounts in 1954 for capital purposes.

Expenditures for construction as a whole are expected to total \$3.37 billion, an increase of 6 per cent over the 1953 total of \$3.65 billion. Outlays for all major classes of construction are likely to be higher in 1954, with the greatest increase, 10 per cent, coming in non-residential building construction. The value of housing construction has been estimated at \$1.12 billion, an increase

of 3 per cent over the \$1.09 billion spent in 1953.

Expenditures for construction of an engineering type are expected to rise by about 4 per cent. Present plans call for outlays of \$1.97 billion for the acquisition of machinery and equipment, a decline of 3 per cent from the \$2.03 billion spent for this purpose in 1953.

The report shows that, in each year since 1948, capital expenditures in Canada have accounted for more than 20 per cent of the gross national production. In 1953 this ratio reached 23½ per cent.

The further increase in capital outlays, planned for 1954, reflects the expansionary forces which continue to underlie the Canadian economy, and provides strong support for economic activity in the current year.

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GENERAL EMPLOYMENT: Employment in Canada during January showed a greater than usual decline, with the number of persons working full time in a somewhat larger labour force dropping below year earlier levels and short-time employment increasing in a number of industries, according to the monthly joint statement on the employment situation released on February 24 by the Department of Labour and the Dominion Bureau of Statistics.

Manufacturing employment continued to fall below last year's level, although relatively few industries have contributed appreciably to this drop, and the easing of manufacturing activity resulted in greater unemployment, particularly in industrial areas. In addition, severe winter weather conditions, particularly in the western provinces, brought outdoor activity such as in construction, logging and sawmilling to a virtual standstill, with much higher than usual lay-offs of workers in the areas affected by these weather conditions.

The number of persons without jobs and seeking work during the week ended January 24, as indicated by the Bureau's monthly survey of the labour force, rose to an estimated 280,000 or 5.3% of the civilian labour force of 5,242,000 from 190,000 or 3.6% of the estimated labour force of 5,275,000 in the week ended December 12 last. These figures compare with 187,000 or 3.6% of the somewhat smaller labour force of 5,210,000 in January last year.

Besides those without jobs, the Bureau estimates that an additional 16,000 persons who worked part of the week were looking for work, making a total of 296,000 in search of employment as against 205,000 in December and 198,000 in January last year. Of this total, an estimated 269,000 were seeking full-time work and 27,000 were in search of part-time jobs.

Workers fully employed (35 hours or more) in January totalled 4,465,000 or 85.2% of the labour force, down from 4,550,000 or 86.2% in December and 4,533,000 or 87% in January, 1953. On the other hand, the number working less

than 35 hours was down to 358,000 from 422,000 in December but above last year's total of 321,000. Included in the 358,000 were 172,000 regular part-time workers, 54,000 on short time and 42,000 off work because of bad weather. Persons with jobs but not at work for various reasons totalled 139,000, up from 113,000 in December and down from 169,000 a year earlier.

Applications for employment on file at National Employment Service offices at January 21 numbered 523,600, an increase of 185,500 over the total for December 10 and 139,400 over the figure for January 22, 1953. There were increases over December in all regions, the percentage increase being roughly the same in each and the largest numerical increases in the Quebec and Ontario regions. As compared with a year earlier, the largest percentage increase was in the Ontario region (50%) and the smallest in the Pacific region (13%).

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ST. LAWRENCE SEAWAY: The fact that "the Canadian Government has already undertaken and is prepared to build the St. Lawrence Seaway as soon as the last legal obstacle is overcome", would seem, according to Canada's Transport Minister, Mr. Lionel Chevrier, "to be bringing a change of heart in Congress". Mr. Chevrier made the statement on February 15 in addressing an audience at Queen's University, Kingston, Ont., in the concluding lecture of a series on the St. Lawrence River Basin.

Pointing out that actual construction awaited final disposal in the United States courts of legal action relating to the licensing of the Power Authority of the State of New York to undertake the United States share of the power project, Mr. Chevrier said that "we do hope the final court decision will be known in time to permit construction to start this coming summer".

The Minister said that if it were not for the progress made on the Canadian plan "the whole project would not be where it is today. We would still be waiting for Congress to make up its mind on a joint agreement, with the outcome as doubtful as ever". He pointed out that the United States Senate had approved a measure which would have the United States build the two canals in the International Rapids section of the St. Lawrence and said that "the information we have is that the House of Representatives may follow the same course".

Such action would "re-open the question of United States participation in the Seaway," Mr. Chevrier explained, "a question to be settled by negotiation". He said that "Canada is committed by an exchange of notes, as part of the negotiations which have advanced the project to its present position, to consider any firm proposal from the United States that would not upset the present power arrangements and would not unduly delay completion of the Seaway."

MR. ST. LAURENT'S PRESS CONFERENCE IN NEW DELHI

WORLD PROBLEMS: The following are excerpts from the Press Conference held by the Prime Minister of Canada, Mr. St. Laurent, in New Delhi, India, On February 24, 1954:

(Indo-China)

Question: Sir are you in favour of our Prime Minister's appeal for a cease-fire in Indo-China?

Answer: Oh, I think that all peace-minded people (and I think they are the majority in most countries) are always in favour of a cease-fire whenever there is fire going on and that I know that I felt genuine anguish when I was in Paris and the situation in Indo-China was being described to me by Prime Minister Laniel.

Q: Do you think it is practicable to have a cease-fire?

A: Well I think it is. I think that we are intelligent human beings and that we have come to the point where we should realize that nobody wins anything by a war.

Q: Did you discuss this with Mr. Nehru, Sir?

A: Well Mr. Nehru has been kind enough to inform me about conditions as he appreciates them in Indo-China as well as in many other parts of the world.

Q: Will your Government try and back the Indian proposal if it comes up?

A: Well, our Government will do everything that it can but our Government hasn't the presumption to feel that there is very much that it can do in an effective way about the settlement of problems in this hemisphere. But I can assure you that all our efforts are directed toward the establishment of political settlements because we believe that their results are apt to be more permanent than whatever results can be obtained by killing each other off.

Q: Would you concede that peace - no I will narrow the issue and say the suspension of killing - in the East would lessen world tension today?

A: I think it would be an indication of a desire for those who are now engaged in hostilities to find peaceful solutions and I think that any move towards peaceful negotiated solutions is a move that would encourage me and would confirm my confidence that mankind was trying to create a level on which there would be saner behaviour than it has been your and my misfortune to find during this first half of the Twentieth Century.

Q: Would the Canadian Government endorse Mr. Nehru's appeal in general terms?

A: Oh yes, without any reservation or hesitation whatsoever. We wouldn't have ventured to make it ourselves because we wouldn't have felt that our importance in world affairs was sufficient to justify us making it; but we

would have no hesitation whatsoever in rejoicing at the fact that Prime Minister Nehru was able to make that appeal.

(U.S. Aid To Pakistan)

Q: You prefer to speak as the West but Canada under the Atlantic Pact is linked with Turkey and Turkey is now having a pact with Pakistan which involves you in the security problems of South-East Asia. Would you say anything on the subject?

A: Well, here our express commitments are to stand together in the North Atlantic Treaty Organization to repel aggression against any member of the North Atlantic Treaty Organization. That is the extent of the pact which we have signed and which our Parliament has approved. Now we feel, you know, that we have committed ourselves to the full extent of the commitments that a government can make and expect to remain a government in that North Atlantic Treaty Organization.

Q: You have been pleased to make a few remarks in general terms about security. Can you give us some comments particularly on United States military aid to Pakistan and the Turko-Pakistan agreement?

A: No I wouldn't like to make any comment about that. We have never had to consider whether it would be wise for us to attempt any other military aid than what we have committed in the North Atlantic Treaty Organization.

Q: Would you concede, would you think that it would be reasonable, desirable, understandable and expedient for India to arm herself in parity with Pakistan today?

A: I don't know (laughter), really I don't know. It is not that I want to evade the question but I don't think I have the kind of information or knowledge that would make an opinion of mine justifiable.

Q: During your talks with Mr. Nehru did you form the impression that there were certain things about the West particularly the United States that he did not either fully understand or he mistook?

A: No, I did not form the impression that he was not fully informed.

Q: How is it that the United States is deliberately creating tension in this part of the world by giving military aid to Pakistan?

A: Well, I am sure they are not deliberately creating tension. I know that their deliberate desire is to lessen tension.

Q: You said about the Security Pact and the North Atlantic Treaty Organization about the need to deter aggression. In India there is a feeling that Pakistan has committed aggression against India. In the light of United States aid there is a section of information here that says India should seek new friends to protect herself against aggression. Would you make any comments?

A: No. I think you had better make the comments yourself, Sir. You seem to know much more about the Asian situation than I do.

Q: Are you convinced that American military assistance to Pakistan is not in any way directed against India?

A: I am convinced that, if there had been the slightest suspicion that it could be directed against India, it would not be agreed to.

Q: Our Government has been saying that we do not think it is in our favour. Then how do you say it is not against us?

A: Well, I am not saying that you haven't the right to feel that it could operate against you. I was asked whether there was any intent to extend military aid to be used against India. Well, I am convinced that there wouldn't be one per cent of the American public that would go along if it was proposed to extend military aid to any nation directed against India.

Q: One more question, Sir. Did you get the impression during the course of your talks with Mr. Nehru that but for the presence of the Kashmir problem India might not have raised such a serious objection to military aid?

A: Well, I would not like to speak for Mr. Nehru and of course my conversations with him were confidential and he was endeavouring to inform me to instruct me and I think it would be improper for me to say anything that might be construed as divulging a confidential conversation with the Prime Minister of India.

Q: Why I asked was because Mr. Eden in London yesterday said that this question about aid to Pakistan is just one friendly power giving aid to a member of the Commonwealth?

A: Well, I think we would be very much concerned if there was an exchange of military aid between India and any country that we look upon as a potential aggressor. We do not look upon India as a potential aggressor of our community of nations and we do unfortunately look upon Russia as a potential aggressor. I do not think that I shall live to see aggression and I expect to live on for some years; nevertheless there was this shadow of totalitarianism over Europe and we have found from our experience that when trouble breaks out in Europe we in North America just cannot keep out - we are necessarily drawn into it.

(China)

Q: Yesterday in your speech you said the countries of Asia should have a greater say in the affair of Asia. In view of that statement would you advocate wider representation for Asia at the Geneva Conference and would you also say that China should be admitted to the United Nations?

A: China is already a member of the United Nations. The difficulty is to determine who in China is the proper representative of the Chinese people there. China is a permanent member of the Security Council.

Q: With regard to Chinese representation you said you feel it is a problem that the United Nations will have to face up to but that at the present moment the situation in Korea - if settlement were to take place in Korea - do you think that it might be a logical time for the United Nations to make such a consideration on the basis of the Geneva Conference?

A: I do not know whether it would be on the basis of the Geneva Conference but I think that it is the fact that at the present time it is not the Nationalist Government in Formosa that represents that great mass of humanity that constitutes the people of China and that whether I think that the other government is the kind of government China should have or not does not change the facts. If China is to be there it should be the Government that China gives itself in fact. We think from our own experience, you know, that it is the people of a country who have a right to determine what kind and form of government they should have for their country and we are not suggesting that the form of government that exists in Russia should be changed; that is something which concerns the people of Russia and I think we have to be realistic. And if the people of China are to be represented, they will some day have to be represented by those that they consider the government that represents them in fact.

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ATOMIC ENERGY POWER: Canada's progress in the study of atomic energy for power purposes was the subject of the following question, by Mr. George H. Hees (Broadview) and answer by the Acting Prime Minister, Mr. C.D. Howe, in the House of Commons on March 2.

Mr. Hees: "With reference to the Reuters news despatch appearing in a morning paper headed 'Atom Generator for Electricity Planned for the United Kingdom', could the Minister advise the House what steps are being taken towards producing electric power from atomic energy in Canada?"

Mr. Howe: "Several weeks ago a group was established to make an evaluation study of atomic energy for power purposes. The members of the group are representatives of the Ontario Hydro-Electric Power Commission and of several private power companies. The study is well advanced, and it is hoped that actual plans for the installation can be undertaken shortly."

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Average time required to complete housing units built last year was six months and nine days, 21 days less than in 1952, one month less than in 1951.

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22,200,000 barrels of wheat flour were milled last year, 1,900,000 or 8% less than in 1952.

(Continued from P. 2)

ST. LAWRENCE SEAWAY

With its wide significance in the fields of water transportation and low-cost hydro power, "the St. Lawrence Seaway and Power project is the greatest vehicle of natural resource development presently before us," said Mr. Chevrier. "Its completion is a matter of urgent necessity if Canada is to realize the full promise of the future. We in the Government believe not merely that it can pay its own way, but that the benefits to this country will far outweigh its original cost."

The Minister indicated that the most recent estimate of cost for the whole scheme is about \$900,000,000. Of this amount, the cost of power development was placed at \$600,000,000 to be equally divided between Ontario Hydro Commission and the Power Authority of the State of New York. He added that "my own Department estimates that all-Canadian navigation facilities from Montreal to Lake Erie would cost in the neighbourhood of \$300,000,000". The amounts quoted would, Mr. Chevrier said, be self-liquidating through sale of electricity and by levying tolls on shipping.

Savings which would be occasioned by the Seaway in the shipment of grain, coal and other commodities were estimated by Mr. Chevrier to amount "to at least \$30,000,000 a year, after paying any likely level of tolls".

Stating that the Seaway "promises to be the key that will unlock the future for the iron ore fields of Quebec and Labrador," Mr. Chevrier pointed out also that it would "give the interior steel mills the best new source of ore at the lowest cost, a matter of serious concern at the moment". He warned that without the Seaway, these steel mills would within a few years, be required to pay around \$2 a ton more for their supplies of iron ore, or a total in excess of \$250,000,000 a year.

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AID FOR NATO NATIONS: Two armies at opposite ends of Europe are receiving additional Canadian military equipment under the Mutual Aid Agreement of the North Atlantic Treaty Organization, it was announced on February 27 by Army Headquarters at Ottawa.

The European forces to benefit in this movement of military supplies are those of Denmark and Turkey. The shipment for Turkey is to leave from Saint John, New Brunswick, early in March. The 212-ton consignment will consist of 122 jeeps and batteries and several hundred cases of vehicle kits and spare parts.

About 33 tons of ammunition for the Danish Army was shipped from the Port of Halifax in February.

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Only 80 out of every thousand motor vehicles shipped by Canadian factories last year were for export as compared with 185 out of every thousand shipped in 1952.

POPULATION 15,035,000: During December Canada had a gain in population of 30,000, bringing it to 15,035,000 at January 1 this year, according to an estimate by the Bureau to provide first of the year and mid-year figures in addition to the estimates for three-month periods from the June 1 census date.

During the second half of 1953 the population rose by 214,000 from 14,821,000 at July 1, or at a rate of 2.9% a year, the Bureau calculates. In the first half of the year there was a smaller increase of 172,000 from 14,649,000 on January 1, a rate of 2.3%. The total gain for the year was thus 386,000 and the rate of increase 2.6%.

In comparison, the Bureau estimates show an increase in the second half of 1952 of 182,000 or 2.5% from 14,467,000 at July 1, and a larger gain in the first half of 206,000 or 2.9% from 14,261,000 at January 1, 1952. The estimated increase for the year 1952 was thus slightly larger than for 1953 at 388,000 or 2.7%. Estimates are not available for these periods for earlier years.

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PETROLEUM JUMP: Total production of crude petroleum in Canada during last November amounted to 7,594,406 barrels, an increase of 36% compared with 5,578,575 barrels for the corresponding month of 1952, making an eleven months total of 82,816,438 barrels, somewhat more than 31% greater than the total of 55,421,023 barrels for the January-November period of 1952.

Crude output was larger in the eleven months last year than in 1952 in all producing regions. Production rose in Alberta to 69,202,289 barrels compared to 55,335,251; in Saskatchewan to 2,500,889 (1,522,465); Manitoba to 534,872 (75,680); Northwest Territories to 305,014 (297,949).

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LUMBER PRODUCTION UP: Canadian production and shipments of sawn lumber both were moderately higher in 1953 than in the preceding year while year-end stocks were substantially larger, according to the Dominion Bureau of Statistics. The year's output of sawn lumber and ties in British Columbia totalled an estimated 3,807,262,000 feet board measure as compared with 3,696,629,000 in 1952, shipments amounted to 3,574,766,000 board feet compared with 3,302,880,000, and year-end stocks totalled 501,617,000 board feet compared with 415,799,000.

East of the Rockies, the year's production of sawn lumber by all operators amounted to an estimated 3,301,371,000 board feet as compared with 3,136,719,000 the year before.

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Food chain stores sold \$770,953,000 worth of products last year, \$67,696,000 or nearly 10% more than in 1952.

HEADS OF MISSIONS: The Secretary of State for External Affairs on March 1 announced two appointments of Heads of Canadian Missions in Europe. Mr. George L. Magann, who is at present Canadian Ambassador in Greece, has been appointed Canadian Ambassador to Switzerland, succeeding Dr. Victor Doré who has retired from the diplomatic service. Mr. T.W.L. Mac Dermot, who is at present the High Commissioner for Canada in South Africa, has been appointed Canadian Ambassador to Greece.

Mr. George Loranger Magann was born in Toronto, Ontario, in 1892 and was educated at the Royal Military College and the University of Toronto. He joined the Canadian Field Artillery in August 1914 and served with the 1st Canadian Division in France and Belgium until 1918. He was wounded and mentioned in despatches. After the war he established the firm of G.L. Magann & Co., and also served as a director of industrial corporations.

Mr. Magann joined the Department of External Affairs in 1941 as special assistant to the Canadian Minister in Washington, and subsequently served in Paris and Ottawa. He was appointed Canadian Ambassador to Greece in August 1949. Mr. Magann served as Canadian representative in the exchange of disabled prisoners of war at Barcelona and Gothenburg, 1944 and at Marseilles, 1945. He attended sessions of the Inter-Governmental Committee on Refugees, Paris, 1945, the League of Nations Assembly, Geneva, 1946, and the Executive Committee and General Council of the International Refugee Organization, Geneva, 1950 and 1951.

Mr. Terence William Leighton MacDermot was born in Jamaica, British West Indies in 1896. A graduate of McGill and Oxford Universities, Mr. MacDermot taught at Lower Canada College and at McGill University, and was Principal of Upper Canada College from 1935-42. He served overseas in the First World War with the Canadian Army and in the Second World War was seconded to Royal Military College as Lieutenant-Colonel in charge of the Civil Affairs Staff Course.

Mr. MacDermot joined the Department in 1944 as special assistant to the Under-Secretary of State for External Affairs and in 1946 served on loan as special assistant to the United Nations Director of Personnel. He attended the UNESCO conference in London in 1945 and the United Nations General Assembly, New York, 1949. He was appointed High Commissioner for Canada in South Africa in August 1950.

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SHIPBUILDING: Canadian shipyards did \$82,757,815 worth of shipbuilding in 1952, more than in any year since 1945 and \$39,588,347 or nearly 92% more than in 1951, the Dominion Bureau of Statistics reports in its latest edition of The Shipbuilding Industry.

EXPORTS, IMPORTS OFF: Canada's foreign commodity trade fell off sharply in January, both exports and imports not only declining as usual from December values but dropping substantially below those of January last year, according to preliminary summary figures for the month released by the Dominion Bureau of Statistics. The drop in value of exports exceeded that of imports.

Total exports in the month were valued at \$265,400,000, down from \$361,000,000 in December and \$55,900,000 or 17.4% below the value of \$321,300,000 for January last year. Commodity imports had an estimated value of \$281,900,000 as compared to \$338,800,000 in the previous month and \$327,800,000 a year earlier, making a decline of \$45,900,000 or 14% from January, 1953. The result was an increase in the estimated import surplus to \$16,500,000 as against one of \$6,600,000 last year.

Exports to the United States in January declined to \$160,100,000 from \$191,700,000 a year ago, accounting for over half of the total decline. Imports from the United States, however, showed a greater drop in value, falling to an estimated \$204,500,000 from \$249,200,000. The import surplus in trade with the United States was thus reduced to \$44,400,000 as compared to \$57,500,000 for January last year.

Commodity sales to the United Kingdom were also down to \$38,100,000 as compared to \$49,500,000 last year, while the estimated value of imports from the United Kingdom showed a smaller decrease to \$28,800,000 as against \$30,500,000, the month's export surplus being practically halved at \$9,300,000 compared to \$18,900,000 last year. Trade with other Commonwealth countries showed a similar trend, exports falling markedly to \$12,100,000 from \$17,300,000 and imports declining slightly to \$9,000,000 from \$9,400,000.

Exports to all remaining countries also fell to \$55,100,000 from \$62,800,000 last year, but imports were up to \$39,600,000 from \$38,700,000.

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\$500,000 TO U.N. CHILDREN'S FUND: The Canadian Government's contribution of \$500,000 to the United Nations Children's Fund for the year 1954, subject to parliamentary approval, was announced on March 1 by Mrs. D.B. Sinclair, Executive Assistant to the Deputy Minister of National Health and Welfare, at the meeting of the Fund's Executive Board in New York. The Board normally meets at this time of year to receive reports on the activities of the Fund and to make allocations for future programmes.

The Canadian Government has already contributed \$8,375,000 to the Fund since its establishment. In addition, voluntary contributions from individuals in Canada of approximately \$1,500,000 have been sent to the Fund.

GOVERNMENT



CANADA

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WEEK'S EVENTS IN REVIEW

THE GOVERNMENT OF CHINA: In reply to questions by the Leader of the Opposition, Mr. George A. Drew, the Secretary of State for External Affairs, Mr. L.B. Pearson, made a statement in the House of Commons on March 10 on the comments of the Prime Minister in Korea and the Philippines in regard to the Communist Government in China.

He said:

"The Prime Minister has stated that, as accurately as he can recollect, and this corresponds with notes that were taken at the time, the immediate recognition of the Communist Government of China, as a government which had been committing aggression against the United Nations, was not under consideration. The Prime Minister then went on to state that, however, it was necessary to be realistic in regard to this matter and that no doubt in due course we would have to recognize any Government of China which the Chinese people themselves recognized as their Government, regardless of whether we liked the Government or not.

"He added that if there was to be any solution to problems in which China was directly involved, and which could not be settled with-

out co-operation from the Chinese Government in control of that country, it seemed clear we would have to deal with that Government. That, concluded the Prime Minister, was merely common sense and did not mean in any way the acceptance of responsibility for or the giving of endorsement to the actions or views of any particular regime."

Mr. Drew asked about words attributed to the Prime Minister in a press report, "that we would be bound to recognize the Government that the people want".

Mr. Pearson replied on this point:

"The words to which my hon. friend refers were in another reported statement made by the Prime Minister on arriving at the Philippines, and I am not questioning the accuracy of that particular report. As my hon. friend has stated, it was to the effect that sooner or later we are bound to recognize the Government that the people want in China. Of course, Mr. Speaker, we do not know whether the people of China now have the Government they want, because it is a Communist Government and a Communist Government, or indeed any totalitarian Government, does not give the people an opportunity to express their views freely on the form of Government they have."

VOCATIONAL TRAINING: A programme of vocational training especially adapted to northern conditions, to be put into effect this year, was announced on March 10 by the Minister of Northern Affairs and National Resources, Mr. Lesage.

The provision of adequate vocational training for residents of the far North has always presented a problem to those responsible for northern administration. In the past young men and women living in the Northwest Territories and wishing to qualify as mechanics, electricians, stenographers, or in any one of a dozen related skills, have found it difficult to get the required training without going a long way from home.

In future they are going to receive some practical help in solving the problem, Mr. Lesage said. Provision of the training facilities required to prepare the youth of growing communities to serve the needs of those communities is a further step in the overall programme of northern development now going forward.

PROVIDE OPPORTUNITIES

The programme, which is being developed by the Education and Welfare Services of Northern Affairs, will enable those who live in the Territories to qualify in commercial subjects, apprenticeship skills, and as nurses' aides. The aim is to provide opportunities to the children of residents of the Territories to acquire training and to provide employers with a local reservoir of skilled labour.

In Yellowknife, for example, the largest settlement in the North, and at Fort Smith, the administrative centre for the Territories, the demand for trained office workers, automotive engineers, plumbers, carpenters and equipment maintenance personnel can only be met by bringing in people from the provinces. The same situation in a degree exists in other communities in the North.

Last summer, at the request of the Department of Northern Affairs and National Resources, officials of the Department of Labour and of the Alberta Department of Education carried out a joint vocational training survey in the south of the Mackenzie District. An occupational survey was also made by Northern Affairs to find out, from employers, what job opportunities exist or are likely to develop in the area.

Cost of the commercial portion of the programme will be shared equally by the Northwest Territories Council, the Department of Labour and Yellowknife School District No. 1.

* * * *

37,430,938 pairs of leather footwear were made in 1952, more than in any other year except 1945 and 1946 and 4,323,778 pairs of 13% more than in 1951. Peak year was 1946 when 42,926,080 pairs were made.

NEW RCN TRAINING PLAN: Approval has been given for the immediate implementation of a new plan for the procurement and training of junior officers for the Royal Canadian Navy, the Minister of National Defence, Mr. Claxton, announced in the House of Commons on March 8.

Entitled the "Venture Plan", it offers a seven-year short service appointment to young men between 16 and 19 years of age possessing the necessary qualifications. The latter include Junior Matriculation, or the equivalent.

Cadets who show a desire to make the Navy their career may later obtain permanent commissions if they have the necessary qualifications. Up to now the Navy has been obtaining its junior officers from the Canadian Services Colleges, the Universities and the "lower deck".

The "Venture Plan" has been devised to meet the continuing demand for officers arising out of the expansion of the Royal Canadian Navy. It does not replace any of the existing officer-entry plans, but supplements them.

A training establishment, to be named HMCS "Venture", will be commissioned in the naval dockyard at Esquimalt, B.C. Existing resources in West Coast naval establishments will be utilized to provide living quarters, classrooms and facilities for training and recreation.

* * * *

PETROLEUM RISE: New high record quantities of petroleum products were used for heating residences and buildings and for cooking and lighting in Canada in 1952, according to results of the Bureau's annual survey. The year's total amounted to 1,220,200,000 gallons, 17% above 1951's 1,042,500,000, and nearly nine times as large as in 1942. Consumption has nearly doubled since 1949 when 655,600,000 gallons were used.

An additional 1,705,400,000 gallons were used in 1952 for industrial purposes, as fuel for tractors and other motor vehicles, railways, fuel for ships and boats, as compared with 1,598,000,000 in 1951. This brought the year's total usage to 2,925,600,000 gallons as compared with 2,640,500,000 in 1951.

Consumption of heavy and medium fuel oils by Canadian users in 1952 totalled 1,418,000,000 gallons, up from 1,362,000,000 in 1951.

Consumption of furnace oils and other light fuel oils amounted to 837,000,000 gallons, sharply above the preceding year's 668,000,000. The amount used for heating homes and buildings and for lighting and cooking climbed to 724,000,000 gallons from 583,000,000, and for industrial purposes as fuel or material to 99,600,000 gallons from 68,500,000.

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3,352,366 telephones were in service in Canada at the end of 1952, nearly 8% more than in 1951 and almost twice as many as a decade earlier.

DOMESTIC EXPORTS LOWER IN JANUARY

DOWN 23 P.C. TO U.K.: Figures on Canada's export trade in January by main commodity items and countries, released on March 5, show that reduced shipments of wheat, newsprint, planks and boards, motor vehicles, farm machinery, base metals (except aluminum) accounted for most of the decline of \$55,900,000 in the month's trade from a year earlier reported in summary figures issued two days ago. Sales to all main markets or groups of countries were lower, with the exception of European countries.

17.4 PER CENT DROP

Total exports in January were valued at \$265,400,000 as compared to \$321,300,000 in January last year, domestic exports amounting to \$260,700,000 as against \$317,300,000. Most of the drop of 17.4% in value was due to a reduction of about 15% in volume, prices of exports averaging about 3% less than a year earlier.

Domestic exports to the United States fell by \$31,253,000 or nearly 17% from \$188,590,000 to \$157,067,000. Largest decrease in shipments to the United States was in the wood and paper group, down from \$88,278,000 to \$71,149,000. Exports in the non-ferrous metals group were also sharply lower at \$28,238,000 compared to \$35,911,000, and substantial decreases were recorded as well for iron and products at \$10,598,000 against \$15,987,000 and agricultural and vegetable products at \$12,463,000 against \$15,799,000. Exports of animals and animal products, on the other hand, rose to \$14,874,000 from \$12,352,000. There were small increases in fibres and textiles and non-metallic minerals and minor decreases in chemicals and the miscellaneous group.

ARMY, RCAF CHANGES: Three changes in senior appointments involving the Army and the RCAF will take effect in August, 1954.

Major-General J.D.B. Smith, CBE, DSO, CD, presently Chairman, Canadian Joint Staff, London, and Canadian National Military Representative to Supreme Headquarters Allied Powers Europe, will replace Air Vice Marshal Dunlap as Commandant of the National Defence College. Air Vice Marshal C.R. Dunlap, CBE, CD, now Commandant of the National Defence College, Kingston, Ont., will be transferred to Air Force Headquarters in Ottawa.

Air Vice Marshal D.M. Smith, CBE, CD, at present Air Member for Technical Services at Air Force Headquarters will replace Major-General Smith as Chairman, Canadian Joint Staff, London, and Canadian National Military Representative to SHAPE.

The month's sales to the United Kingdom fell nearly 23% to \$37,931,000 from \$49,235,000, with shipments lower for all except the generally small non-metallic minerals and miscellaneous groups. The major decreases were in agricultural and vegetable products, down to \$14,279,000 from \$17,166,000, and non-ferrous metals, off sharply to \$12,748,000 from \$17,776,000.

Domestic exports to all other Commonwealth countries declined to \$12,020,000 from \$16,974,000 last year, but most of the drop in the total was in shipments to countries in Asia, mainly India and Pakistan, which were down to \$2,114,000 compared to \$8,610,000, but exports to the Oceania group rose to \$4,380,000 from \$1,882,000 with most of the gain in shipments to Australia.

LATIN AMERICA

Shipments to the Latin American countries fell in January to \$10,156,000 as compared to \$18,225,000 last year, lower figures being recorded for all the major markets except Venezuela and most of the lesser markets. Largest decreases were in trade with Brazil, Cuba, Mexico, Panama and Peru. Exports to Venezuela showed a moderate rise in value.

With chief gains in shipments to the Federal Republic of Germany, the Netherlands, Norway and Switzerland, total exports to European countries advanced to \$22,573,000 as against \$21,521,000 in January, 1953. Exports were down to Belgium and Luxembourg, France and Italy. Total exports to the remaining foreign countries amounted to \$20,091,000 compared to \$21,096,000. Sales to Japan climbed to \$15,256,000 from \$11,188,000, largely offsetting decreases for most other countries.

* * *

DESTROYERS AT TOKYO: Arrangements have been made with United Nations authorities for the three Canadian destroyers serving with the UN Naval Command in the Far East to be at Tokyo, Japan, during the visit there of the Prime Minister of Canada, Mr. St. Laurent, this month.

This visit will mark the first time three Canadian destroyers have called at Tokyo at one time. It will also be the first visit to Tokyo for the Haida, Cayuga and Crusader during their current tours of Korean duty. The Haida and Crusader have each served one tour previously in the Far East while the Cayuga is now doing her third stint with the UN fleet.

* * *

Milk production in Canada totalled an estimated 16,424,800,000 lbs. last year, up 4.4% from 15,734,603,000 in 1952.

MINIMUM WAGE LAWS: The Minister of Labour, Mr. Gregg, announced on March 1 that during 1953, there had been an increase in the protection provided for workers under minimum wage laws, particularly in four of Canada's ten provinces. The Minister made the statement while announcing the publication of the 1953 revision of the bulletin, "Provincial Labour Standards".

The four provinces in which important changes were made were Saskatchewan, Quebec, Newfoundland, and Nova Scotia. In Saskatchewan the provincial Minimum Wage Act was expanded to cover the entire Province. In the larger centres, the minimum wage is now \$26.00 a week, while the minimum rate for the rest of the Province is \$24.50 weekly.

In Quebec, General Minimum Wage Order 4 was revised to bring about an increase in the minimum rate for workers in the smaller centres. The general minimum rates are now 51, 46, and 41 cents an hour for the three zones in the Province.

In Newfoundland, the first order under the Minimum Wage Act went into effect and established a minimum rate of 50 cents an hour for male workers 18 years of age and over in all occupations except farming and market gardening.

Nova Scotia set a minimum rate of 35 cents an hour for women workers in the fish processing industry.

Other important changes during the year were made in benefits under the provincial Workmen's Compensation Acts. The monthly allowance for widows in Ontario was raised from \$50.00 to \$75.00 and children's allowances went up from \$12.00 to \$25.00. In Manitoba, children's allowances were raised from \$12.00 to \$20.00, and in Nova Scotia, they increased from \$15.00 to \$20.00. For orphans, the allowance is now \$30.00 a month in Manitoba and Nova Scotia, and \$35.00 in Ontario.

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23,000 NEW JOBS: Expansion of Canadian manufacturing plants during 1953 created an estimated 23,000 new jobs for Canadian workers, it was made known on March 1 by the Minister of Labour.

This total of 23,000 new jobs in 1953 was exceeded only in 1952 when additional labour requirements resulting from expansion to manufacturing capacity, particularly in the aircraft industry, produced 34,000 new jobs. These figures were brought to light as a result of an annual survey of the effects of plant expansion on labour requirements, the Minister explained.

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Portland cement shipments have steadily increased since the war. Last year's all-time peak of 22,224,314 barrels was 3,704,176 or 20% above the 1952 movement, nearly three times 1945's shipments.

1,500 TONS OF COD FOR U.N. RELIEF WORK: The Department of External Affairs announced on March 8 that the Canadian Government has contributed an additional 1,500 tons of Canadian salted cod valued at \$450,000 to the United Nations Emergency Relief Programme in Korea. This is the second Canadian contribution of Canadian codfish to this Programme, the first having been made in the autumn of 1953 in the amount of 1,000 tons valued at \$300,000.

The emergency Relief Programme in which 36 countries are participating, was inaugurated by the United Nations Command shortly after the outbreak of hostilities in Korea. Its aim is to provide immediate relief to the Korean people in the form of food, clothing, medicine, etc. This Programme is in addition to the long-range reconstruction programme carried out by the United Nations Korean Reconstruction Agency in which Canada, together with 33 other countries, participates and towards which the Canadian Government has contributed \$7,250,000.

The salted cod will be shipped to Korea from Halifax and St. John's within the next few weeks.

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TOP TELEPHONE TALKERS: Although still ranking behind the United States and Sweden in number of telephones per hundred population, Canada now leads the world in number of telephone conversations per capita, the Dominion Bureau of Statistics reports.

The Bureau's latest tabulations of telephone statistics reveals that while Canada had 23 telephones per hundred population in 1952 against 30 in the U.S. and 26 in Sweden, Canadians averaged 389 calls each during the year as compared with 382 per capita in the U.S. and 306 per capita in Sweden. In 1951 Canada had 22 telephones per hundred population against 29 in the U.S. and 25 in Sweden, and tied with the U.S. for first place with 376 calls per capita.

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R. C. E. HONOURED: Brigadier James L. Melville, CBE, MC, ED, ADC, of Ottawa, Colonel Commandant of the Corps of Royal Canadian Engineers, has been elected an honorary member of the Institution of Royal Engineers. The only other Canadian honorary member of the society is General A.G.L. McNaughton.

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The last of the "old faithful" Avro Anson aircraft that played such a vital part in the British Commonwealth Air Training Plan are being retired from RCAF service, Air Force Headquarters announced on March 4.

* * * *

330,731,000 sq. ft. of plywood were produced last year, 197,557,000 or 31% more than in 1952.

NORTH AMERICAN FORMULA FOR PEACE

MR. MARTIN IN NEW YORK: "If the world wants a formula for peace, it should look to this continent," said the Minister of National Health and Welfare, Mr. Paul Martin, in an address to the Economic Club of New York on March 9.

"Here the United States and Canada have proved to all peoples that two nations can live together side by side, not in fear but in friendship," he added. "Over the years, our two countries have demonstrated again and again the value of getting together on problems of mutual concern.

"It seems to me that the real significance of United States-Canadian relations is that, for a century and a third, we have had peace in spite of differences - friendship in spite of difficulties. It is a comparatively simple thing, you know, to keep the peace when there is nothing to quarrel about. Well, we have had our disputes; but we have settled them! Sometimes we have had to talk frankly to one another, but by calm discussion we have managed to solve every problem that has threatened our friendship.

ROUSE'S POINT FORT

"A case in point was Rouse's Point. This was the name given to an American fort constructed about a hundred years ago which was found - to the great embarrassment of the United States Government - to have been built on Canadian soil as the result of a surveyor's mistake. In some parts of the world this discovery would have touched off an 'incident' and might conceivably have led to war. But Canada simply moved its border back a bit so that your people wouldn't have to bother tearing down the fort.

"I don't know whether the aggressive surveyor was fired as a 'subversive' for this act of 'territorial expansion' but, in return, your country has seen to it that there hasn't been a loaded gun in the fort ever since.

"At the present time, Canadians are worried - perhaps that is too strong a word - about a more serious problem. As a people whose prosperity depends to a considerable extent on foreign trade, we are somewhat concerned about your long-term commercial policies. For this reason, we welcomed President Eisenhower's statement in Ottawa last November:

"The free world must come to recognize that trade barriers, although intended to protect a country's economy, often in fact shackle its prosperity. In the United States there is a growing recognition that free na-

tions cannot expand their productivity and economic strength without a high level of international trade....

"A week from today the first meeting will be held in Washington of the Joint United States-Canadian Committee on Trade and Economic Affairs. This Committee, originally proposed by our Prime Minister during his Washington visit last May, will provide an opportunity for our two Governments to consider at the ministerial level those steps that can properly be taken to improve economic relations and to encourage the flow of trade between our countries - having due regard for the interests of other nations."

The Minister then proceeded to give an outline of Canadian post-war expansion, saying, in part:

EXPANSION PERIOD

"Since the end of World War II, the Canadian economy has undergone a greater expansion than at any previous time in its history. Indeed, Canada, in the last eight or nine years, has experienced a rate of business and industrial development never before achieved by a nation of 15,000,000 people. Translated into human terms this has meant higher standards of living, increased leisure and a vast improvement in the health and well-being of our people.

"Since 1945 Canada has doubled its national production, an increase in real terms of 24 per cent; witnessed the greatest investment activity in its history totalling some \$30 billions; kept its finances in a state of solvency while most governments were keeping their books with red ink; invested a dollar abroad for almost every dollar invested in Canada; and set new production and employment records and provided its people with the highest real incomes in their history.

"And we Canadians feel that our period of expansion is not yet over. On the contrary, in spite of certain temporary set-backs and adjustments in particular industries or localities, we have confidence in the continuation of high levels of economic activity throughout 1954 and for some time to come. And we hope that your people share in that confidence - as many who have invested in our future obviously do. For 1954, we forecast a capital expenditure programme of \$5.8 billions - roughly 3 per cent above the previous record achieved last year...."

He then went on to discuss Canadian and U.S. economic policies, social measures, defence effort and hopes for peace.

HUDSON BAY ROUTE: The Minister of Transport, Mr. Lionel Chevrier, thinks that "the Hudson Bay Route is now coming into its own" and that the Port of Churchill may "become a strong contender for third rank as a grain exporting port in Canada."

Discussing the Hudson Bay Route before the Saskatchewan Association of Rural Municipalities on March 10, the Minister said that "our experiences in the marketing of the large Western grain crops of the last few years have been such as to impress upon us the real value of the Port of Churchill. During a period of storage and shipping bottlenecks, the Hudson Bay Route has functioned as a safety-valve; it has helped to ease the pressure on the heavily taxed routes that pass through the Lakehead."

Every post-war year has been a record-breaking year on the Hudson Bay Route, Mr. Chevrier said. Tonnage handled on the railway had grown from 80,000 tons in 1946 to nearly 420,000 tons in 1953. Nearly 11,000,000 bushels of grain were exported from Churchill in 1953 as compared with around 3,000,000 bushels in 1946.

Mr. Chevrier further said that "its importance is such that we have already announced plans to extend elevator capacity at Churchill, the work to get underway this year. The elevator capacity at the port is to be raised from 2,500,000 bushels to 5,000,000 bushels at an estimated cost of \$2,000,000. Without any increase in grain handling and loading facilities, this additional capacity should enable the port to clear as much as 20,000,000 bushels in a season". This, he said, "would enable Churchill to become a strong contender for third rank as a grain exporting port in Canada behind Montreal and Vancouver. Its effectiveness as an aid to the orderly marketing of Western grain would be correspondingly increased".

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Public hospitals with an approved school of nursing decreased by six to 153 in 1952, continuing the trend evident since 1934. However, the number of students graduated rose 9% to 4,569, and facilities were available for another 1,150 or 25% more.

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Canada's population increased by 386,000 or 2.6% last year, totalled an estimated 15,035,000 at January 1. The 1952 gain was slightly larger at 388,000 or 2.7%.

IMMIGRATION UP 44 PER CENT: The Department of Citizenship and Immigration on March 9 reported a 44 per cent increase in January arrivals to 8,080 from 5,627 a year ago.

The analysis of arrivals showed that immigrants of English, Irish, Scottish and Welsh origin rose by 68 per cent to 2,654 in January from 1,576 a year ago. North European arrivals were up 43 per cent to 2,182 from 1,525. Arrivals from other countries increased 40 per cent to 2,494 from 1,779.

Dependent wives and children totalled 3,467 and other dependents 292. Those immigrants going to jobs numbered 4,321. Manufacturing, mechanical and construction work absorbed 1,086. About 28 per cent of arrivals - 2,308 - were under the age of 19.

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BANK NATIONALIZATION REJECTED: By a vote of 171 to 21 the House of Commons on March 9 overwhelmingly defeated a proposal by the C.C.F. group that consideration be given to the nationalization of Canada's banks. The submission was made by the C.C.F. Leader, Mr. M. J. Coldwell, during consideration of banking legislation.

All other parties voted against the proposed amendment, which read as follows:

"That Bill No. 338 be not now read a second time but that it be resolved that in the opinion of this House consideration should be given to the national ownership and public control of the chartered banks."

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AUTO SALES DOWN: Only 23,133 new motor vehicles were sold in Canada during January, 7,070 or more than 23% fewer than last year, the Dominion Bureau of Statistics reported March 9. Retail value was off 21% at \$59,137,000 against \$75,031,000.

The slump hit both passenger cars and commercial vehicles. Car sales were 20% under the 1953 level at 18,507 versus 23,142, while truck sales were almost 35% fewer at 4,626 versus 7,061. Retail value was off 18% for cars to \$46,736,000 from \$57,124,000, 31% for trucks to \$12,401,000 from \$17,907,000. The January sales drop was less pronounced in Ontario and Quebec than elsewhere.

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A record \$18,522,000 worth of jewellery was produced in 1952, some \$2,112,000 worth or 13% more than in 1951.



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WEEK'S EVENTS IN REVIEW

MR. PEARSON'S WASHINGTON SPEECH: "Agreement, after consultation and discussion, is, to put it bluntly, necessary, if this policy of preventing aggression by the threat of immediate and overwhelming devastation, is to work collectively," the Secretary of State for External Affairs, Mr. L.B. Pearson, said in an address to the National Press Club, Washington, D.C., on March 15, in discussing U.S. defence policy as enunciated by Mr. Dulles on January 12.

The following is partial text of Mr. Pearson's address:

As your Chairman has said, I am the Foreign Minister of Canada; the country to your north from which come the cold waves in winter and the cool spells in summer; and which, in the minds of some people in this country, is still inhabited largely by Eskimos, Mounties, trappers and Rose Marie.

In more sober fact, Canada is now an up-and-coming nation, on the march to a great destiny, if there is any destiny except destruction for any country in this age of anarchy and the atom....

We are now the third world trader. We bought from you some \$3,230 million worth of goods last year, more than you sold to the whole of South America; a fact which would give us more pleasure if your 165 millions of people would buy as much from us. In the face of the facts about our trade balances with you, we find it difficult to understand ap-

peals for "protection", when we show signs of competing successfully in this market with some of your own producers.

Your financial, as well as your trading stake in our country is great. . . . Today one-third of all your direct private investment outside the United States - which totals about 16 billion dollars - is in Canada; four times as much as in any other country.

You have also a stake in our political development and in our defence plans, because what we do in this regard, while in no way comparable with the effect of your policies and plans on us, has for you a growing importance.

This is often obscured by a benevolent ignorance of our circumstances, our views, and our problems. . . . Normally, I fear, Canada means to most people in this country merely a lot of geography, a rather unexciting history, from colony to nation without even a war of independence, symbolized, so far as its relations with the United States are concerned, by peace bridges and an unfortified border.

There is a deep and sincere friendship between our two peoples. . . . Nevertheless, this good relationship cannot safely be left to itself.

Ours is a unique relationship in its closeness and intimacy. Every day more than 140,000 people cross our common boundary. The great mass of them do so without difficulty or much formality, but unfortunately, a small but

(Continued on P. 4)

JOINT U.S. - CANADIAN ECONOMIC COMMITTEE

TEXT OF COMMUNIQUE: Canada and the United States agreed at the first meeting of the Joint United States-Canadian Committee on Trade and Economic Affairs, held in Washington on March 16, "that any extraordinary measures that might be adopted to reduce (agricultural) surpluses should result in greater consumption and should augment, and not displace, normal quantities of agricultural products entering into world trade".

Following is the text of a joint communique issued simultaneously in Ottawa and Washington on March 17:

"The purpose of the meeting was to provide an opportunity for United States and Canadian Ministers to examine the trade and economic problems that are common to both countries.

"The Ministers noted that the flow of trade between Canada and the United States is greater than that between any other two countries. They discussed various aspects of present trade relations and agreed on the desirability of avoiding any action which would interfere with this trade from which the two countries derive such great benefits.

COMMON PROBLEMS

"Since the common economic problems of Canada and the United States can be solved with greatest success in a world where the volume of trade is steady and increasing and where exchange arrangements are of a kind to facilitate such growth, consideration was given throughout the discussions to the need for action towards freer trade and payments on a broad front. It was agreed that few things would contribute more to the well-being and stability of the free nations of the world than a forward move in this direction. The need for such progress seemed all the greater at a time when many western countries are faced with the necessity of supporting effective defence programmes over a long period.

"The United States and Canadian Ministers found encouragement in many of the economic developments that have taken place over the past year. They noted that the gold and dollar reserves of other countries generally have been rising; that there has been a marked improvement in the internal economic stability of many countries; and that these favourable developments have made possible some relaxation of import restrictions. Nevertheless, it was agreed that the recovery to economic health has not progressed equally for all countries. What is needed, it was concluded, is the creation of a more flexible system of trade and payments throughout the world which would offer greater resilience to changing circumstances and which would contribute dynamically towards rising standards of living. It was agreed that much of the necessary preparation for such an advance has already been

accomplished by the work of the Commission on Foreign Economic Policy in the United States, by the proposals of the Commonwealth Economic Conference, and by discussions within the organization for European Economic Co-operation.

"In the meantime, it was agreed that it is essential that pressing, but possibly temporary, economic problems should not be solved by expedients which might make more difficult the advance on a broad front that was held to be necessary. One immediate problem which received close consideration was that raised by the accumulation of large agricultural surpluses. Special incentives and favourable weather conditions have operated in varying degrees to enlarge these surpluses. The Ministers of both countries recognized that if surpluses were to be disposed of without regard to the impact on normal trade, great damage might be done not only to the commerce of Canada and the United States but also to the world economy. The Ministers reaffirmed that it is the continuing policy of their respective governments, in disposing of agricultural surpluses abroad, to consult with interested countries and not to interfere with normal commercial marketings. They stated that it is their settled intention that any extraordinary measures that might be adopted to reduce surpluses should result in greater consumption and should augment, and not displace, normal quantities of agricultural products entering into world trade.

FREER SYSTEM

"In advancing toward a freer system of world trade and payments, it was agreed that existing international organizations would continue to play an important role. The valuable work already done by the International Monetary Fund, the International Bank, and the Contracting Parties of the General Agreement on Tariffs and Trade, was recognized. Ministers noted with satisfaction the arrangements which have recently been made within the Fund to enable its resources to be used more effectively. Acknowledgment was also made of the useful service that has been performed by GATT in developing a code of commercial conduct and in providing a forum where multi-lateral tariff agreements could be negotiated and where the problems of commercial policy could be discussed.

"It was appreciated that it is for countries whose currencies are now inconvertible to decide when and under what circumstances they might wish to make them convertible. It was also realized that enlightened economic policies on the part of the United States and Canada will materially contribute to establishing and maintaining broader freedom of trade and payments throughout the world. Be-

cause of the importance of that objective, the United States and Canadian Ministers warmly welcomed the evidence of a desire in many countries to take decisive steps toward the restoration of a broad area of convertibility, and expressed a willingness to do their part to help in making such a movement successful.

"The discussions at this meeting of the Joint Committee were marked by the friendliness and candour which are characteristic of relations between the two countries. At the invitation of the Canadian Ministers the second meeting of the Joint Committee will be held in Ottawa."

The United States was represented by: Hon. John Foster Dulles, Secretary of State; Hon. George M. Humphrey, Secretary of the Treasury; Hon. Ezra Taft Benson, Secretary of Agriculture; Hon. Sinclair Weeks, Secretary of Commerce.

Canada was represented by: Rt. Hon. C.D. Howe, M.P., Minister of Trade and Commerce and Defence Production; Rt. Hon. James Garfield Gardiner, M.P., Minister of Agriculture; Hon. Douglas Charles Abbott, M.P., Minister of Finance, and Hon. L.B. Pearson, M.P., Secretary of State for External Affairs.

In addition to the members of the Joint Committee, Governor Adams, the Assistant to the President, the Honourable Douglas Stuart, United States Ambassador to Canada, and Dr. Gabriel Hague, Economic Assistant to the President, participated in the discussions.

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TRAVEL DEFICIT: Visitors to Canada and Canadian travellers abroad both spent record amounts last year but for the third year in a row Canadian travellers spent more in other countries than foreign travellers spent in Canada, the Dominion Bureau of Statistics reported on March 15.

The Bureau's first estimates of international travel expenditures in 1953 show that Canadian travellers spent \$365,000,000 - the equivalent of \$1,000,000 a day - in other countries, \$24,000,000 or 7% more than in 1952, while visitors to Canada spent \$302,000,000, up \$27,000,000 or 10% over 1952 and 6% more than the previous peak of \$285,000,000 in 1949. The resulting debit balance on travel account with all countries was \$63,000,000 and compared with debits of \$66,000,000 in 1952 and \$6,000,000 in 1951, and credit balances of \$49,000,000 in 1950, \$92,000,000 in 1949 and the peak of \$145,000,000 in 1948.

For the second straight year Canadian travellers last year spent more in the United States than American visitors spent in Canada, but the debit balance on travel account with the United States was reduced 32% to \$25,000,000 from \$37,000,000 in 1952. It compared with credit balances of \$12,000,000 in 1951, \$67,000,000 in 1950, \$102,000,000 in 1949 and the peak of \$154,000,000 in 1948.

During 1953 Canadian travellers spent a record \$307,000,000 south of the border, \$13,000,000 or 4% more than in 1952, while American visitors spent an all-time peak of \$282,000,000 in Canada, \$25,000,000 or 10% more than in the preceding year.

Canada's traditional debit balance on travel account with overseas countries last year climbed 31% to an all-time high of \$38,000,000 from \$29,000,000 as expenditures by Canadian travellers jumped by \$11,000,000 or 23% to a record \$58,000,000, while expenditures in Canada by visitors from overseas countries increased by \$2,000,000 or 11% to \$20,000,000.

Visitors from the United States arriving in Canada by all means of transportation except rail spent more money last year than in 1952. Expenditures by those travelling by auto rose to \$159,000,000 from \$143,000,000; by bus to \$23,000,000 from \$18,000,000, by boat to \$16,000,000 from \$14,000,000, and by plane to \$25,000,000 from \$22,000,000. Expenditures by Americans arriving by rail declined to \$44,000,000 from \$46,000,000. Those entering the country by other means spent \$15,000,000 as against \$14,000,000.

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RECORD BORDER TRAFFIC: The volume of highway traffic crossing the border into Canada from the United States reached a new peak in 1953, with a total of 13,786,500 vehicles passing through the 148 ports of entry, according to the Bureau's year-end summary in its monthly report of border travel covering December. This total is 1,167,000 or 9% over the previous record in 1952, and was made up of 8,607,800 vehicles of foreign registry entering Canada and 5,178,500 of Canadian registry returning from the United States. Both foreign and Canadian vehicles contributed to the percentage gain in the same proportion.

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MORE UNEMPLOYMENT INSURANCE: Ordinary and supplementary benefit claimants on the live unemployment register totalled 494,831 on January 31, an increase of 103,798 or 26.5% over a month earlier and 140,171 or 39.5% more than on the same date last year, the Dominion Bureau of Statistics reported March 12.

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APRIL 6 BUDGET DAY: The Minister of Finance, Mr. Abbott, announced in the House of Commons on March 18 that he will present the new federal budget on Tuesday, April 6 at 8 p.m., EST.

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Under the federal plan to assist the provinces in developing their civil defence services, federal funds exceeding \$4,000 have been made available for Nova Scotia for the current fiscal year, it has been announced.

(Continued from P. 1)

MR. PEARSON'S WASHINGTON SPEECH

by no means negligible number on our side find they are running into difficulties concerned, though, as we see it, often not very importantly concerned, with security. It would be a sad day, and not only for our after dinner speakers, if our boundary became a sticky one and difficult to cross.

Most Canadians, unless they speak French, are hardly distinguishable from Americans. Differences between a Georgian and Minnesotan are often superficially greater than those between a Chicagoan and a Torontonion. But this very intimacy has its dangers. It means that our disagreements, when we have them, take on a sort of family character.

May I give you a personal example. If some European journalist or lecturer said or wrote that Canada's External Affairs Minister was a 'Pink', I wouldn't hear much if anything about it, I suppose; and if I did I would put it down to the childish ignorance of some benighted foreigner. If a comparable American said the same thing, it wouldn't even have to be translated, and would get in the Canadian papers. My reaction, until my better self asserted itself, would be almost a domestic one. "He can't do that to me. Didn't I tell the Rotary Club at Washington's Corners only last week that I was heart and soul with the great United States in the struggle against communism?"

AMERICAN NEWS

Also, your closeness to us in so many ways, coupled with our dependence on you in so many ways, means that we read and see and listen to almost as much American news as you do yourself; and we follow it with the same intensity; with a mixture of admiration, anxiety and awe! Some of this news, which we get in such abundance, does not put you in a very good light, for we hear more often about your controversies than your colleges.

Furthermore, it would be a great mistake to think that, because our countries are so close, so alike in so many ways, we are identical in all things.

Our political system . . . is different from yours. That difference, to cite one illustration, shows itself in the way we deal with the danger of communist subversion. We leave that to the agencies of government appointed for that purpose, who work quietly and, we think fairly and effectively and normally without benefit of headline; and who are all responsible to some Minister. He in his turn is responsible to Parliament.

But there is another important aspect of our relationship; that which arises out of your position as the leader of a great coalition, determining issues which may mean peace or atomic war.

Canadian-United States relations, in this sense, are merely part of the relations be-

tween members of a coalition of which by far the mightiest member is the United States, but in which Canada is now strong enough to make a contribution of some importance; one which we think entitles us to an appropriate share in the responsibility of making those decisions which affect us.

We realize, of course, that by far the greatest share of the burden is borne by this country; that American power will be decisive in defeating aggression just as its policies are of primary importance in preventing it. Consequently we recognize that there have been and will be occasions when, in case of differences, the views of the United States should prevail in the councils of the coalition.

Canadians realize that we are very fortunate in that the shadow over us is an American and not a communist one; that our relationship is one of free partnership and not communist master and servant. We know also that when the United States has to make decisions that affect its friends, it will always do its best to consult with those friends. But that doesn't completely remove our anxiety over our present position, as a junior member of a coalition in a world poised uneasily on the very edge of an atomic abyss. Nor is this to be expected.

COLLECTIVE ACTION

Next time, there will be no gradual and individual wading into the cold waters of total war. It is more likely to be, for allies, a dive in together from the spring board of collective action.

Indeed, that is the very purpose of NATO, to ensure that in defence we act together and act at once, in the hope, founded on the lamentable experience of the past, that we may thereby not have to act at all.

Mr. Dulles, in a speech on January 12, which may turn out to be one of the most important of our times, announced, as a basic principle for defence action, a Washington decision, and I quote from his speech, ". . . to depend principally upon a great capacity to retaliate, instantly, by means, and at places of our own choosing".

From our point of view, it is important that the "our" in this statement should mean those who have agreed, particularly in NATO, to work together and by collective action, to prevent war or, if that should fail, to win it.

But what effect will that have on the other words "instantly" and "means"?

Collective action means collective consultation but that must be reconciled with the necessity for swift and effective action. This reconciliation is not always easy, even within a single government. It is less easy between governments.

Diplomacy, now more necessary than ever, includes two things; first the effort, patient and persistent, to settle differences with those whom we rightly fear, though at times,

with a fear that seems to freeze us into diplomatic immobility or fire us into something almost like panic.

Secondly, there is the other kind of diplomacy, now also more important than ever: the search for agreement between friends on policies and tactics and timing, so that "our choosing" will mean an agreed collective decision, without prejudicing speedy and effective action in an emergency. Indeed, such agreement, after consultation and discussion, is to put it bluntly, necessary, if this policy of preventing aggression by the threat of immediate and overwhelming devastation, is to work collectively. . . .

It is essential that we work together in any new defence policy - or we have already been working together - if the great coalition which we have formed for peace is not to be replaced by an entrenched continentalism which, I can assure you, makes no great appeal to your northern neighbour as the best way to prevent war or defeat aggression, and which is not likely to provide a solid basis for good United States-Canadian relations. . . .

* * * *

INVENTORY RISE 4%: Manufacturers' total investment in inventory increased almost 4% during 1953, rising to an estimated \$3,607,300,000 (on the basis of preliminary data) from a revised total of \$3,479,000,000 at the end of 1952, according to the December issue of the Bureau's monthly report on inventories, shipments and orders in manufacturing industries. The issue contains revisions of all data for 1952 and 1953, with the base for the monthly index series changed from the average 1947 values to December 1952 values.

Inventory investment, as shown by the revised estimates, remained practically unchanged from the 1952 year-end total during the first five months of last year, rose 3.6% by the end of August, fell off slightly until November, and moved up in December to slightly above the August total. Shipments during 1953 showed a 5% increase over the previous year's level for the first six months, rose 2% in the third quarter over the 1952 period, and fell off 1.5% in the last quarter, giving a total increase of 2.6% for the year.

The largest inventory changes during 1953 were increases of 14% in the durable consumers' goods industries, 8% in the construction goods industries, and 6% in the semi-durable consumers' goods group.

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CHEQUES TOTAL DOWN: Value of cheques cashed in 52 clearing centres across Canada was \$11,308,542,409 in January, 7% below the record high level of \$12,122,784,679 a year earlier. Four of the five economic areas reported lower values this year, and only 11 of the 52 centres recorded advances.

STRATEGIC MATERIALS CONTROL: A bill dealing with the control of strategic materials was introduced in the House of Commons on March 15 by the Minister of Trade and Commerce, Mr. Howe, who said:

"The Export and Import Permits Act expires July 31 of this year, Mr. Speaker. The purpose of this bill is to extend the act for a further period of three years, and to modify it and amend it in the light of changed conditions.

"When the Act was originally passed in 1947 our primary concern was to control the movement of scarce commodities in order to ensure adequate supplies on the domestic market. We also controlled the movement of strategic materials. Over the years the need to control supplies for the domestic market has decreased but the need for strategic controls has actually increased, in view of the co-operation now existing between NATO countries to control the movement of strategic commodities to Soviet bloc countries.

"The main new section of this bill has to do with this control of strategic materials. . . ."

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WORLD WHEAT SUPPLY: Supplies of wheat remaining on or about February 1 this year in the four major exporting countries for export and for carryover at the end of their respective crop years amounted to 1,907,500,000 bushels, some 26% greater than the 1,519,400,000 bushels available a year ago. This year's February 1 stocks were held as follows, with last year's figures in brackets: United States, 923,400,000 (682,600,000) bushels; Canada, 678,400,000 (558,000,000); Argentina, 156,200,000 (153,700,000); and Australia, 149,500,000 (125,100,000). Estimates for both years include on-farm stocks as well as those in commercial positions.

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STORE SALES: Dollar sales of three of six types of chain stores were larger in January than in January last year, while those of the other three were smaller. Grocery and combination stores had a gain of 9.5%, hardware stores 5.6%, and women's clothing stores a fractional increase of 0.7%. Sales of shoe store chains were down 6.6%, variety stores 4.9%, and drug stores 1%.

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FARM HELP WAGE: Male help on Canadian farms were earning averages of \$4.50 per day with board and \$5.90 per day without board at January 15, the Dominion Bureau of Statistics has reported. This was a drop from \$4.70 per day with board, but an increase from \$5.80 per day without board at mid-January last year. On a monthly basis average wage with board was up to \$88 from \$87 last year while average wage without board was unchanged at \$122.

WORKMEN'S COMPENSATION INCREASES

ALLOWANCES BETTERED: Amendments were made in 1953 to Workmen's Compensation Laws in seven provinces, but the most significant changes were in Manitoba, Nova Scotia, Ontario and Saskatchewan, according to the 1953 edition of the Department of Labour publication "Workmen's Compensation in Canada, A Comparison of Provincial Laws".

In Manitoba, following a review of the Act by a legislative committee, the Legislature directed that compensation for disability should be based on 70 per cent of the workman's average earnings, instead of 66 2/3 per cent. Further, it was provided that all widows who were receiving a monthly pension of less than \$50.00 should have their pension brought up to the present level of \$50.00 a month, regardless of the date of the accident or of the award of compensation. In enacting this provision, Manitoba followed the example set by the Alberta Legislature in 1952.

PROVINCE OF MANITOBA

Twenty dollars a month, instead of \$12.00 was fixed as the monthly allowance for a dependent child under 16 and \$30.00, instead of \$20.00, for an orphan. The burial allowance was raised from \$150.00 to \$200.00 and the Board given discretion to pay full expenses of transporting a workman's body within the Province, and part of the expenses when it is necessary to move the body into or out of the Province.

The Board was authorized to spend a definite sum - \$10,000 a year - for vocational training of injured workmen.

The Act was further amended to provide for the appointment of an officer of the Department of Labour to assist an injured workman at his request when he is not satisfied with the

disposition of his claim and wishes it to be re-opened and reviewed by the Board.

In Nova Scotia, the waiting period was reduced from seven to five days. The pension for a dependent child was increased from \$15.00 to \$20.00 a month and from \$25.00 to \$30.00 for an orphan and increases were made applicable to children in receipt of compensation on May 1, 1953, as well as to children who become eligible for compensation after that date. The minimum payment for temporary total disability was increased from \$12.50 per week or full earnings, if less, to \$15.00 a week or earnings.

PROVINCE OF ONTARIO

In Ontario, the monthly allowance to a widow was raised from \$50.00 to \$75.00. The allowance to each child under 16 was increased from \$12.00 to \$25.00 a month, and that to an orphan child from \$20.00 to \$35.00. These increases apply only to accidents happening after April 2, 1953. Other amendments permit coverage of Ontario workmen of an employer whose business is in Ontario while they are employed outside the Province for a longer period than six months (the previous limit allowed), and provide for the payment of compensation for accidents occurring outside the Province on an aircraft, truck or bus where employment is necessarily both inside and outside the province.

In Saskatchewan, the funeral allowance was increased from \$175.00 to \$250.00, and the Board was authorized to pay up to \$100.00 for transportation of the workman's body. The Board was also authorized to pay compensation for a recurring disability on the basis of the workman's present-day earnings if they are higher than his earnings were at the time of his original injury.

* * *

Canadian production of primary silver, primary lead and primary and refined zinc were all higher last year than in 1952, the Dominion Bureau of Statistics reports. Output of silver amounted to 28,330,251 fine ounces, 3,108,024 or 12% more than in 1952 and 5,204,426 or 22.5% more than in 1951. Primary lead output totalled 195,791 tons, 26,949 or 16% more than in the preceding year. Output of primary zinc was up about 8% to 400,041 tons from 371,802 in 1952, with increased production in all months except July and December.

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Amalgamations reduced the number of telephone systems by 16 to 2,888 in 1952, of which 78% were co-operatively owned systems, principally rural lines in Alberta, Saskatchewan, Ontario and Nova Scotia.

DIPLOMATIC IMMUNITIES: The extension to diplomatic representatives of the Commonwealth countries of the traditional immunities enjoyed by representatives of foreign states is proposed in a bill introduced in the House of Commons on March 12 by the Minister of Citizenship and Immigration, Mr. W.E. Harris, for the Secretary of State for External Affairs. The Bill was read the first time.

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Jam production reached 80,383,888 lbs. last year, 10,864,387 or 17% more than in 1952, while output of jellies was 5,835,469 lbs., up 851,357 or 17%

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Chocolate bar output rose 7% last year to 591,988,668 or more than 39 bars per capita.



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WEEK'S EVENTS IN REVIEW

AID FOR INDIA: The Department of External Affairs announced on March 24 that at the request of the Indian Government Canada has agreed to allocate \$5 million of the funds which have been appropriated for Colombo Plan purposes to the purchase of copper and aluminum for use in India's economic development programme. It is expected that \$3.5 million of this amount will be spent for the procurement of aluminum rods and bars while the balance of \$1.5 million will be used to supply electrolytic copper.

The provision of these industrial raw materials under the Colombo Plan will assist Indian development in two ways. Firstly, the copper and aluminum will be used for the production of transmission lines and other electrical equipment required for hydro-electric installations under construction in India. Secondly, these materials will be sold to Indian manufacturers, and will thus provide the Indian Government with rupee revenue for its Five-Year Development Plan.

Procedures have been worked out to ensure that the provision of these industrial raw materials will interfere as little as possible with normal commercial procurement. Orders will be placed by the Indian manufacturers concerned with their traditional Canadian sup-

pliers, and payment for these orders will be made on the one hand by the Canadian Government to the Canadian suppliers and on the other hand by the Indian manufacturers to the Government of India.

The rupee equivalent of the price of the Canadian raw materials will be credited by the Government of India to its Special Development Fund and will represent a counterpart fund to be used to assist in the financing of further economic development projects in India, as may be agreed between the two Governments.

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JUBILEE REVIEW: A contingent of 29 members of the Royal Canadian Navy (Reserve) will attend the Jubilee Review by her Majesty, Queen Elizabeth II, of the Royal Navy Volunteer Reserve at London, England, on June 12.

The review will take the form of a parade of past and present members of the Reserve, including Commonwealth representatives, before the Queen on the Horse Guards Parade. Approximately 2,000 personnel will march in the review.

The Canadian unit includes two officers and 22 men, two Wren officers and three Wrens who have been selected from 21 naval divisions across Canada.

FOREIGN INVESTMENT \$11 BILLION: Canada's international trade in outstanding securities in 1953 resulted in a relatively small purchase balance or capital outflow of \$12,000,000 in contrast to the record outflow of \$85,000,000 which occurred in 1952. At the same time the capital inflow for direct investment in foreign controlled enterprises in Canada which has risen in each post-war year is tentatively estimated to have totalled \$385,000,000 in 1953.

Taking the year as a whole, the general pattern of trading in outstanding securities was much the same as in 1952. There continued to be net repurchases of Canadian Government bonds from the United States, offset by net sales of securities of Canadian corporations. Both these movements took place on a reduced scale and the purchase balance with the United States fell from \$98,000,000 in 1952 to \$62,000,000 in 1953.

TO UNITED KINGDOM

There was a striking increase in net sales to the United Kingdom of outstanding securities, mainly Canadian, which totalled \$29,000,000, being the first annual sales balance since 1937. Net sales to other overseas countries aggregating \$20,000,000 were also higher than in the previous year but did not reach the very high levels of 1951.

In addition to the transactions in outstanding issues of Canadian securities, new issues and retirements of Canadian securities led to a net capital inflow of \$178,000,000, while similar transactions in foreign securities led to an outflow of \$22,000,000.

At the end of 1952 foreign long-term investment of all types in Canada was estimated at about \$10,200,000,000, and it seems likely that this increased to nearly \$11,000,000,000 during 1953. But Canada also has a considerable investment abroad in the form of private direct and portfolio investments, and government assets including both loans to other governments and official holdings of gold and foreign exchange. Canada's net balance of international indebtedness after declining through the war years has been growing with the period of heavy expansion in the Canadian economy, and is now again approaching the level of \$5,500,000,000 recorded in 1939. The great growth in Canadian productive resources since that time, however, has been chiefly financed from the savings of residents of Canada

GUEST OF U.S. AIR FORCE: The Chief of the Air Staff, Air Marshal C. Roy Slemon, took off from Rockcliffe air station on March 16 for a sixteen-day tour of U.S. Air Force establishments as the guest of General Nathan Twining, Chief of Staff, USAF, the RCAF announced. He will also visit U.S. aircraft firms in California.

"OPERATION ALERT": Eight Canadian cities and 42 United States targets will be "attacked" by "enemy" aircraft June 14 and 15 in an exercise designed to test the civil defence preparations of North America. The exercise, labelled "Operation Alert", was announced simultaneously by Canadian and United States civil defence authorities.

During the "attack" aircraft carrying atomic, high explosive and incendiary bombs will try the civil defence organizations of Vancouver, Edmonton, Winnipeg, Toronto, Windsor, Fort Erie, Montreal and Halifax.

To cope with the heavy "damage" and "casualties" expected in the mock attack, a Canadian federal emergency operations control centre will be activated near Ottawa and provincial and municipal civil defence organizations in the target areas will swing into action. Incidents of sabotage, biological and chemical warfare may also be encountered during the trial.

Federal Civil Defence officials stated that the purpose of the international test is to promote increased efficiency of existing civil defence organization, to test communications facilities, to provide training for personnel and to develop interest in civil defence. It is hoped that the exercise will reveal where deficiencies exist in the civil defence pattern and show where improvements may be made.

Civil Defence authorities stressed that the exercise is a routine test and is not occasioned by any increase of alarm over the international situation. The test will permit border cities such as Vancouver, Windsor and Fort Erie to work out co-operative measures with United States communities nearby.

GOOSE BAY "ATTACK": Canadian and U.S. forces at the Goose Bay air base "defended" their installation against a simulated "attack" by airborne troops of the U.S. Army, the USAF and RCAF on March 19.

The exercise began at 9:30 a.m. when 270 troops of the U.S. 18th Airborne Corps began landing in five C-124 (Globemaster) transports of the U.S. 62nd troop carrier wing. The assault force, dressed in heavy Arctic clothing and wearing snow shoes, divided into two forces to attack critical facilities on the Canadian and U.S. sides of this sub-arctic base. All defending forces were officers and men normally stationed at Goose Bay who have had training in defending their own base. Blank ammunition was used and the opposing sides were not allowed to approach close to each other in order to prevent injury.

The "aggressors" used the cover of trees and bush to approach the defenders but quickly came under fire. Casualties were assessed on both sides by a team of 11 umpires from RCAF, U.S. Army, and U.S. Air Force. No attempt was made to declare a "winning" force as the object of the exercise was to give as much practice as possible to the base defenders.

FOURTH QUARTER NATIONAL PRODUCT DOWN 1 P. C.

UP ON LAST YEAR: Canada's gross national product in the fourth quarter of 1953 was at a seasonally adjusted annual rate of \$24,248 million. This represents an increase of 1% over the fourth quarter of a year ago, but a decline of approximately 1% from the third quarter level of \$24,512 million.

The moderate reduction in the value of output between the third and fourth quarters of 1953 reflects primarily a cessation in the rate of business inventory accumulation. Expenditures of consumers and governments on goods and services and outlays for new construction were stable. However, there were declines in both seasonally adjusted exports and imports of goods and services and in investment in new machinery and equipment.

WAGE GAINS MINOR

On the income side, gains in wages and salaries were minor in the fourth quarter, both before and after seasonal adjustment. Thus the levelling off in this component which was apparent in the third quarter continued into the fourth quarter of 1953. Among the groups affected by this development were manufacturing, construction, transportation and trade; services continued to expand. However, when comparisons are made with the fourth quarter of last year, all major groups show increases with the exception of the primary industries group, the latter reflecting lessened activity in forestry. It may be noted that the September-December seasonal rise in the composite index of employment, which has occurred in each of the past five years, did not take place in 1953; in 1953, the index declined slightly between these two months. However, average hourly earnings showed no tendency to falloff.

The major item in investment income, corporation profits before taxes, was approximately the same in the fourth quarter as in the third quarter of 1953 (seasonally adjusted); both the third and fourth quarters

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RETAIL SALES DOWN 4 PER CENT: Canada's retail outlets had an estimated sales total of \$805,838,000 in January, 4% under the preceding year's January sales of \$839,398,000. Sales declines were shown by all economic areas, ranging in size from 0.8% in Ontario to 10.2% in Alberta. In the Atlantic Provinces sales fell 5.1%; Quebec, 3.1%; Manitoba, 6.6%; Saskatchewan, 7.6%; and British Columbia, 9%.

* * *

AUTO SHIPMENTS UP: Factory shipments of Canadian-made motor vehicles in January rose to 40,310 units, 12% above last year's corresponding total of 35,894 units. This was the highest monthly total since July's 48,691 units.

were below the level of the preceding two quarters. Other items of investment income were, in total, down slightly from the third quarter after seasonal adjustment.

Accrued net income of farm operators from farm production was down 18% from the fourth quarter of a year ago, as a result of both lower production and prices. The first three quarters of 1953 were also lower than a year ago. For the year 1953 as a whole the decline in accrued net income of farm operators averaged out to approximately 14%. There were no significant changes in net income of non-farm unincorporated business.

MIXED TRENDS

The components of gross national expenditure, as noted previously, showed mixed trends in the fourth quarter with elements of continued strength being more than offset by declines in some sectors. Consumer purchases of goods and services were at a seasonally adjusted annual rate of \$15.1 billion, slightly higher than in the third quarter. While purchases of durables remained steady, with increases in television sets offsetting declines in some other appliances, the rate of non-durable purchases edged upward, reflecting increases in food and a slight rise in clothing expenditures. It is interesting to note that new automobile purchases were about level with the fourth quarter of 1952, although they were considerably higher in the first three quarters of 1953 than in the corresponding period of 1952. Expenditure on services continued to increase in the fourth quarter.

The expansionary impetus of the defence program was not as significant in 1953 as in the preceding two years; defence expenditures in the fourth quarter, seasonally adjusted, showed little change from preceding quarters. However, provincial and municipal government expenditures increased moderately in the last quarter of 1953.

Sales of Canadian wholesalers were 169% greater in 1951 than a decade earlier but the number of establishments was up only 6%, according to the first of two reports by the Dominion Bureau of Statistics on the 1951 Census of wholesale trade. Sales in the 10 provinces and two territories totalled \$14,223,198,900 in 1951 as against \$5,290,750,000 in the nine provinces and the territories in 1941.

* * *

Production of 11 of Canada's 16 leading mineral products was higher in the year 1953 than in 1952, with major increases in cement, clay products, iron ore, lead, natural gas, petroleum, and silver. There were declines in asbestos, coal, copper, gold, and salt.

FEBRUARY FOREIGN TRADE SHOWS RECOVERY

HIGHER THAN JANUARY: Contrary to the usual seasonal pattern, Canada's foreign commodity trade was higher in value in February than January, and was only slightly below last year's February level, according to preliminary summary figures for the month released by the Dominion Bureau of Statistics. Both exports and imports were up in value from January, while exports were at practically the same value as in February last year and imports down moderately.

Total exports in the month were valued at \$279,800,000 as against \$265,400,000 in January and \$279,600,000 in February last year. Commodity imports had an estimated value of \$300,300,000 compared to an estimated \$281,900,000 in the previous month and \$310,100,000 a year ago, making a decline of about 3% in the year to year comparison. The estimated import surplus was thus reduced to \$20,500,000 as against one of \$30,500,000 last year.

For the two months this year, exports totalled \$545,200,000, a drop of \$55,700,000 or about 9% from \$600,900,000 for the same 1953 months. Estimated imports in the period totalled \$582,200,000 as against \$637,800,000, an almost identical drop in dollar value. The estimated cumulative import surplus was thus practically the same as last year at \$37,000,000 compared to \$37,100,000.

Total exports to the United States in Feb-

ruary declined slightly to \$171,900,000 from \$176,800,000 a year earlier, while imports eased down to \$224,000,000 from \$241,000,000, reducing the import surplus to \$52,100,000 as compared to \$64,200,000 last year. In the two months, exports were down to \$332,000,000 from \$368,600,000 and imports more sharply to \$428,500,000 from \$490,200,000, the cumulative import surplus declining to \$96,500,000 against \$121,600,000.

Down in January from last year, commodity sales to the United Kingdom rose in February to \$44,900,000 as against \$36,400,000 last year, and estimated imports were slightly higher at \$28,900,000 compared to \$27,200,000. Net result was a rise in the export surplus to \$16,000,000 from \$9,200,000. Over the two months, exports were down slightly to \$83,100,000 against \$85,800,000 and estimated imports unchanged at \$57,700,000, yielding an estimated export surplus of \$25,400,000 compared to \$28,100,000 last year.

February exports to other Commonwealth countries declined to \$11,900,000 compared to \$22,400,000, making an aggregate for the two months of \$24,000,000 against \$39,700,000. Imports from Commonwealth countries, on the other hand, advanced in February to an estimated \$10,800,000 from \$8,900,000, raising the two-month total to \$19,800,000 against \$18,300,000.

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NEW HOUSING ACT: The maximum loan available to prospective home-owners under the National Housing Act, 1954, is \$12,800 for a single house; the interest rate may be any rate agreed upon between the borrower and the approved lender up to a maximum of 5% per cent per annum, convertible semi-annually; the term of the loan may not be less than 25 years, generally, and may not exceed 30 years.

Details of the terms and conditions under which the new type of insured mortgage loan may be approved were announced on March 19 by Central Mortgage and Housing Corporation. Also in effect now under the new federal housing legislation is the authority granted by Parliament to the chartered banks and the Quebec savings banks to enable them, as well as the life insurance and trust and loan companies in the mortgage lending field, to act as approved lenders under the National Housing Act.

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Wheat stocks of the four major exporting countries were 26% above last year's level at the start of February, with supplies up 35% in the United States, 22% in Canada, 19.5% in Australia and 2% in Argentina. More than 48% of the 1,907,500,000-bushel total was held in the U.S., 35.5% in Canada, over 8% in Argentina and close to 8% in Australia.

RECORD LABOUR INCOME: Canadian labour income reached an all-time high total in the year 1953, despite moderate contractions in the monthly totals dating from September. The year's aggregate was \$11,653,000,000, 8.5% above 1952's \$10,743,000,000. December's labour income totalled \$989,000,000, compared with \$995,000,000 in November, \$1,009,000,000 in October, \$1,012,000,000 in September and \$942,000,000 in December, 1952.

The monthly average of labour income for year 1953 was \$971,000,000, up \$76,000,000 from the 1952 average. The changes in the component industrial divisions ranged from an increase of 12.5% for construction to a decline of 4% for the primary industry group. The remaining three divisions showed increases between 9 and 10%. The high level of activity in residential building was mainly responsible for the larger than average gain in construction wages and salaries. The decline in the primary group of industries was attributable to a loss of 15% in logging, which was partially counterbalanced by a 5% increase in agriculture.

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Milk sales rose 4% to 1,603,682,000 quarts last year, equivalent to slightly more than half a pint per capita per day.

\$210,200,000 IMPORT SURPLUS IN 1953

FINAL FIGURES: Final figures for 1953, released March 12 by the Dominion Bureau of Statistics, show that Canada's commodity imports in the year reached a total value of \$4,382,800,000 - slightly below the estimate issued last month - as against \$4,030,500,000 in 1952, making an increase of nearly 9%. Final total for exports, as earlier reported, amounted to \$4,172,600,000, resulting in an import surplus of \$210,200,000 as compared to an export surplus of \$325,500,000 for 1952.

Average prices of imports were fractionally lower in 1953 than in 1952, the increase in total import value being due to a rise of slightly more than 9% in volume. There were increases in imports of all main commodity groups except one, which was only narrowly lower, while purchases were higher from all but two main area classifications.

FROM UNITED STATES

Commodity purchases from the United States increased in value to \$3,221,261,000 compared to \$2,976,962,000 in 1952, accounting for about two-thirds of the dollar increase. Most of the increase was in machinery, automobiles and other metal products, chemicals, wood and paper, and miscellaneous groups. Groups including fuels and other non-metallic minerals and agricultural and vegetable products were lower. Total exports to the United States during the year showed a smaller rise to \$2,463,000,000 from \$2,349,100,000, and the import surplus with the United States increased to \$758,200,000 from \$627,900,000 the previous year.

Imports from the United Kingdom showed a much greater proportion rise to \$453,391,000 from \$359,757,000 in 1952, a gain of 26%. Since exports declined to \$668,800,000 from

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WHEAT EXPORTS 1953-54: Exports of Canadian wheat as grain and wheat flour in terms of wheat equivalent during the first half of the 1953-54 crop year amounted to 138,300,000 bushels, down from the preceding year's comparable movement of 190,300,000. January's exports were 17,800,000 bushels, the same as in December, but some 2,000,000 bushels below the 10-year average January exports of 19,800,000 bushels.

Total exports of wheat as grain during the half-year period amounted to 115,800,000 bushels as against 161,600,000 a year earlier, and exports of wheat flour totalled 22,600,000 bushels as compared with the adjusted figure of 28,600,000. In January, exports of wheat as grain amounted to 13,800,000 bushels, slightly above the figure for December, and the month's exports of wheat flour totalled 4,000,000 bushels compared with 4,100,000 in December and 3,400,000 last year.

\$751,000,000, the customary export surplus fell sharply to \$215,500,000 from \$391,300,000. Purchases from the United Kingdom were higher than the previous year in all main commodity groups, with the largest gains in the iron and textiles groups.

In contrast, commodity imports from other Commonwealth countries taken together dropped to \$170,571,000 from \$184,705,000, the major part of the decline being in purchases from the West Indies group, which dropped to \$41,900,000 from \$52,155,000. Imports were higher from Australia, Jamaica and Ceylon, lower from New Zealand, Barbados, British Guiana, Malaya and Singapore, and practically unchanged from India and the Union of South Africa.

LATIN AMERICA

Imports from Latin America moved up moderately to \$289,921,000 from \$284,222,000 in 1952, purchases increasing from Argentina, Columbia, Costa Rica, Guatemala and Venezuela and declining from Cuba, Dominican Republic, Mexico and Peru, while being practically unchanged from Brazil. Imports from Europe climbed to \$173,755,000 from \$151,745,000, the sharpest increase being to \$35,507,000 from \$22,629,000 for the Federal Republic of Germany.

Other main increases were in purchases from France, Italy, the Netherlands, Portugal, Sweden and Switzerland, while there were declines from Belgium and Luxembourg and Norway. Total value of imports from the remaining foreign countries was down slightly to \$65,464,000 from \$66,213,000, declines being recorded for Arabia, Netherlands Antilles and the Philippines and increases for Egypt and Lebanon; while imports from Japan were up slightly at \$13,629,000.

United Kingdom was the chief purchaser of Canadian wheat in the half-year period with a total of 37,300,000 bushels, representing 32% of the total outward movement of wheat.

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LESS GOLD MINED: Last year 4,068,516 fine ounces of gold were mined in Canada, 403,209 or 9% less than in 1952, the Dominion Bureau of Statistics has reported. Gains in the first six months of the year were more than offset by sharply lower production totals in the last half of 1953. Production from auriferous quartz mines and placer deposits was reduced to 3,603,255 from 3,916,590 fine ounces, while output from base metal mines dropped to 465,261 from 555,135 fine ounces.

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Over 93% of the national tobacco output is produced in Quebec.

EMPLOYMENT SITUATION: Employment declined during February slightly more than is usual in Canada for this month. Unemployment also increased somewhat more than seasonally. During the month ending February 20, full-time employment (35 hours or more) dropped slightly while part-time employment (less than 35 hours) rose slightly. Full-time employment, which accounted for 85 per cent of all persons in the labour force, was approximately two per cent below year-ago levels.

Labour requirements continued to decline during the month in the Atlantic and Quebec regions, primarily owing to seasonal reductions in logging and lumbering operations. Employment levelled off in the Ontario and the Prairie regions largely because of an increase in construction activity following the severe January weather. The usual seasonal pick-up in outdoor activity occurred in the Pacific region.

Employment levels declined somewhat more than seasonally in the forestry, mining and iron and steel industries. Some further softening in employment also appeared in textiles and clothing. During the month, a moderate increase in employment occurred in the transportation equipment manufacturing industry.

The civilian labour force, at 5,230,000 in the week ended February 20, 1954, was down from 5,242,000 in the week ended January 23, 1954, but up slightly compared with 5,194,000 recorded in the week ended February 21, 1953. These estimates are obtained from the monthly labour force survey conducted by the Dominion Bureau of Statistics.

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MEAT CONSUMPTION RISES: Canadians ate more beef, veal and mutton and lamb but less pork per person in 1953 than in 1952. Supply-price relationships, with pork in shorter supply and higher in price than during 1952 and the opposite situation for beef, resulted in this expression of consumer preferences at the meat counter. Per capita consumption of all meats, on a cold dressed carcass weight basis, rose to 140.1 pounds from 132.9 pounds in 1952.

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JANUARY FARM PRICES UP: Higher prices for livestock and foods more than offset lower quotations for poultry and eggs in January and the Bureau's index of farm prices of agricultural products advanced to 233.2 from 229.4 in December but was appreciably below the January level of last year when the index registered 263.7.

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NAVAL ATTACHE: Lieut.-Cdr. G.A.C. Scarth, 43, of Lennoxville, Que., and Charlottetown, P.E.I., has assumed the appointment of Naval Attaché to the Canadian Minister to Sweden and Finland, with the acting rank of Commander.

RECORD YEAR FOR POLYMER: The Minister of Trade and Commerce, Mr. Howe, tabled the annual report of Polymer Corporation Limited in the House of Commons on March 18. Mr. Howe remarked that 1953 was another record year for Polymer. This is especially noteworthy in view of the fact that for the greater part of the year all grades of natural rubber sold below the prevailing prices for synthetic.

The total volume of sales reached an all-time high, giving a gross income of \$50,614,959. This resulted in a net profit of \$5,097,638, after allowances of \$5,036,831 for depreciation, \$4,946,000 for income tax, and \$254,904 for debenture interest. The company paid \$3,000,000 in dividends during the year and retired \$3,000,000 principal of 4% Serial Debentures, leaving \$4,000,000 outstanding.

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NEWFOUNDLAND FISHERIES: After two days' discussion between representatives of the Government of Canada and the Government of Newfoundland, it was announced on March 22 by the Minister of Fisheries, Mr. Sinclair, that both Governments had recognized that the federal Government, from March 31, 1954 next, would have exclusive jurisdiction over the Newfoundland fisheries, but that the fisheries have such paramount importance in Newfoundland that the federal Government would always wish to consult the Provincial Government with respect to important departures in policy, but would have to take the final responsibility for all decisions.

The governmental responsibility for marketing will, from April 1, 1954, be exercised by the Minister of Trade and Commerce and all other governmental responsibility in fishery matters will be exercised by the Minister of Fisheries.

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WHEAT MARKETING: Visible supplies of Canadian wheat on March 3 amounted to 366,651,000 bushels, down slightly from the 367,048,000 bushels in store a week earlier, but 37.5% larger than last year's corresponding total of 266,515,000 bushels, according to the Dominion Bureau of Statistics. Overseas export clearances of wheat during the week fell to 1,702,000 bushels from 3,459,000 a year earlier, and the cumulative total for the period August 1 - March 3 declined to 122,866,000 bushels from 159,741,000.

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BANKRUPTCIES UP: Nearly 10% more commercial failures were recorded under the provisions of the Bankruptcy and Winding Up Acts in 1953 than in the preceding year, and their defaulted liabilities rose 11%. During the year the number of business failures was 1,657 as compared with 1,509, and the liabilities aggregated \$32,818,000 as compared with \$29,658,000.



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WEEK'S EVENTS IN REVIEW

EXTERNAL AFFAIRS DEBATE: The Prime Minister, Mr. Louis S. St. Laurent, and the Secretary of State for External Affairs, Mr. L. B. Pearson, made policy statements at the outset of the annual Parliamentary debate on external affairs which opened in the House of Commons on March 25.

Mr. St. Laurent's statement concerning mainly the Government of China summed up Canadian policy in these words; "The policy of the Canadian Government at the present time is to keep an open mind as to whether or not at any time, under any conditions which may develop in the future, there should be recognition of the Government which at that time will exist as a matter of fact in China."

Mr. Pearson touched on the Berlin Conference, E.D.C., the coming Geneva Conference, atomic control and NATO but dealt most extensively with United States defence strategy. He said that within the last few weeks "some very important and reassuring clarifications had been made in Washington. . . . I know that personally I feel better after having heard some of these statements."

Spokesmen for the opposition parties in the House of Commons followed immediately, Mr. J.G. Diefenbaker for the Official Opposition, the Progressive Conservatives, Mr. M.J. Coldwell, Leader of the C.C.F. Party and Mr. Solon E. Low, Leader of the Social Credit Party, and the debate continued, with the Progressive Conservative Leader, Mr. George A. Drew, speaking on March 26.

The Prime Minister said, in part:

"Under present conditions I do not see any reason why we should consider diplomatic recognition of China. But those conditions may change and I think it would be most unfortunate . . . to tie ourselves down by declarations and commitments that would make it impossible for us at any time to come to the conclusion that even the diplomatic recognition of China would not be helpful to peace and security in the world.

"We are not in that position at the present time, and when I said there was no consideration being given by the Government to that kind of recognition at this time I did not mean, as I saw suggested in at least one newspaper, that it was just something that had not yet come officially before the Cabinet as a Cabinet. I meant that I was not thinking of it and I did not know of any of my colleagues who were thinking in terms of diplomatic recognition of China under present conditions. But I felt that none of us were thinking in terms that would make it impossible for us to make the right kind of a decision when, under changed circumstances, a decision had to be made.

"Of course, that decision would have to be made in such a manner as would not involve flouting the opinion of our allies. We have many allies in the North Atlantic Treaty Organization and we have others whom we can, I think, regard as allies, in the United Nations. It would be something of world concern. I

CHEMICAL INDUSTRIES RISE: New investment in durable physical assets and repair and maintenance in the chemicals and allied products group of industries totalled \$340,200,000 in the six postwar years 1946-51, over two and a half times the \$135,300,000 invested in the previous decade, according to the general review of the group published by the Dominion Bureau of Statistics.

New investment reached an all-time peak of \$86,500,000 in 1951, 40% above the previous high of \$62,000,000 in 1948, more than two and a half times the 1946 investment of \$32,800,000 and over 12 times the 1939 investment of \$7,100,000. In the latest year new investment in construction and machinery and equipment totalled \$57,700,000 as compared with \$26,300,000 in 1950, and investment in repair and maintenance amounted to \$28,800,000 as against \$23,400,000.

The group's production increased about 20% in value in 1951 to an all-time high of \$776,489,391 from \$646,870,510 in 1950, and was double the 1946 value and about five times the pre-war high of \$159,000,000 in 1939.

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1953 PETROLEUM RECORD: Production of crude petroleum in Canada in the year 1953 reached an all-time high total of 80,902,000 barrels, topping 1952's output of 61,237,000 barrels by 32%. There were increases in all producing areas with Alberta's output moving up to 76,818,000 barrels from 58,916,000.

Saskatchewan's output rose to 2,807,000 barrels from 1,697,000, Manitoba's to 649,000 barrels from 105,000, Ontario's to 296,000 barrels from 192,000 and Northwest Territories' to 317,400 barrels from 314,200.

Redwater and Leduc-Woodbend fields in Alberta were the top producers in 1953, the former accounting for 23,282,000 barrels (23,976,000 in 1952), and the latter for 21,363,000 barrels (17,839,000).

The year's output of natural gas climbed to 101,086,216,000 cubic feet from 88,686,465,000 in 1952, and 79,460,667,000 in 1951.

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\$137,417,000,000 CHEQUES CASHED: Value of cheques cashed in Canadian clearing centres reached new record levels during 1953, according to the Bureau's annual review. The aggregate value of payments in 35 clearing centres rose to \$137,417,000,000, an increase of 10% over the preceding year's \$125,197,000,000. Debits in each of the five economic areas set new records, with advances ranging from 12% in Ontario to 6% in British Columbia.

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HOUSING: Starts on the construction of new residential units declined 16.5% in January as compared with a year earlier, but completions rose more than 36%.

PIPED OIL INCREASE: Daily net average movement of oil through Canadian pipe lines climbed to 430,614 barrels last November, over 13,000 more than in October and almost 29% above the 1952 November daily average of 334,642 barrels, the Dominion Bureau of Statistics reports.

Net receipts of oil for shipment by pipe line amounted to 13,296,952 barrels during the month, 477,533 more than in October and over 3,000,000 more than a year earlier. Included were 6,895,983 barrels of Alberta crude oil, 45,964 of Alberta natural gasoline, 2,812 of Saskatchewan crude, 103,650 of Manitoba crude, 4,265,379 of imported crude and 1,983,164 barrels of refinery products. Total receipts in the first 11 months of last year amounted to 136,886,394 barrels, 39,374,330 or 40% more than in the same period of 1952.

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NEW CITIZENS: The Minister of Citizenship and Immigration, Mr. Harris, has announced that Citizenship Day in 1954 will be observed on Friday, May 21.

As usual a number of essay contests are being arranged for school children on the citizenship theme.

"I am particularly interested in the indications we now have of a greater awareness of the value of Canadian citizenship among the new Canadians", Mr. Harris said. "Only a small percentage of the almost one million postwar immigrants have lived in Canada for the five years needed to establish Canadian domicile and thus become eligible for citizenship. Numbers of newcomers filing Declarations of Intention to become Canadian citizens, however, have shown a gratifying increase."

The Minister pointed out that Declarations of Intention filed during 1953 totalled almost 25,000, as against a comparable figure of slightly more than 13,000 during 1952, an increase of almost 100 per cent.

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R.C.R. COLONEL-IN-CHIEF: His Royal Highness, the Duke of Edinburgh, has graciously consented to become Colonel-in-Chief of The Royal Canadian Regiment.

Canada's oldest Active Force infantry regiment is now composed of three battalions, the 1st at London, Ont., the 2nd with 1st Canadian Infantry Brigade in Germany and the 3rd with 25th Canadian Infantry Brigade in Korea.

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Canadian travellers spent a record \$365,000,000 - the equivalent of a million a day - in other countries last year, 21% more than the all-time peak of \$302,000,000 spent by foreign visitors in Canada.

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Shipyards did \$47,578,974 worth of repair work on vessels in 1952, some \$12,135,677 or 34% more than in 1951.

CURRENT ACCOUNT DEFICIT WITH OTHER COUNTRIES

\$467 MILLION: Canada's current transactions in all goods and services with other countries resulted in a deficit of \$467 million in the year 1953 compared with a surplus of \$157 million in 1952. Most of this change occurred in the alteration in the merchandise trade account, from an export to an import balance. This made up \$546 million of the net change in the year of \$624 million from a current account surplus to a deficit.

About one-third of the change in the commodity account was due to a drop in the value of exports, and the remaining two-thirds to the rise in Canadian imports. The deficit from all other current transactions rose by \$78 million. This latter change was mainly due to larger military expenditures by Canada abroad, a deficit on freight account and some increase in official contributions to other countries. Not included are goods and services of \$246 million provided by the Canadian Government in 1953 as Mutual Aid to North Atlantic Treaty countries.

STERLING AREA

The re-appearance of a current account deficit was mainly due to the decrease in the surplus with overseas countries from \$1,015 million to \$481 million. About half of this decline was with the sterling area. There was also an increase in the deficit with the United States from \$858 million to \$948 million.

While there was a deficit in every quarter of 1953, most of the total deficit developed during the first half of the year, with deficits of \$189 million and \$190 million in the first and second quarters, respectively. The deficit in the third quarter was \$16 million and in the fourth, \$72 million. The striking increase in the volume of imports, which was mainly responsible for the appearance of the 1953 deficit, was reversed in the fourth quarter when import volume and value fell below the corresponding 1952 levels.

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VICTORY LOAN REDEMPTIONS: The Minister of Finance, Mr. Abbott has authorized the Bank of Canada to give notice that the Government will redeem both the Third and Fourth Victory Loans prior to maturity in accordance with the provisions of the terms of these issues.

Third Victory Loan 3% Bonds issued on November 1, 1942 to mature on November 1, 1956 will be redeemed on June 1, 1954 at a price of 101.26 to holders. This price included 1% redemption premium in accordance with the terms of issue and also includes .26% which is interest accrued at the coupon rate for the period from May 1, 1954 to June 1, 1954. The

Transactions on current account have led to deficits in three of the last four years. The principal source of the deficits has been the payments made abroad by Canada on interest and dividend account and for services, in the absence of an export surplus on merchandise trade. But the leading changes from year to year have been the fluctuations in the merchandise trade balance, with the disappearance of an export balance in 1951 and 1953, and only a negligible balance in 1950. The current account surplus in 1952 was due to a large export balance associated with a sharp fall in import prices for much of that year coupled with a large increase in exports of grain.

INVESTMENT

The emergence of deficits has been closely related to the rapid increase in investment since 1949 and rising consumer expenditures. During this period there have also been substantial contributions of Mutual Aid by Canada to NATO and other defence expenditures both in Canada and abroad which have had the effect of increasing the deficit in the balance of payments. In relation to total current transactions the deficits have been small; that of 1953 was only 4% of total current transactions and about 8% of total current receipts.

The most important single change in the current account was the appearance of a merchandise trade deficit of \$55 million (after adjustment for balance of payments purposes) in sharp contrast to the surplus of \$491 million in 1952. While merchandise exports fell by \$185 million, imports rose by \$361 million. The rise in imports was due wholly to a rise of 9% in the volume of imports, with average prices almost unchanged. The decline in exports reflects a fall of less than 2% in volume and about 3% in price. The slight deterioration in the terms of trade in 1953 contributed to the appearance of a deficit on merchandise trade, but by far the most important factor was the increase in import volume.

total amount of the Third Victory Loan issue outstanding is \$847,136,050.

Fourth Victory Loan 3% Bonds issued on May 1, 1943 to mature on May 1, 1957 will be redeemed on October 1, 1954 at a price of 101.26 to holders. This price includes 1.26% which is interest accrued at the coupon rate for the period May 1, 1954 to October 1, 1954. The total amount of the Fourth Victory Loan issue outstanding is \$1,111,261,650.

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4,068,516 fine ounces of gold were mined last year, 403,209, or 9% less than in 1952.

(Continued from P. 1)

EXTERNAL AFFAIRS DEBATE

would hope the position taken by Canada would be a position that would be of benefit to the peace and stability of the whole world.

"We should not attempt to make decisions that do not have to be made. The position at this time is that we are not, under present conditions, contemplating diplomatic recognition of China. We have not, and I do not think we should say at this time or at any other time, that there may not be a situation in the future when a Government we do not like, a Government the complexion of which is quite contrary to all our democratic ideals, and a Government which according to the information we have obtained by hearsay - of course we have to rely for our information on what we get by hearsay - seems to have been guilty of many things that we would not condone, may nevertheless have to be recognized. There are other Governments with whom we have at the present time diplomatic relations who, we think, have done things we could not condone. But they are the Governments of those lands and the only Governments with whom any dealings in respect of their populations can be had.

OPEN MIND

"I think we all hope that there will be, even between these apparently incompatible worlds, the free world and the world made up of countries with communist regimes, some kind of a modus vivendi which will in fact allow us to live, and allow them to live. That would take place, without our interference, without our approval, without our responsibility, in any way in the lands we regard as unfortunate, because they are under such regimes. If we do not look upon that as possible, we then have to look upon this state of cold war as something of very long duration, with always the possibilities of its flaring up into something worse than a cold war.

"... And now I do venture to say that the policy of the Canadian Government at the present time is to keep an open mind as to whether or not at any time, under any conditions which may develop in the future, there should be recognition of the Government which at that time will exist as a matter of fact in China. . . . We should keep an open mind as to when if ever conditions may be such that it will be in the interest of peace and stability in the world to recognize diplomatically whatever Government happens to be in control of the forces of China.

"That I think is the preferable position; but in the meantime whenever there does appear to be an opportunity to remove some of the tension from the international situation by discussions, by meetings and by discussions like that which are called for April 26 in Geneva, I think it is only realistic to feel that the Government which is in fact in con-

trol of affairs in China has to be there if there is going to be anything accomplished that will produce beneficial results."

The C.C.F. Leader, Mr. Coldwell, interjected that there seemed to be an inference in press reports from overseas that the Prime Minister "gave his approval to United States military aid to Pakiistan", and invited the Prime Minister's comment on that point. Mr. St. Laurent replied:

"I refused to express any opinion. I said that as far as we were concerned no such question could arise, because we had pledged to the NATO organization everything we could do in the form of aid and forces to maintain peace in the world, and that no Government that expected to remain the Government of Canada should ask for more than had been pledged by us to the NATO organization. I did also say that I felt quite satisfied in my own mind that the aid provided, or that might be provided, by the United States to Pakiistan was not designed to be used against India, and that I felt quite sure that had there been any impression that it was going to be used against India there would not be one per cent of the United States people who would have supported it. . . ."

MR. PEARSON

In touching on the Berlin Conference, Mr. Pearson said, in part:

"After a careful examination of all the reports of the Berlin conference dealing with Germany, Austria and the general subject of European security, it seems clear that the conclusion I put forward on January 29 holds true today. There has been no evidence of change in the basic foreign policy objectives of the Soviet Union. At Berlin, Mr. Speaker, the same record was played, although it was played somewhat more softly and for that I suppose we should give thanks.

"One of the foreign policy objectives of Soviet Union has been to split the European allies, and indeed other allies, from the United States of America; to crack the solid structure of Western unity. Mr. Molotov at Berlin made it abundantly clear that this was certainly one of his principal aims. But we can all take satisfaction out of the fact that he failed in achieving that aim. Indeed, the Russian tactics served to strengthen, I think, the unified approach of the Western delegation to international problems. . . ."

In his reference to E.D.C. the Secretary of State for External Affairs said, in part:

"We in Canada have, I think, felt and demonstrated sympathy and understanding for those in Europe who have demanded full time for consideration of E.D.C. In view of their history we have understood their hesitation. But while recognizing the necessity, the very real necessity, for caution and prudence, we may feel also over here that there comes a time when in certain situations failure to act may in the

long run prove to have been the most dangerous of all possible courses, and that the greatest probability of safety may lie in decisive acts of faith."

In the following sentence he summed up Canada's goals at the forthcoming Geneva Conference:

"We shall do our best to assist in the process of converting the Korean armistice, a somewhat uneasy Korean armistice, into a durable and satisfactory peace within the United Nations frame of reference which has been set down for this Conference, and by which we as a Government, indeed as a Parliament, are bound."

Speaking of Canada's support for President Eisenhower's proposals regarding international atomic energy control, Mr. Pearson said, in part:

ATOMIC ENERGY CONTROL

"But I think it is important that our strong support for this approach should be accompanied by a clear understanding, not only of what the proposal is but what it is not. For example, it does not of itself offer a solution for the terrible problem of the use of atomic energy for destructive purposes. But while it is a relatively modest one, therein may, as I said, lies its virtue, or at any rate lies the possibility of its early and general acceptance. Furthermore, it could, if it were adopted, be the starting point for further progress and for reaching more important forward results. . . ."

He touched further on many questions which arose concerning the international agency proposal.

On U.S. defence strategy, he commented, in part:

"Whether it is new or old it is extremely important. In the words of Mr. Dulles, it means 'local defence reinforced by mobile deterrent power'. It means refusal to be tied to any rigid strategy, to any fixed planning, and it gives the nations of the coalition, it is hoped, more freedom of manoeuvre.

"This old, or new doctrine, whatever you wish to call it, was dealt with in considerable detail by the United States Secretary of State in his speech in New York on January 12. He confirmed his views on this strategy at his press conference on March 17 in Washington. . . ."

"So far as I am concerned I do not criticize the view that this kind of strategy is a valuable deterrent against aggression, and a shield for defence. In my speech in Washington last week I went out of my way to say that I did not criticize it as such because it might very well be the best deterrent against war at the present time. What I thought was important, however, was to clarify some of the ambiguities of this new strategy, and to make it as clear as possible to us all where we stood as friends and allies in relation to it.

"Within the last few weeks some very im-

portant and reassuring clarifications have been made in Washington of what seemed to some of us to be obscurities. I believe that has been a good result. I know that personally I feel better after having heard some of these statements. . . ."

After quoting from the speech of the United States Secretary of State in New York on January 12, in which United States policy was set forth, Mr. Pearson said that clarifications of that statement had provided "a fairly clear and reassuring idea of what this new strategy and this new planning for defence is."

DIPLOMACY, CONSULTATION

One thing the interpretation did make clear, he added, "is that diplomacy and consultation, which is part of diplomacy, is under this doctrine not less important but more important than ever before. Any decisions must surely be collective, whenever that can be done, before action has to be taken."

Mr. Pearson concluded:

"We in this country have already built up with our friends in the free world valuable habits of consultation and co-operation. We know now that our fundamental interests are identical. There is, of course, a long way still to go. We must, for instance, increasingly apply the realization of interdependence to our economic policies as well as to our defence policies. In respect of consultation for defence, defence planning and all that kind of thing, I suggest that we should try to use the North Atlantic Council more than we have in the past. . . ."

"We must also constantly seek not only to preserve but to widen and develop still further our attitudes and habits of confidence, frank discussion and consultation, restraint and tolerance. Notwithstanding the importance of the North Atlantic Treaty Organization which I have just emphasized, this must be done on a scale which is not limited to the North Atlantic Alliance but which is as broad as the globe. Indeed, our co-operation, our friendships must extend beyond our western civilization. Improving the economic and social conditions under which the major part of humanity lives will not ensure peace but it will make peace more likely.

"More important possibly than even economic aid is the opportunity for understanding and for genuine friendliness between the peoples of Asia in their hundreds of millions and those of the western world. These Asians will form their impressions of our civilization and values above all by what they learn and sense of our real attitudes. That is only one reason, I think, why all members of the House have been so happy over the magnificent results of the journey of our Prime Minister (Mr. St. Laurent) into that part of the world.

"I would go even further and say that our sense of understanding must even extend to the very people whom we think threaten our peace.

We cannot be soft-headed about this matter for power in the hands of irresponsible rulers could be dangerous to our peace. But while we could not be soft-headed, we should certainly be clear-headed, I agree that we must be careful and alert. But also we must not let fear freeze our diplomacy into immobility or fire it into panic action.

"The purpose of Canadian policy - and I do not think there is any division of opinion in this country about this - is not merely to build up military collective strength, important as that is. Our purpose is to work together with our friends in solving our own problems and also, if possible, to negotiate with those whom we fear, in solving those other problems which now divide the world.

"Canada is anxious to play its part also in this form of collective security, anxious to play its part in seeking, by negotiation, international solutions to differences, to seek them by negotiation from the strength, which we are now collecting, and with strength but also with wisdom, with a full realization of the calamitous result of failure, and in the hope that one day security will rest upon a stronger basis even than the certainty of massive retaliation, atomic retaliation if you like, against anyone who would break the peace; retaliation which would certainly annihilate the enemy but might also destroy ourselves."

* * * *

TRADE PACT WITH JAPAN: The Department of External Affairs announced on March 31 the signature of an Agreement on Commerce for the exchange of most-favoured-nation treatment between Canada and Japan. This Agreement was signed in Ottawa on behalf of Canada by the Minister of Trade and Commerce, Mr. C.D. Howe, and by the Secretary of State for External Affairs, Mr. L.B. Pearson, and on behalf of Japan by His Excellency Mr. Koto Matsudaira, newly-appointed Japanese Ambassador to Canada.

This Agreement will enter into force on its ratification by both countries. It will be valid for one year from the date of ratification and will continue in effect unless terminated by either party.

* * * *

AMBASSADOR OF JAPAN: On March 30 His Excellency Koto Matsudaira presented to His Excellency the Governor-General his Letter of Credency as Ambassador Extraordinary and Plenipotentiary of Japan to Canada. The ceremony of presentation took place at Government House.

Mr. Matsudaira was born in 1903. He is a career diplomat, having entered the Japanese Ministry of Foreign Affairs in 1926. He has represented his country in Paris, Washington and Moscow and has held various posts in the Japanese Ministry of Foreign Affairs. Since 1952 he has been Special Assistant to the Minister for Foreign Affairs.

APPOINTMENTS: The Secretary of State for External Affairs on March 29 announced the appointment of Mr. C.S.A. Ritchie as Canadian Ambassador to the Federal Republic of Germany and of Mr. E.W.T. Gill as Canadian High Commissioner to the Union of South Africa.

In Bonn, Mr. Ritchie, who accompanied the Prime Minister on his around-the-world tour and who up to recently had been Deputy Under-Secretary of State for External Affairs, will succeed Mr. T.C. Davis, who is returning to Canada on home leave. In Pretoria Mr. Gill will succeed Mr. T.W.L. MacDermot, who was appointed Canadian Ambassador to Greece in March. Mr. Ritchie will take up his post in May and Mr. Gill in July.

ACCOMPANIED MR. ST. LAURENT

Charles Stewart Almon Ritchie was born in Halifax on September 23, 1906 and studied at Kings College, Dalhousie University, at Oxford and Harvard Universities and at the Ecole Libre des Sciences Politiques in Paris. He joined the Department of External Affairs in August, 1934, and served in Washington, 1936-39; London, 1939-45; Ottawa, 1945-47 and Paris, 1947-50. He returned to Ottawa in January 1950 and served as Assistant, Deputy and Acting Under-Secretary of State for External Affairs until early this year. He then accompanied Mr. St. Laurent on his recent tour, with the special rank of Ambassador.

Mr. Ritchie has attended a number of international conferences including: the United Nations Conference on International Organization in San Francisco, 1945; General Assemblies of the United Nations in London, 1946, Paris, 1948 and New York, 1950; and sessions of the Security Council in New York in 1946 and 1948; Peace Conference, Paris, 1946; Executive Committee and General Council of the International Refugee Organization, Geneva, 1949; North Atlantic Council, Ottawa 1951 and Lisbon, 1952.

Mr. Gill was born in Ottawa on November 2, 1902, and graduated from the Royal Military College, Kingston, in 1923, and McGill University in 1925. Before the war he served with industrial and commercial organizations. He joined the Canadian Army in 1940 and rose to the rank of Lieutenant Colonel in 1944. From 1944 to 1946 Mr. Gill served as Secretary to the Chiefs of Staff Committee and as a member of the Cabinet Secretariat. On demobilisation he was appointed to the civilian staff of the Privy Council Office and served as Secretary to the Cabinet Defence Committee and other Cabinet Committees. He joined the Department of External Affairs in 1950 and during 1950-51 served as Counsellor at Canada House, London and as Canadian representative and Vice-Chairman of the North Atlantic Defence Production Board. He attended meetings of the North Atlantic Council in London, The Hague and Brussels, 1950-51, and in November 1951 returned to the Department to serve as the Head of Personnel Division.

CANADIAN WEEKLY BULLETIN



INFORMATION DIVISION
 DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

THE BUDGET: The 1954-55 Budget was presented in the House of Commons on April 6 by the Minister of Finance, Mr. Douglas C. Abbott. It contained no change in the rates of personal income tax but shaved about \$40,000,000 off excise and sales taxes.

The Minister was optimistic in his financial review and forecast of Canadian economy, saying: "My general conclusion is that our national product in 1954 will be at least equal to 1953, and probably higher; in other words I think that an up-swing in the second half of the year will more than compensate for the declines that are evident in certain branches of industry at present."

The main points of the new Budget:

No change in personal or corporation income tax.

The present special excise tax of 15 per cent repealed for electrical appliances, furs and some other articles, effective immediately.

Special excise tax reduced to 10 per cent on wide range of consumer goods including toilet preparations, motorcycles, smokers' accessories, automobile tires and tubes, clocks and watches, jewellery, etc., effective immediately.

Maximum deduction from taxable income on superannuation plan payments increased to \$1,500 from \$900, effective on 1954 income.

Tax concessions granted petroleum, natural gas and mining companies for exploration costs extended through 1957.

Maximum duty-free entry of motor vehicles in settlers' effects raised to \$2,500 from \$1,500, effective immediately.

Surplus of \$4,000,000 forecast, on revenue of \$4,464,000,000 and expenditure of \$4,460,000,000.

Succession duty legislation to be overhauled later; no change in rates now.

Import tolls eliminated on equipment for operation of potash and rock salt mines.

The 15-per-cent tariff on uranium suspended until July 1, 1958.

Tariffs eliminated on certain rail equipment, including signal systems equipment and apparatus for testing rail flaws.

In a White Paper presented to Parliament on April 5, the Minister estimated a \$10,107,000 surplus for the fiscal year ended March 31 on total revenues of \$4,400,086,000 and expenditures of \$4,389,979,000.

In extensive reference to the new Quebec Province income tax, he said, in part:

"It is now suggested that the federal Government should allow taxpayers in Quebec to reduce the income tax otherwise payable by them to the federal Treasury by the full amount they are required to pay to the Province. I have given this suggestion the most careful and serious consideration. Clearly, however, the obvious implication of the principle involved in this proposal is that this Parliament should recognize that any Province has the right to determine the amount by which

C-530

REPORTS RECEIVED FROM A NOTIFICATION
OFFICE IN MONTREAL

FEBRUARY EXPORTS UP: Canadian shipments of agricultural and vegetable products, animal and animal products, wood and paper, chemical and miscellaneous products were higher in value in February than in February last year, but these gains were offset by declines in iron and non-ferrous metal products and non-metallic minerals and their products, according to detailed final figures on domestic exports for the month released by the Bureau.

Among the major commodities, there were substantial gains in newsprint, paper, wood pulp, fish and fishery products, wheat flour, cattle and meats, and nickel, and declines in wheat, planks and boards, automobiles and trucks, farm machinery, copper, zinc and asbestos.

February exports were higher in value to the United Kingdom, lower to other Commonwealth countries, the United States and Europe, and higher to Latin America and the remaining group of foreign countries.

Total value of all exports domestic and foreign - as reported last week, was \$279,800,000 in February as compared to \$279,600,000 in February last year. Domestic exports accounted for \$274,700,000 of last month's total, slightly under last year's corresponding figure of \$275,500,000. The volume of exports was a shade higher this February than a year ago, prices showing a narrow decline. Due to the marked decline in January, the cumulative value of domestic exports for the January-February period fell to \$535,400,000 from \$592,800,000 last year.

Domestic exports to the United States in February dropped to \$168,666,000 from \$173,319,000 a year earlier, and the January-February sales total fell to \$325,733,000 from \$361,910,000.

The month's sales to the United Kingdom were substantially higher in value at \$44,438,000 as compared with \$36,175,000, but with January's exports down to \$37,831,000 from \$49,235,000 the January-February value declined to \$82,368,000 from \$85,410,000.

BATTALION TO KOREA: Several months of intensive training manoeuvres and a 19-day sea voyage ended at a west coast Korean port when the 2nd Battalion, Queen's Own Rifles of Canada, arrived in the Far East to become part of the 25th Canadian Infantry Brigade. The unit succeeds the 3rd Battalion, The Royal Canadian Regiment, which will return shortly to Canada after a year's service in the theatre.

Imports from the United Kingdom rose 26% in value last year, from Europe 14.5%, from the United States 8% and from Latin America 2%, but 8% less was bought from other Commonwealth countries, 1% less from other foreign countries.

ST. LAWRENCE SEAWAY: Although Canada could proceed at a moment's notice to develop the all-Canadian seaway, "the door never has been closed on United States participation" in the project even though "the possibility has appeared remote until recently", the Minister of Transport, Mr. Lionel Chevrier, said in addressing the Cornwall Board of Trade on April 2. He added "now that success is in sight, it appears that the United States may indeed come up with a firm proposal to build one or two of the navigation canals of the seaway".

As to the date of actual start of construction of the St. Lawrence Seaway, Mr. Chevrier pointed out that opponents of the project had until May 20 to appeal to the Supreme Court of the United States "and that appeal will be the end of court action". He hoped if an appeal is made that "the case can be heard and a favourable decision will be made known before the court rises for the summer". He warned, however, that "the timing is close".

Outlining the possible expansion of the City of Cornwall under the St. Lawrence Seaway and Power project, Mr. Chevrier predicted that the present population of 33,000 for greater Cornwall would increase to 100,000 within a comparatively few years.

Mr. Chevrier said that "the most pressing concern of the St. Lawrence waterfront region, with a start on actual construction looming so near, will be with making the necessary adjustments to the physical changes that will take place". The new works, he said, will create a huge lake extending from Cornwall almost to Prescott and the flooding will seriously affect six municipalities. The Minister suggested that the problems to be faced were three-fold: to preserve the scenic beauty of the area; to rehabilitate the communities affected; and to compensate the individual property owner.

FUR FARM DECLINE: Fur farming in Canada (exclusive of Newfoundland) continued to decline in 1952, the number of farms dropping from 3,072 in 1951 to 2,518, the number of animals from 315,485 to 306,523, and the revenues from the sale of live animals and pelts to \$11,100,000 from \$12,400,000.

EXPORT CREDITS INSURANCE: The Export Credits Insurance Corporation paid out \$2,185,476 to Canadian exporters in 1953, covering 273 claims, due mainly to exchange transfer difficulties in foreign countries, according to the Corporation's annual report.

Inventories of manufacturers were valued at an estimated \$3,607,300,000 at the close of last year, a 4% rise from \$3,479,000,000 at the end of 1952.

MR. PEARSON ON SOVIET PROPOSALS

EXTERNAL AFFAIRS DEBATE: The Soviet Union's suggestion that it join the North Atlantic Treaty Organization was dealt with in the House of Commons on April 1 by the Secretary of State for External Affairs, Mr. L.B. Pearson, as he concluded this year's Parliamentary debate on external affairs. The debate continued over six days. On the Soviet Union proposal, Mr. Pearson said:

"This proposal, as I understand it, and there has not been much opportunity for very careful study of it as yet, has a direct relationship to the North Atlantic Treaty Organization and is of considerable interest to all the members of that organization. Therefore, I assume that the questions with which it deals will be discussed at the forthcoming meeting of the North Atlantic Council. That, I believe, is the appropriate forum for international consultation on this matter in so far as international consultation is concerned. But I can say this at this time that no one, I am sure, desires to reject any proposal out of hand which has any chance of bringing about good results."

COMMUNICATION

"In my view nothing could be more serious or more dangerous than a more or less final acceptance of the failure of man's ability to communicate with man, across whatever barriers - be they social or political - or whatever curtains - be they of metal, or propaganda, or tradition - which may exist today. In a world of hydrogen weapons, genuine misunderstandings, if they become hardened into a despondent belief on either side that sincere negotiations were impossible, could have nothing but tragic consequences for everybody."

"Having said that, Mr. Speaker, I should add this. While the West cannot afford to reject out of hand and without consideration any serious proposals for settlement that the Soviet Union may propose, it is equally obvious that we cannot afford to fall into propaganda traps. Both the timing and the substance of the new Soviet proposals suggest that they may be designed chiefly to cause a delay in the ratification and implementation of the treaty to establish the European Defence Community. As has already been made abundantly clear, the Canadian Government supports that project and hopes that it will be implemented without delay. The West cannot afford to put off decisive acts which are necessary for our own self-defence merely in exchange for Soviet words or promises."

"Falling into such an obvious trap would, of course, be dangerous. We must be prepared to examine Soviet proposals and to negotiate patiently whenever there seems any prospect that negotiations may prove fruitful, but we must do this while maintaining, until they are

shown to be unnecessary, policies which we have adopted with our friends as being needed for our collective defence.

"Certainly at first sight the Soviet suggestion that they join NATO seems to be a somewhat surprising and indeed an almost disingenuous one. The North Atlantic Treaty Organization is based on mutual trust between governments and peoples who share many fundamental aspects of a common civilization, and who have demonstrated their desire and ability to work together. Moreover, the North Atlantic Treaty Organization is more than a military alliance. It is more than a collective security organization."

"It is worth remembering, also, that we and the Soviet Union and all the members of the North Atlantic Treaty Organization belong to a universal collective security organization in the United Nations, and if the Soviet Union is now prepared to make this organization effective we should certainly welcome that and the possibilities for co-operation in this field. The universal basis is there, and has been there since the United Nations was founded."

UNITED NATIONS

"To the extent that we can have confidence in our ability, through the United Nations, to make war impossible, the defence aspects of NATO become less important. If the danger of aggression is entirely removed, then the defence aspects of NATO become unnecessary and could be replaced by a United Nations arrangement."

"We in this Government have never, I believe, concealed our view that the military alliance aspects of NATO are a second-best, a regrettable, and we hope a temporary necessity. Our real objective, and this applies, I am sure, to all hon. members in this House, is and has been to secure a safe and peaceful world, with collective action in all fields and international co-operation generally organized through the United Nations. Certainly that objective is far from being achieved or even approached at the present time. Therefore, surely it would be folly for us to lower our guard so long as the present danger exists."

"I am not asserting that the professed Soviet desire in this proposal to join with the West in effecting arrangements for collective security is completely insincere. I do not know. I may perhaps be giving hon. members a somewhat pessimistic first interpretation, though this seems to be justified by the proposal itself and the experiences we have had."

"But I think one can be pretty sure of this, that it would be fatuous to suppose, after the events of the last ten years, and while millions of people in Europe are held in subjection, that the fears and suspicions which Soviet actions have engendered in the

minds of most of us west of the iron curtain will be easily or quickly removed by a few diplomatic notes. These fears were indeed engendered not by words but by deeds.

"But it would be equally wrong and dangerous to think that the suspicions and fears which at present divide the world can never be overcome. If the Soviet rulers are sincere in their desire for collective security, then I am confident that they will not find the Governments and peoples of the Western democracies unwilling to listen to any serious overtures they may make. We will persist in our determination to meet any genuine overture for peace halfway, and indeed more than halfway...."

* * * *

(Continued from P. 1)

THE BUDGET

the people of that Province may reduce their national tax liability. I consider that any such principle is completely unacceptable.

"If a credit up to 15 per cent of the federal tax were accepted, it would appear to be difficult in principle to later deny full credit for, say, a 30 per cent, a 60 per cent or even a 100 per cent provincial tax. If a province had the suggested constitutional priority in the field of direct taxation, then nothing short of the right to reduce federal tax by 100 per cent would be the stopping point. This would imply that a provincial government without imposing any additional burden on its own taxpayers could secure to its own treasury the full amount which would otherwise be payable by its people to their national Government."

DOOR IS OPEN

He said the Premier of Quebec would always find the door open for "full and frank discussion in the hope of finding a mutually satisfactory solution".

Touching on the international economic situation he said, in part:

"The growing strength of the North Atlantic Alliance has done much to reduce the dangers of armed aggression, but fundamental solutions are still denied us. A just settlement of these questions requires the free world to continue to improve its defensive position in order to negotiate from strength. We cannot yet afford to relax.

"In the economic sphere, 1953 has been a much better year. Industrial and agricultural production in almost all countries has continued to expand, and consumption has risen. Supplies of many products entering into international trade are becoming more plentiful, and international markets more competitive. The recovery of Germany and Japan has contributed to this development. It is becoming increasingly evident that after many years of

scarcity and inflation we are returning to more normal competitive conditions.

"It is encouraging to note the further improvement which has taken place in trade and payments relations between the dollar and the non-dollar countries. The clearest indication of this is the substantial increase in the gold and dollar reserves of overseas countries. During 1953 the sterling area achieved a substantial overall surplus with the rest of the world and the central reserves held by the United Kingdom rose by \$670 million during 1953. As a result of these favourable developments the position of the sterling area has strengthened considerably. A substantial improvement in the overall balance of payments and exchange reserves has also been experienced by most European countries."

Following are excerpts from Mr. Abbott's references to the Canadian economy:

"The first thing to observe is that the real income of the Canadian people has been expanding at a rapid rate for a number of years. The fact that the economy in 1953 was able to achieve further gains of the magnitudes I have sketched suggests to me that we should not feel unduly concerned with a temporary slowing down of this rate of advance. Indeed, in the dynamic kind of economy we have in Canada an occasional hesitation in its forward movement may well be one of the consequences of the buoyant character of our economic growth."

"Most of the elements which supported the growth in national product in 1953 are still present, and I believe that the forces of long-term expansion will soon reassert themselves. But some readjustments in production, in costs and in pricing policies are necessary, and are indeed going on...."

INCREASE IN IMPORTS

"The increase in imports, especially of those kinds of things that we make in Canada in reasonable volume, and the decline in our exports, small though these changes may be, inevitably raise the question of our efficiency and of our cost and price structure. I do not agree with the suggestion occasionally heard that Canada has become a high cost economy. That may be true of some few sectors, but it is not true of our basic industries. But it is true that for seven or eight years business has been travelling along a comparatively easy road...."

"I do not believe that the current slowing down of expansion will be serious or prolonged. Inventory accumulation is a volatile factor in an economy as dynamic as ours but if we bear in mind that the total of demand both at home and abroad is being well sustained, the present situation should be quickly self-correcting...."

"So far as exports are concerned the outlook is a little less certain. In the last few

years unusually high sales of wheat and coarse grains have contributed to increase our exports. But by normal standards, the prospects for grain sales remain good. For other export commodities no significant changes seem likely, though much will depend on markets in the United States. So far as our European and Commonwealth markets are concerned, the basic economic position of these countries has improved and an increase over the export levels of 1953 is a reasonable expectation.

"As in so many other questions affecting our development much will depend on the economic situation in the United States. . . .

"In the light of all these considerations, I do not feel that drastic measures by Government are appropriate to the present economic situation. As I have said on many previous occasions, there are bound to be both ups and downs in an economy enjoying an unusually high rate of growth. Our present adjustments are taking place at a level of activity which is higher than anything we have been accustomed to in the past. . . .

"My general conclusion is that our national product in 1954 will be at least equal to 1953, and probably higher; in other words I think that an upswing in the second half of the year will more than compensate for the declines that are evident in certain branches of industry at present."

* * * *

MAPPING FOR DEFENCE: Helicopters, trucks and packhorses will be used by members of nine army survey teams this summer to carry out mapping forays in Canada's lesser known and still unmapped regions.

Members of the Army Survey Establishment in Ottawa, the soldier-surveyors will be working in conjunction with RCAF and civilian mapping agencies in pushing to completion Canada's defence mapping plan. But the job won't be completed this year or for several years to come.

The job, especially the field survey work, is getting a little easier year by year. Long, heart-breaking surveys by pack-train that only a few years ago took all summer to complete can now be completed in weeks by helicopter or truck.

Only one of the nine survey teams now being readied for field jobs this summer will use horses. It is slated for a summer-long survey in the Aishihik Lake region of the Yukon. Another party, using a helicopter, will venture into famed "Headless Valley" of the South Nahanni River. At Summit Lake, in the Caribou district of British Columbia, another party will work to complete another survey using a helicopter. Trucks will be used as a means of transport by four teams doing survey work on the prairies. Two survey parties operating in Quebec this summer will be based at Kazabazua and Sept-Iles.

DISASTER PLANS: Top-ranking hospital administrators, directors of medical services and directors of nursing of hospitals from coast-to-coast will meet in a series of Institutes this spring to discuss plans for coping with natural or man-made disaster. Plans for the Institutes, which will be held at Victoria, Fort William-Port Arthur, Hamilton, Montreal and Halifax, were announced March 30 by the Minister of National Health and Welfare, Mr. Martin, the Minister responsible for Civil Defence.

The series of Institutes is the first such step to be carried out on the North American Continent. This method of preparing hospitals for disaster operation has aroused much interest in Civil Defence authorities in other countries and these Canadian Institutes may serve as a model for others to be held elsewhere.

In announcing the Institutes, Mr. Martin pointed out that hospitals form a vital part of Civil Defence Health Services. In order to function efficiently in disaster, he said, they must plan adequately beforehand to deal with large numbers of injured people. The purpose of the Institutes will be for hospitals to discuss the ways in which they can most efficiently deal with the effects of natural or man-made emergencies.

At each of the Institutes, delegates will study and discuss sample emergency plans made out by a large and a small hospital in their region. After discussing these emergency plans individual delegates will then proceed to draw up plans for their own hospitals. Hospitals represented at the Institutes will then be available to assist other hospitals in their neighbourhood at drawing up workable emergency programmes.

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MINESWEEPERS FOR FRANCE: Formal transfer of four newly constructed minesweepers to France under the Mutual Aid agreement of the North Atlantic Treaty took place at Halifax on April 7. The Minister of National Defence, Mr. Claxton, presented the ships to His Excellency Hubert Guerin, French Ambassador to Canada, who accepted them on behalf of his country.

The ships involved are H.M.C. Ships Fundy, Cowichan, Thunder, and Chignecto. They will be renamed by the French Navy following the transfer.

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WHOLESALE PRICES: Canada's general wholesale price index receded 0.4% from 219.8 to 219.0 between mid-January and mid-February, reflecting small declines in seven of the eight major groups. The largest decrease was recorded by non-ferrous metals which moved down 0.8% to 164.3 in response to lower prices for copper, lead, zinc, gold and silver.

ATOM RESEARCH SPEEDED: The NRX reactor at Chalk River, Ont., which recently went back into operation after a shutdown of fourteen months, is now operating at a power output 33 per cent higher than before it broke down on December 12, 1952, according to a statement by the Minister of Defence Production, Mr. Howe, on April 5.

The main result of the increased power output of the rebuilt reactor will be that a shorter time will be required for many research experiments, and for the production of radioactive isotopes. Furthermore, tests being made with the NRX reactor of components for the new NRU reactor, which is now under construction, will be more effective. The NRX reactor now gives irradiations nearer to those expected in the NRU reactor.

During the reconstruction of the NRX reactor, the Chalk River scientists and engineers made modifications, which they expected would greatly increase the density of the neutrons within the reactor. Their aim has now been reached by steady operation of the reactor at 40,000 kilowatts. Before the reactor broke down, its top power output was 30,000 kilowatts.

The attainment of such a high power output from so small a natural uranium reactor is an important scientific achievement.

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CIVIL DEFENCE COLLEGE: At a ceremony attended by top-ranking Civil Defence officials from Great Britain and the United States as well as from all ten Canadian provinces, the Minister of National Health and Welfare, Mr. Paul Martin, and the Minister of National Revenue, Dr. James J. McCann, officiated at the opening of the federal Government's new Canadian Civil Defence College at Amprior, Ont., on March 29.

Designed to provide a continuing supply of fully qualified key personnel and instructors to carry on Civil Defence training in the provinces, the Amprior College is one of the best-equipped Civil Defence training grounds in the world. The college expects to graduate some 2,000 trainees annually in all fields of civil defence.

Situated just outside this Ottawa Valley town on the site of a former R.C.A.F. airdrome, the College has redesigned and rebuilt many of the existing structures to meet the special needs of civil defence training. One of the most striking features of the school is the extensive "Rescue Set" composed of a number of carefully demolished buildings of various types designed to give realistic training to embryo rescue workers.

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Shipyards did \$82,573,815 worth of work on new vessels in 1952, more than in any year since the war and \$39,588,347 or nearly 90% more than in 1951.

IMPORTS DECLINE: Mainly as a result of reduced purchases from the United States, Canada's commodity imports in January declined 14.6% in value to \$280,200,000 from \$327,800,000 a year earlier, according to final figures released by the Dominion Bureau of Statistics. Commodity-wise the decline was mainly centred in the fibres and textiles, iron and products, and miscellaneous commodities groups. Final totals for exports amounted to \$265,400,000, resulting in an import surplus of \$14,800,000 as compared with \$6,600,000 in 1953.

Average prices of imports were slightly higher in January than in the same month of 1953, the drop in total value being due to reduced volume. Besides the declines in the fibres, iron, and miscellaneous commodities groups, there were more moderate decreases in non-ferrous metals, non-metallic minerals, and chemicals. Only two groups - agricultural and vegetable products, and wood and paper products - were higher in value.

Additional to the drop in imports from the United States, there were small declines in purchases from the United Kingdom, other Commonwealth countries, and foreign countries other than Latin America and Europe, those from the two latter showing increases.

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AIR DIVISION RE-EQUIPPING: The fifth anniversary of the North Atlantic Treaty Organization finds Canada's Air Division overseas fully operational and in the process of re-equipping with the latest Mark F-86 Sabre jets, it was announced April 3 by Air Force Headquarters.

Last year in Operation Leap Frog Four the last three Sabre squadrons flew the Atlantic to complete the 12-squadron team of the Air Division. Now, Mark 5 Sabres, with Canadian-built Orenda engines are being ferried across to the four stations to increase the effectiveness of these fighter squadrons. Orenda engines give the Sabres 1500 pounds more thrust, enabling them to climb and fly faster with an increased ceiling. The first of these new aircraft arrived at No. 4 Wing at Baden-Soellingen, Germany in February.

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OVERSEAS TOUR: A group of 32 students and directing staff officials from the National Defence College at Kingston, Ont., departed from Ottawa by RCAF aircraft on April 3 for a two-month tour of the United Kingdom, Europe and the Middle East.

The party will include senior officers from the three services and Canadian, British and United States officials from governmental departments and industry. Purpose of the tour is to familiarize students with conditions in other nations as they may effect the defence of Canada.



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
 DEPARTMENT OF EXTERNAL AFFAIRS
 OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

NON-MILITARY SIDE OF NATO: "I think it is accurate to say that we now have reached a stage in the development of NATO where increasing attention can be applied to the non-military side of the Organization which was designed not only to protect our free institutions by arms but to strengthen them by positive means," said the Prime Minister, Mr. Louis S. St. Laurent, in a nationwide broadcast from Ottawa, on the fifth anniversary of NATO, April 4.

The text of the Prime Minister's broadcast:

"April 4th marks the Fifth Anniversary of the signing of the North Atlantic Treaty. It is an anniversary of special importance to Canada because NATO was, and is, one of the foundation stones of our Canadian foreign policy. We believe now, as we did when the Treaty was signed, that the North Atlantic Treaty Organization offers one of the best means for the effective defence of our freedom and for developing habits of peaceful co-operation that will bind the Atlantic community closer together.

"It was in response to a real and immediate threat to world peace that NATO was created just five years ago today. Since then the Organization has made remarkable progress in building up unity and strength. It has established permanent machinery to provide continuous consultation between member governments. It has brought into being in Europe an integrated defence force under a Supreme Commander and this force is now twice as large

and more than twice as effective as it was in 1951.

"Member countries have committed themselves to specified contributions of forces and their defence plans are submitted to an annual review by the Organization as a whole.

"This pooling of defensive resources is unprecedented in peacetime. We can be proud of the real progress demonstrated by this co-operative achievement. We can also be thankful, for, to NATO, is due in large measure the advance the free world has made from the fear and instability of five years ago.

"Because of the very real peril which existed when NATO was first formed in 1949, the efforts of member nations have had to be concentrated on the building up of our defensive forces. While we shall continue to maintain and strengthen these defensive forces, I think it is accurate to say that we now have reached a stage in the development of NATO where increasing attention can be applied to the non-military side of the Organization which was designed not only to protect our free institutions by arms but to strengthen them by more positive means.

"We can be confident that, if we remain united and at the same time prepared to explore every possible means of reducing international tension, NATO, as a supplement to the United Nations, will continue to be a decisive factor in preventing aggression and in attaining that goal of world peace which we all so ardently desire."

RECORD IN HOUSING: More houses were built in Canada in 1953 than in any previous year. For the first time in the history of the country, the figure of 100,000 units was surpassed both in new starts and in dwellings completed, according to the annual report of the Central Mortgage and Housing Corporation just presented. Other highlights on the housing situation in Canada:

The total of 102,409 new starts represented an increase of 23 per cent over the corresponding figure for 1952, and 11% over the previous record in 1950.

The number of dwellings completed during 1953 was 32% above the total for 1952. The high carryover of almost 60,000 units under construction at the end of 1953 will contribute to completions in 1954.

As in 1952, all regions in the country shared in the rise in housing starts. The Ontario region showed a greater increase in starts than other regions, in 1953, after having had the smallest rate of increase in 1952.

PER CAPITA BASIS

The rate of starts on a per capita basis varied greatly and . . . was as high as 22 per thousand population in Edmonton and as low as 2.4 in Sydney. The rate of starts in urban areas generally exceeds that of the country as a whole.

The unprecedented volume of residential construction in 1953 was the result of a number of favourable influences. Population factors sustained demand in a purely physical sense, while the general buoyancy of the national economy made possible a rise in real incomes and savings.

Canadians saved \$1,480 million out of personal income in 1953 as against \$1,181 million in 1952. Personal disposable income per capita in 1953 was 3% above the corresponding figure for 1952. The rise in savings made it possible for Canadian families to provide the down payments for new dwellings, while higher income increased their capacity to meet carrying charges on owner-occupied homes and to pay rentals. There were more people in Canada wanting houses and able to pay for them at existing prices, than at any time since 1947.

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CANADIANS IN U.S. "ASSAULT": Twenty-five cadets of the Royal Canadian Navy and RCN (Reserve) will take part in an annual amphibious assault exercise with midshipment of the United States Naval Academy on June 19 at a U.S. naval amphibious training base in Virginia.

The landing, near Camp Pendleton, will be made by 2,000 United States Marines and 586 Midshipmen while 14,000 men in 35 ships offshore provide the landing craft and furnish support.

3,477,000 FAMILIES: Canada's ten provinces had 3,675,000 households and 3,477,000 families at the start of June last year, the Dominion Bureau of Statistics estimates. This was 265,705 or 8% more households and 194,555 or 6% more families than at the June 1 Census of 1951.

The 1953 June 1 estimate of households is 34,000 greater than the estimate for September last year which the Bureau published in its January report on the household equipment survey, the explanation being that the September figure does not include Indian reservations and a few inaccessible areas in the north of the provinces. Institutional households are excluded from both estimates, as are the territories.

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PIPED OIL RISE: Boosted by a new record monthly movement in December, the volume of oil delivered through Canadian pipe lines in the year 1953 soared to 147,304,000 barrels, an increase of 37% over 1952 deliveries of 107,796,000 barrels, and a gain of 67% over 1951. The year's deliveries of refined products amounted to 24,868,000 barrels as against only 3,094,000 in 1952. December's deliveries of oil totalled 14,400,000 barrels, up 11% from November and 33% above December, 1952.

Provincial deliveries for the year were as follows, with 1952 figures in brackets: British Columbia, 1,540,000 barrels (nil); Alberta, 16,985,000 (16,054,000); Saskatchewan, 14,190,000 (11,165,000); Manitoba, 36,683,000 (27,630,000); Ontario, 24,868,000 (3,094,000); and Quebec, 53,038,000 (49,853,000).

643-MILE EXTENSION

Manitoba's deliveries included 30,524,000 barrels (21,521,000 in 1952) transferred to the Lakehead Pipe Line Company at Gretna destined principally to Ontario refineries at Sarnia. In the past the bulk of this oil has moved from Superior to Sarnia by way of Lake tanker until the close of navigation. With the completion in December of Lakehead's 643-mile extension from Superior to Sarnia, the Interprovincial Pipe Line Company now operates the longest crude oil pipe line in the world. This extension commenced operating in December and provides transportation facilities for year-round movement of oil from Western Canada to refineries at Sarnia.

By the end of 1953, deliveries of the Interprovincial Pipe Line Company had risen to 53,569,000 barrels, as against 41,281,000 in 1952, an increase of 30%. Imperial's deliveries for the year amounted to 47,468,000 barrels, up 8%, while the Montreal Pipe Line Company increased their total deliveries for the year by 6.3% to 53,038,000 barrels from 49,853,000.

ATOMIC POWER SYMPOSIUM PAPERS

FOR PRIVATE INDUSTRY: A 200-page report containing 15 papers presented at an Atomic Power Symposium held at Chalk River last September has been published by Atomic Energy of Canada Limited.

The publication of the symposium papers follows on the release of technical data by the Atomic Energy Control Board. The Board recently announced that the information released would facilitate the study of the feasibility of power-producing nuclear reactors.

"The publication of the Power Symposium papers is in keeping with the policy of Atomic Energy of Canada Limited of getting as much information as possible on atomic energy into the hands of private industry and other groups with a special interest in the development of atomic power", declared Mr. W.J. Bennett, President of Atomic Energy of Canada Limited.

RESEARCH RESULTS

The three-day Atomic Power Symposium was attended by 75 engineers, business executives and other representatives of private industrial firms who received the most comprehensive view of research results at Chalk River ever presented to private industry. Among the participating companies were the Hydro-Electric Power Commission of Ontario, Quebec Hydro Electric Commission, The Shawinigan Water and Power Company, and Calgary Power Limited.

Two months after the symposium the Hydro-Electric Power Commission of Ontario announced it was embarking on a joint feasibility study with Atomic Energy of Canada Limited to determine the general design and cost of a specific type of pilot atomic reactor to generate useful power and show the way to construct a larger reactor that would be fully economic.

The report, which costs two dollars and is available from the Scientific Documents Office of the Crown company at Chalk River, Ont., contains papers ranging from "Engineering Problems of Reactor Design" to "Power Resources of Canada, Their Potential and Utilization".

The atomic energy company's chief design engineer, Mr. I.N. MacKay, in his paper on "Engineering Problems of Reactor Design" declares: "The principal technical problem is to increase the temperature at which the heat from the fuel rods (of a reactor) can be removed. Most existing reactors, including the NRX and the partially completed NRJ reactors, reject their heat at less than about 170 degrees Fahrenheit, a temperature too low for any sort of economic power generation." However, in his second paper, "Rod Reactors", Mr. MacKay says: "My conclusion is that, provided satisfactory solutions can be found to the

problems I mentioned . . . the heavy water rod reactor is perhaps the type most easily adapted to generation of power at the present stage of development."

Problems associated with the operation of a nuclear reactor are outlined in the symposium report by Mr. G.W. Hatfield, Works Manager, Industrial Operations, who points out that the fissioning or splitting of uranium atoms gives off three million times as much heat per pound as is given off in the burning of coal.

In a paper entitled "Neutron Physics Considerations in Reactor Design", Dr. G.C. Lawrence, Director of the Chemistry and Reactor Research Division, discusses the many factors which influence the number of neutrons available to maintain a chain-reaction in a nuclear reactor. Some materials, such as stainless steel, absorb a large number of neutrons and therefore must be used sparingly in a reactor structure.

REACTOR CONTROL

In a paper on "Reactor Control", Mr. F.W. Gilbert, Manager, Operations Division, points out that if the reactivity of a reactor is increased by one half of one per cent, the power (which is a measure of the quantity of heat produced in the NRX reactor) will double in three and one-half seconds. The reactivity of a reactor can be increased by adding more uranium fuel or by moving a control rod. "There is practically no upper limit to the temperature that can be reached," Mr. Gilbert declares, and thus, "reactors must depend on extremely critical control systems."

Dr. A.M. Aikin of the Chemical Engineering Branch discusses the "Disposal or Uses of Large Quantities of Fission Products". Each uranium-235 atom that splits in a reactor breaks up into two fragments of somewhat similar size, such as an atom of barium and an atom of krypton. The uranium atoms split up in more than 30 different ways and the resulting fragments are known as "fission products". They are highly radioactive. These are the "ashes" produced in an atomic "furnace" and they must be removed from time to time for they absorb neutrons.

Steam-electric generating stations are discussed in the symposium report by Mr. H.S. Dennis of the Hydro-Electric Power Commission of Ontario. "Power Systems Planning for Ontario" is the title of a paper by another member of the H.E.P.C., Mr. G.C. Floyd. He points out that the average growth of the load in the Commission's Southern Ontario System from 1922 to 1953 has been about six per cent per year and that this growth means a doubling of the load every 12 years.

EXTENSION OF AIR DEFENCES IN FAR NORTH

CANADA-U.S. STATEMENT: In a joint statement issued simultaneously in Ottawa and Washington on April 8, the Canadian and United States Governments outlined measures being taken to extend the air defence barriers of the North American Continent.

The text of the statement:

Because of the possibility of aggressive air attacks against North America, the Canadian and United States Governments after the Second World War continued the co-operative arrangements for the defence of North America which had been brought into effect during the war. Since that time, there have been established in both countries fully manned radar screens for the detection of a potential enemy, and installations for interceptor aircraft and anti-aircraft weapons. At all stages, planning has been carried on between the two countries on a joint basis. Consultations and co-operation at all levels have been constant and completely satisfactory.

STRENGTHEN DEFENCES

For some time now, the Canadian and United States Governments have been appraising the air defence system to define the steps required to strengthen our defences in the light of recent advances in the destructive capabilities of atomic weapons against targets in our two countries.

For the past four years, work has been going on at high priority on the construction of a large and costly radar chain which is required not only to detect enemy bombers but also to control fighter aircraft engaged in the task of interception. This radar chain is known as the Pinetree Chain.

Long before the Pinetree project was approaching completion, the military planners of the two countries were engaged in an intensive study of what further steps might be desirable and practicable. In October 1953, a team of military and scientific advisers representing both countries recommended that additional early warning should be provided by the establishment of a further radar system generally to the north of the settled territory in Canada. The report of this team was considered by the Chiefs of Staff of each country later that month. At a meeting in Washington in November 1953, the Canadian representatives informed the United States authorities that

the Canadian Government was prepared to proceed immediately with the necessary surveys and siting for the proposed new early warning radar system. This work is already well advanced.

There are many difficult problems to be solved in establishing this additional early warning system in the Canadian north. The system will extend over thousands of miles and its survey will involve the examination of a great number of possible sites. Much of the ground is inaccessible except by tractor train and helicopter. In many areas, extreme temperatures are confronted for several months of the year. Many technical problems, including the interference of the auroral belt with electronic devices, have had to be overcome. In overcoming the various technical problems involved the United States Air Force is working closely with the Royal Canadian Air Force.

EARLY WARNING

It is obviously just as important to have early warning of aircraft approaching target areas in North America from over the sea as from over Northern Canada. For this reason, the United States Government is extending the early warning barrier across the north-eastern and north-western seaward approaches to North America. The Alaska radar system is co-ordinated with those in Canada and the continental United States, and the development of airborne radar is well advanced.

In addition to these measures of common concern, both countries are working continuously to improve the air defence installations in the vicinity of the major target areas. Here too, co-operation between the United States and Canadian air defence commanders is close, and unidentified aircraft are investigated by the most immediately available interceptor force, whether Canadian or American.

The defence of North America is part of the defence of the North Atlantic region to which both Canada and the United States are pledged as signatories of the North Atlantic Treaty. Thus, the co-operative arrangements for the defence of this continent and for the participation of Canadian and United States forces in the defence of Europe are simply two sides of the same coin, two parts of a world-wide objective, to preserve peace and to defend freedom.

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Average value per acre of occupied farm land last year ranged from \$30 in Saskatchewan to \$99 in British Columbia. In Ontario the average was \$98, in Quebec \$77, in Prince Edward Island \$61, in Nova Scotia and New Brunswick \$54, in Manitoba \$49 and in Alberta \$43 per acre.

Repayment on loans to foreign governments brought Canada \$87,000,000 last year, \$31,000,000 or 55% more than in 1952. Settlements from the United Kingdom on the loans of 1942 and 1946 accounted for 74% of the 1953 repayments as compared with 66% of the total in the preceding year.

TRADE AGREEMENT WITH JAPAN

SIGNED IN OTTAWA: Under the terms of the Agreement on Commerce, recently signed in Ottawa, Canada and Japan will exchange unconditional most-favoured-nation treatment with respect to customs duties and other charges, and all rules and formalities, internal taxes and other regulations concerning trade.

The Agreement also provides that neither country will impose or maintain restrictions or prohibitions affecting its trade with the other country, unless similar measures are applied equally to all third countries. Similarly, in the allocation of foreign exchange and in the administration of foreign exchange restrictions affecting trade, each country will accord unconditional most-favoured-nation treatment.

Under the terms of this Agreement, Canada reserves the right to establish special values for duty on any imports entering Canada in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers of like or directly competitive products. In the event of such special values being applied, and in determining the level at which such values should be applied, Canada will take into account the prices of like or directly competitive products imported from other countries.

RESTRICTIONS

Under the Agreement either country may temporarily impose discriminatory import and exchange restrictions, if such restrictions are required on balance of payments grounds. However, such restrictions must not discriminate between Canada and other dollar countries or other countries with convertible currencies.

The Government of Japan has also undertaken, subject to certain agreed exceptions, to accord Canada unconditional non-discriminatory treatment in relation to any other country with respect to import and exchange controls to the following list of nine commodities: wheat, barley, woodpulp, flaxseed, primary copper, lead in pigs, zinc spelter, synthetic resin and milk powder.

The Agreement also provides for non-discrimination in state trading practices. Both countries undertake to conform to internationally accepted fair trade practices, particularly in matters pertaining to trade marks, marks of origin and rights under patents. They

also undertake to co-operate in the prevention of any practices which might prejudicially affect their mutual trade and to accord sympathetic consideration to any representations that the other country may make.

The two countries have agreed that the provisions of this Agreement continue to be applicable in the event that the General Agreement on Tariffs and Trade is applied between Canada and Japan. The Contracting Parties to the General Agreement at their Eighth Session in September 1953 arranged for Japan to participate in their sessions, pending the time at which Japan might negotiate with a view to accession.

A Declaration was also prepared by which those contracting parties in a position to do so would agree to have the provisions of GATT govern commercial relations between themselves and Japan during the same period. The Prime Minister, Mr. St. Laurent, indicated in his speech in Tokyo on March 11 that, with completion of action on the commercial agreement between Canada and Japan, Canada would expect to be in a position to apply the General Agreement on Tariffs and Trade to Canadian-Japanese trading relations. In that event the GATT would govern commercial relations between Canada and Japan provisionally, subject to the terms of the bilateral Agreement.

INCREASE IN TRADE

Canada's trade with Japan has increased substantially in recent years. In 1953 Japan became Canada's third most important market and our exports were approximately \$119 million. Canadian imports from Japan totalled \$13.6 million in 1953. Our main exports were wheat (\$52 million), barley (\$17 million), iron ore and scrap iron (\$11 million) and woodpulp (\$8.3 million), and also wheat flour, flaxseed, copper, asbestos, newsprint, aluminum, brass, synthetic resins, hides and skins. Japan was Canada's third largest market for wheat last year and is one of the leading markets for Canadian barley, woodpulp and iron ore.

Canadian imports from Japan cover a wide range of products including semi-fabricated iron and steel (\$1 million), toys (\$1 million), pottery and chinaware (\$700,000), silk products (\$700,000), and woollens, linens, cottons, tuna fish, fish oils, sewing machines and a variety of manufactured products.

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TO OBSERVER GROUP: Major Donald Hay, 32, of Kamloops, B.C., a member of The Rocky Mountain Rangers (RF), has been selected for service with the United Nations Military Observer Group in India and Pakistan, Army Headquarters has announced.

CANADA'S AIR GRADUATES: In nine NATO nations across the European continent, more than 2700 aircrew are now flying their aircraft Canadian-style - graduates of the RCAF's NATO air-training programme, Air Force headquarters announced on April 3.

SIX FIRST AWARDS FOR CBC: The Canadian Broadcasting Corporation has won six first awards and three honourable mentions for radio programmes, in competition with the American networks, at the 18th American Exhibition of Educational Programmes held annually at Ohio State University.

CBC shared an additional first award, in the regional programme category, with the Departments of Education of the Western Provinces for a school broadcast programme. Three Canadian privately-owned stations were represented in the awards as well, first awards going to CKWX, Vancouver; and CHUM, Toronto, and an honourable mention to CFAC, Calgary.

CBC's award-winning programmes were "Trans-Canada Matinee", cited for "providing women at home with a programme of adult, serious radio fare".

The CBC Wednesday Night series won a first award for its production of "1984", an adaptation by Melwyn Breen of the book by George Orwell, produced by Esse Ljungh. The programme was cited for "powerful and significant drama, superbly presented... an accurate, gripping projection of a book which hereby gains a vastly wider audience".

Other first awards went to the series "Press Conference"; to a production of the play "The Vigil", adapted by John Lucarotti and produced by Rupert Caplan; to a children's programme, "Roundabout"; and to "Cuckoo Clock House", written by Babs Brown and produced at CBC Toronto by Norbert Bauman.

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CANADA-U.K. AIR TALKS: The Department of External Affairs announced on April 8 that, at the request of the United Kingdom Government, discussions will be held in Ottawa from April 12 to 14 on the subject of possible modifications to the Canada-United Kingdom Air Transport Agreement. The Canadian Government will be represented by the Minister of Transport, Mr. Chevrier, who will be assisted by officers of the Air Transport Board and the Department of External Affairs. The United Kingdom Minister of Transport and Civil Aviation, Mr. Lennox-Boyd, will head the United Kingdom Delegation.

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DEATH OF ANGUS L. MACDONALD: Leaders in the House of Commons and public men all across Canada joined in tributes this week to the late Premier of Nova Scotia, Angus L. Macdonald, who died on April 13 at Halifax at the age of 64. He led Nova Scotia's Liberal Government for 21 years and served in wartime as federal Navy Minister.

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Cash sales accounted for 71% of all retail sales in the fourth quarter last year as against 68% in the last quarter of 1952.

UNIVERSITY ENROLMENT UP: Preliminary returns from Canadian institutions of higher education show 61,018 students in attendance for the current academic year, 1,216 or 2% more than in 1952-53 and a reversal of the downward trend in university and college enrolment in evidence since the peak year of 1947-48. The preliminary report covers an estimated 95% of full-time university grade enrolment, which means a total enrolment of about 64,200 for 1953-54.

Enrolment of men in the current academic year in the reporting institutions increased 2% to 47,412 from 46,390, while enrolment of women was up 1% to 13,606 from 13,412 in 1952-53. Both totals are also higher this year than in 1951-52 when 46,946 men and 13,435 women were enrolled. The number of veterans in receipt of allowances from the Department of Veterans' Affairs dropped by 995 or 63% to 580 in 1953-54.

University and College enrolment was higher this year than in 1952-53 in all regions, and higher than in 1951-52 in all except Ontario.

The number of male students enrolled was higher this year in all regions, and only the Ontario total was below that of 1951-52.

Enrolment in the current academic year was higher than in 1952-53 in the faculties of science (4,711 versus 4,037), architecture (495 versus 488), commerce (3,384 versus 3,150), dentistry (822 versus 821), education (2,501 versus 2,094), engineering and applied science (8,789 versus 7,823), journalism (80 versus 71), law (2,550 versus 2,157), library science (124 versus 115), medicine (4,568 versus 4,499), nursing (1,085 versus 907), physio and occupational therapy (389 versus 370), theology (1,288 versus 1,261), and veterinary science (405 versus 363). Percentage-wise, the largest increase in enrolment (18%) was in law, followed by pure science (17%) and engineering (12%).

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QUEEN'S MEDAL: Her Majesty the Queen has approved the institution of the "Queen's Medal for Champion Shots of the Air Forces" to encourage small arms shooting skill in the Air Forces of the Commonwealth. In Canada the medal will be competed for under small arms championship conditions during the annual prize meeting of the Dominion of Canada Rifle Association and awarded to the winner of a competition conducted at these meetings.

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SPAIN, PORTUGAL MISSION: A Canadian mission is leaving shortly to enter into trade negotiations with Spain and Portugal, two important markets for salt cod, the Minister of Trade and Commerce announced on April 3. The Newfoundland Associated Fish Exporters Limited has been invited to name a representative.



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WEEK'S EVENTS IN REVIEW

MR. WINTER'S WASHINGTON SPEECH: "Is everything you are doing here in the United States and we are doing in Canada designed to serve most effectively our needs and those of other friendly nations?" was the question put to the American Society of Newspaper Editors by Mr. Robert H. Winters, Canadian Minister of Public Works, in an address delivered in Washington on April 17. "Are we," he continued "keeping the long-term good of North America and of other free countries constantly before us, or are we apt to overlook it on occasion under the pressure of current events?"

"That Canada is a treasure house of a great variety of natural resources of high quality which can be developed at low cost and sold abroad at competitive prices is well known. Our country has a population of just over 15 million. As such we comprise about two-thirds of one per cent of the world's population. But we produce more newsprint, nickel, asbestos and platinum than any other nation. Canada is second in the world's output of hydro-electric power, pulp, aluminum, gold, zinc, uranium, magnesium and titanium, and third in production of silver, cadmium, cobalt and sawn lumber.

"Canadian resources supplement the resources of the United States in many ways," Mr. Winters stated and went on to describe Canadian exports which were essential to the American economy.

Turning to the United States participation in Canadian economic development he outlined the mutual advantages.

"Now I do not want to give the impression that Canadians feel they are doing Americans a favour by selling all these raw materials required by the rapidly expanding American economy. It is to our advantage for a number of reasons. We use the proceeds from our American sales to buy from you other raw materials and foodstuffs which we require: coal, cotton, fruits and vegetables. We also buy from American industry at a competitive price a multitude of capital goods and other finished products of high quality.

"Further, United States capital and management frequently participate in the development of some of our resources industries, and this in turn contributes to speeding up our own domestic economic development. . . .

"Post-war experience shows that most American capital coming to Canada has stayed because of the great many opportunities for profitable investment. At times, in fact, heavy capital inflow from the United States has been an important factor in keeping the value of the Canadian dollar above the American. Not everybody in Canada is too happy about the premium - it makes it harder for Canadian industry to compete in foreign markets. But what can we do if American businessmen get so enthusiastic about Canada's long-

(Continued on P. 5)

SERVICE CHIEFS VISIT EUROPE: Lt.-Gen. G.G. Simonds, Chief of the General Staff, sailed from New York April 14 to begin a three-week visit to Army and Air Force bases in France and Germany, it was announced.

In Paris, Lt.-Gen. Simonds will participate in a SHAPE exercise, from April 26 to 30, which will involve senior NATO commanders.

The Chief of the General Staff sailed aboard the liner Queen Mary which is scheduled to reach Cherbourg, France, on April 19. Lt.-Gen. Simonds first will visit Headquarters of the RCAF's 1st Air Division then spend two or three days touring air stations in France and Germany.

Following the SHAPE exercise, he will travel to Germany to spend several days in the Soest and Soltau areas with the 1st Canadian Infantry Brigade.

Lt.-Gen. Simonds is expected back in Canada about May 11.

Vice-Admiral E.R. Mainguy, Chief of the Naval Staff, will leave Ottawa April 20 by air for the United Kingdom, where he will visit HMCS Niobe, Canadian naval headquarters in London, and the British Admiralty prior to going to Paris to take part in the one-week exercise at SHAPE.

Vice-Admiral Mainguy will return to Ottawa May 8.

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NATO MILITARY AID: The Canadian Army will ship military supplies to four more European countries this month under terms of the Mutual Aid Programme of the North Atlantic Treaty Organization.

Army equipment will be sent to the Netherlands, Portugal, Norway and Denmark during April.

The shipments will include 300 wireless sets and maintenance equipment for the sets; a quantity of waterproof truck covers for the Portuguese Army; vehicle spare parts for the Norwegian Army; practice ammunition, trucks and spare parts for the Royal Danish Army, and a small shipment of tools and vehicles for the Royal Netherlands Army.

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HOUSING PROGRAMME: Construction of new dwelling units showed little overall change in February as compared with a year earlier, starts being slightly higher in number and completions virtually unchanged, according to the Dominion Bureau of Statistics.

Starts were made on the construction of 3,057 residential units in February as compared with 2,789 a year earlier, and the completions numbered 6,116 compared with 6,161. In the two months, January-February, starts were down to 6,040 from 6,362, and completions were up to 14,431 from 12,262. This left 51,127 units under construction at the end of February as compared with 49,737 at the same time last year.

CAPITAL INFLOW: Trade in outstanding securities between Canada and other countries in January resulted in a capital inflow of \$6,300,000 compared with \$4,700,000 in December. This inflow was the largest of five consecutive sales balances recorded since September, 1953. The volume of trading was down when compared with the preceding month but was heavier than for any other month since June, 1953.

Transactions with the United States led to a sales balance of \$1,800,000, in contrast to a purchase balance of \$2,000,000 in December. In each month from July to December, 1953, United States residents on balance disposed of Canadian stocks, but in January they again added to their holdings. Repatriation of outstanding Canadian bonds and debentures also fell in January and the balance of trading with the United States in all Canadian securities changed from net purchases of \$8,300,000 in December to net sales of \$800,000 in January.

There were counter movements in trading in foreign securities, and the relatively large sales by Canadians of United States non-government bonds which occurred in December did not continue in January. Mainly as a result of this factor, the sales balance of foreign securities with the United States fell to \$1,000,000 from \$6,300,000 in December.

The sales balance with the United Kingdom in January was \$2,400,000, or less than half the December balance.

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CANADA-U.K. AIR TALKS: The Department of External Affairs announced on April 14 the conclusion of discussions on possible modifications of the Routes Schedule of the Canada-United Kingdom Air Services Agreement of August 19, 1949.

Discussions took place on a number of possible changes in the existing route patterns. These will now be considered by the Canadian and United Kingdom Governments.

The discussions, held at the request of the United Kingdom Government, took place in Ottawa from April 12 to 14. Mr. Lennox-Boyd, Minister of Transport and Civil Aviation, headed the United Kingdom Delegation which met with the Canadian Minister of Transport, Mr. Chevrier, who was assisted by officials of the Air Transport Board and the Department of External Affairs.

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WESTERN ARCTIC STUDIES: An oceanographic-hydrographic study of the Canadian Western Arctic Ocean, initiated by Canada's Defence Research Board three years ago, will continue this summer for the fourth successive year. For the second season, the expedition will be a joint U.S.-Canadian operation with scientists from both countries supported by a U.S. Navy and a U.S. Coast Guard icebreaker, both equipped with helicopters.

THE EMPLOYMENT SITUATION

MARCH POSITION: The Department of Labour announced that, employment had increased slightly during March indicating that the seasonal low in economic activity was probably reached in late February. While there was a small increase in unemployment, this was primarily due to an increase in the labour force. During the month ending March 20, the number of persons working 35 hours or more increased slightly and those working less than 35 hours dropped moderately.

While overall employment continued somewhat below last year's levels for the month, the year-to-year decline changed very little. Total labour requirements in the manufacturing, trade and service industries did not change appreciably during the month while construction and other outdoor activities showed a small seasonal increase.

MANUFACTURING INDUSTRIES

Within manufacturing, employment levels were sustained in the electrical apparatus, chemical, food and beverage, motor vehicles and pulp and paper industries. Employment in the textile and clothing industries rose slightly by somewhat less than is usual for the month. There was a greater than usual seasonal increase in employment in the agricultural implement industry although employment was still considerably below last year's levels. Layoffs continued to occur in the iron and steel industries.

The civilian labour force, at 5,236,000 in the week ended March 20, 1954, showed little change from 5,230,000 in the week ended February 20, 1954, and an increase of somewhat under 1 per cent from 5,192,000 recorded in the week ended March 21, 1953. These estimates are obtained from the monthly labour force

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FALL IN GOLD PRODUCTION: Gold production continued to decline in January as compared with a year earlier, the month's output amounting to 293,049 fine ounces as compared with 371,265. Output in Ontario dropped to 160,916 fine ounces from 210,188, Quebec to 63,456 fine ounces from 97,388, and British Columbia to 20,504 fine ounces from 20,698. In the Northwest Territories there was a rise to 26,625 fine ounces from 22,369. Prairie Provinces to 20,719 fine ounces from 19,992, Newfoundland and Nova Scotia to 797 fine ounces from 630, and the Yukon to 32 fine ounces from nil.

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Divorce rate per hundred thousand population was lowest last year in Newfoundland at 2.3, highest in British Columbia at 120.2. Quebec had the second lowest rate, 6.4.

survey conducted by the Dominion Bureau of Statistics.

During March completions of hauling operations in the logging industry contributed to higher levels of unemployment in the Atlantic region. At the same time scattered layoffs occurred in some manufacturing lines, and employment levels in the coal mining industry declined.

The number of persons at work in the Quebec region showed little change during March. Employment levels in manufacturing changed very little and layoffs were no heavier than usual in the seasonal industries.

REGIONAL FACTORS

Economic activity in Ontario continued at low winter levels during March. Logging and woods operations continued downward, approaching the usual spring low point and activity in construction and agriculture was retarded by unsettled weather conditions during the month. Manufacturing employment continued below 1953 levels and showed a smaller seasonal increase than is usual for March.

Labour requirements in the Prairie region rose steadily through March partly as a result of increasing agricultural activity. The level of unemployment showed some corresponding reduction, although the decline did not match the gain in employment because of a seasonal increase in the labour force.

There was a marked seasonal improvement in the employment situation in the Pacific region during March, mainly due to increased activity in the logging, sawmilling and construction industries. This helped to stimulate labour demand in other industries in the region, resulting in a rise in full-time employment of 19,000 to 359,000 in March.

CANADIAN GRAIN STOCKS: Total stocks of the five major Canadian grains in all North American positions excluding Newfoundland at March 31 this year were estimated at 1,281,300,000 bushels, second only to the record 1,353,400,000 on hand at March 31, 1943, and well above last year's corresponding total of 1,165,400,000 bushels, according to the Dominion Bureau of Statistics.

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Manufacturers sold 366,498 TV sets last year, over two-and-a-half times as many as in 1952. Average factory price was down 8% to \$406 from \$442 per set.

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From the end of June 1946 to the end of June last year, 2,407 engineers emigrated to the United States.

HOUSING RECORD A high level of personal income and savings, an increased flow of institutional mortgage funds and a good supply of building materials without significant increase in cost contributed to Canada's record construction rate set in 1953. A rise in immigration and marriages added to the demand for housing and was reflected in the peak construction output.

According to the latest issue of "Housing in Canada", a quarterly report of Central Mortgage and Housing Corporation, total housing starts during 1953 numbered 106,200, including conversions, while completions of new dwelling units numbered 100,700 compared with 76,300 in 1952. The previous record year was 1950 but the past 12 months surpassed the mark set then by 11 per cent in starts and 10 per cent in completions. Completions during the early months of 1954 will be supported by the 60,000 units under construction at the beginning of the year.

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TRADE FAIR: This year's Canadian International Trade Fair at Toronto promises to be a more interesting, better balanced show than ever before. Twenty-six countries are so far represented with exhibits, and the products listed for display range from ceramics and handicrafts to machine tools and power plants. Almost every one of the 22 trade classifications into which the Fair is divided contains a substantial variety of products from a number of countries.

Canada is the leading exhibiting country, with 125,000 square feet out of a total of 224,000 square feet booked to date. Other major exhibiting countries are, in order: the United Kingdom, Germany, the United States, Italy, Belgium, Austria, India and France.

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BOAT BUILDING INDUSTRY: Although fewer concerns manufactured small wooden vessels and pleasure craft in 1952, the production of Canada's boat building industry was valued at \$8,103,016, up nearly 14% from \$7,130,624 in 1951 and 44% above the 1950 output value of \$5,628,858, according to the Bureau's annual report on the industry.

Although the industry embraces establishments in all 10 provinces, Ontario, British Columbia and Nova Scotia together account for close to 85% of the national output. The industry employed 1,514 in 1952, a 1% drop from 1,531 in 1951, but the payroll was 6% greater at \$3,320,082 versus \$3,132,876.

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SPECIALISTS TO 1ST BRIGADE: Three Army officers and 60 men, majority of them specialists, will sail for Europe later this month as reinforcements for the 1st Canadian Infantry Brigade in Germany.

INVESTMENT CAPITAL: The flow of capital into Canada for direct investment in foreign-controlled enterprises continued to increase in 1953, the Dominion Bureau of Statistics reports. The net movement is tentatively placed at a record figure of \$385 million, some \$50 million more than in 1952, United States residents providing some \$325 million of the total. The net movement from the United Kingdom, estimated at \$15 million in 1952, was between two and three times this in 1953, and was higher than in any earlier post-war year.

British and other foreign-controlled enterprises in Canada raised additional amounts of capital through borrowings from Canadians. Some undertakings have also been publicly announced which have not yet reached a stage requiring large capital imports. Nearly one-half of the total inflow went into the petroleum industry, including exploration and development, pipelines, and refineries.

Preliminary data suggest that the outflow of capital for direct investment in Canadian-owned enterprises abroad was of the order of \$55 million, a considerable reduction from the total for 1952, but well above earlier years.

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EMPLOYMENT: Industrial employment at the beginning of February was down 2.7% from January and 3% from February a year earlier. This year's February 1 index stood at 107.0 compared with 109.9 a month earlier and 110.3 a year ago. The February 1, 1952 index was also slightly higher at 107.4. These three are the top mid-winter figures in the record.

The disbursements in weekly wages and salaries rose 0.5% as compared with the holiday week of January 1, and were a shade larger than last year. The latest per capita weekly earnings, at \$58.42, were the highest in the record, 3.3% above the January 1 figure, and 3% higher than at February 1, 1953.

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INVENTORIES DECLINE: After remaining at approximately the same level for the last four months of 1953, the total value of inventories held by Canadian manufacturers in January declined to \$3,996,000,000 from \$4,031,200,000 in December. This was still 3% above last year's January total of \$3,872,800,000.

Total inventory investment, or inventory actually owned by manufacturers declined 1% in January to \$3,583,700,000 from December's \$3,626,000,000, but rose 3% from last year's January value of \$3,482,700,000. Inventories held but not owned by reporting manufacturers were valued at \$412,300,000 compared with \$405,200,000 in December and \$390,100,000 a year ago.

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Telephone employees earned an average of \$2,725 each in 1952, \$242 or 10% more than in 1951.

(Continued from P. 1)

MR. WINTER'S WASHINGTON SPEECH

term prospects that they send hundreds of millions of dollars into our country for investment purposes?"

Turning to multilateral trade he pointed out that "Both countries benefit from the economic use of available resources. Canadians age, I believe, willing to abide by the results of a multilateral trading system. They are ready to take their chances and let private enterprise show what it can do to further individual and national well-being. But Canadians would also like to see their major trading partners pursue similar policies.

"This kind of philosophy is basic to Canadian Government thinking, and it is supported, I believe, by the overwhelming majority of the Canadian people. You can understand then why Canadians are disturbed when tariff barriers are raised, import quotas are imposed in response to special pleas, or domestic industries are subsidized to keep competitive foreign products out of the country. . . ."

Speaking about the application of sound policies to the development of North American resources and the exchange of raw materials between the two countries he said, "I must emphasize before I turn to this subject: that I am not thinking only of bilateral relations between Canada and the United States, however important they may be, nor am I advocating a bilateral approach. The principles which I believe are sound in this respect apply equally well to the relations between each of our two countries and the rest of the free world.

"What we must all seek - and advocate - are policies that strengthen the forces of freedom throughout the world, that enable free peoples to live a happier and more abundant life and that increase their ability to withstand aggression from those who would destroy freedom throughout the world. . . ."

"There are, however, even more compelling reasons why the United States may look increasingly to foreign suppliers, including Canada, for many raw materials that can be produced abroad in large quantities and at low cost. I am referring to strategic considerations.

"In case of an emergency, partial or global war, the United States immediately turns to Canada and other external suppliers for large quantities of strategic material supplies. The United States did so three times within the memory of the present generation. But unless external suppliers are embarked on a continuing expansion of their natural resources, the creation of new capacity takes time. During World War II, it took us three years to reach peak output requirements to meet our own military needs and those of our allies.

"We have serious doubts whether an atomic world war would allow us the time we need to open new mines, build new plants, and construct storage and transportation facilities.

We are told by the military that time may be the essential element in another global conflict. But how much attention is being paid to this advice in our resources and industrial planning?

"... You may ask this question: If the American public is willing to pay higher prices by buying higher cost raw materials from marginal or sub-marginal suppliers at home so as not to displace some workers' jobs and disturb some operators' profits, why worry about it? If this were solely an American problem, I would readily concede the point, for Americans know best what is good for their country. Your economy is wealthy and big enough to afford some degree of inefficiency here and there, but other countries are not so fortunate. They have to compete in world markets. Their prosperity depends on a high level of world trade. Their standard of living would materially deteriorate if they did not keep their economics efficient and their industries competitive. Encouragement of high-cost, non-competitive industries may have only minor effects on the U.S. economy as a whole but it might have serious consequences on the economies of some other countries. This would hardly be the way of binding the free nations of the world into a strong bulwark against aggression.

DEVELOPMENT OF RESOURCES

"We do not think it is a selfish policy to recommend to the United States to buy from the cheapest raw material suppliers. We are not asking for special treatment either on defence grounds or because we are your neighbours or your best customers. What we would like to see the United States do is to adopt a policy that would encourage the long-term development of resources of the free world. In that process, you will encourage development of Canadian natural resources which are strategically located from your point of view. This will ensure you of a more adequate supply of raw materials should an emergency occur. It will give your raw material consuming industries and the general public the benefits of buying in the cheapest market. It will give us expanding resources industries and the wherewithal to buy even more from you than we ever did before.

"Canadians believe that the free world will reap the greatest benefits if the development of new low-cost resources is encouraged, their exchange facilitated and the exercise of sound business judgment interfered with as little as possible by Government action. In this field, as in many others, Canada, like other free nations, is willing to join with the United States in offering concrete evidence of readiness to help build a world in which all peoples can be productive and prosperous.

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Chemicals output was valued at \$230,050,000 in 1952, down 4% from the 1951 peak.

GOUZENKO TRANSCRIPT: On tabling on April 13, copies of the transcript of the interview between Mr. Igor Gouzenko and representatives of the United States Government the Minister of Justice, Mr. Garson, made the following comments to the House of Commons:

"... It will not be surprising to Members of the House that the transcript of Mr. Gouzenko's evidence at this January 4 meeting discloses very little (if indeed there is any) information not already available to the public. Of course it does not disclose any information of a security type not previously known to the Canadian and United States security authorities.

"I should explain that the reason why the transcript was not made public previously in view of the considerable interest shown in this meeting, was that the whole object of this meeting was to provide an opportunity to representatives of the United States Government to interview Mr. Gouzenko on matters pertaining to the internal security of the United States. It was therefore not considered appropriate for Canada to make the transcript public unless so requested by the United States Government, as it has now done."

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EXTERNAL AFFAIRS ANNUAL REPORT: In his introduction to the Annual Report of the Department of External Affairs Mr. L.B. Pearson stated:

"The year just past has seen some heartening achievements in the long struggle for peace and security. On the other hand it has brought into focus a number of new problems demanding solution. Moreover our very successes, to the extent that they have induced a welcome reduction in tension, have of course made it all the more necessary for the free peoples of the world to be on their guard, lest relaxation give rise to disunity or to complacency. . . ."

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DIPLOMATIC REPRESENTATION ABROAD: During 1953, embassies were opened in Bogota (April 7), Djakarta (June 2), and in Madrid (December 10), a high commissioner's office in Colombo (August 13), and consulates general at Los Angeles (May) and Seattle (September), according to the Department of External Affairs Annual Report.

In addition, the opening of embassies in Montevideo and Tokyo and of a legation in Vienna, which had been announced in 1952, formally took place in the early part of 1953. The consulate general in Caracas and the legation in Berne were raised to the status of embassies on January 15 and May 12 respectively.

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Three naval vessels worth \$4,249,816 were completed in 1952 as compared with two valued at only \$330,803 in 1951.

OVERSEAS TELECOMMUNICATIONS: The fourth annual report of the Canadian Overseas Telecommunication Corporation, tabled in the House of Commons by the Minister of Transport, Mr. Chevrier, forecasts some unprecedented developments for expanding Canada's telecommunication facilities, with emphasis placed upon new and more efficient engineering techniques.

One of the major undertakings, a joint effort with United Kingdom and U.S.A., will be the construction and installation of a trans-Atlantic telephone cable which will be "the most important of recent developments in the telecommunication field". Mr. Bowie, the Corporation's President and General Manager, said that the completion of this project, scheduled for the end of 1956, will result in the provision of overseas telephone service equal in quality and efficiency to that to which we are accustomed within Canada.

Mr. Bowie, in referring to the profit for the year amounting to \$25,000 and showing a reduction of \$20,000 for comparable revenues in 1952, mentioned the possibility of an adjustment in overseas telegraph tariffs. He said that "the increasing cost of telegraph operations makes it apparent that some adjustment in rates cannot be much longer deferred"

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DIPLOMATIC EXCHANGE. The Department of External Affairs announced today that the Governments of Canada and the Dominican Republic have agreed to exchange diplomatic missions.

A Consulate General of the Dominican Republic was established in Montreal in 1914, and another Consulate General was opened in Ottawa in 1945. A non-resident Canadian Government Trade Commissioner was accredited to the Dominican Republic in 1921, and in 1952, a Canadian Government Trade Commissioner's Office was opened in Ciudad Trujillo.

Canadian relations with the Dominican Republic have become of increasing importance in recent years, and it is now intended to establish, before the end of 1954, an Embassy of Canada at Ciudad Trujillo, and an Embassy of the Dominican Republic at Ottawa.

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CHIEF OF AIR STAFF: The Chief of the Air Staff, Air Marshal C. Roy Slemmon, took off on April 20 from Montreal on a three-week overseas tour, Air Force headquarters announced today.

A/M Slemmon will visit RCAF stations in England, France and Germany, have discussions with Air Ministry officials, and tour a number of British aviation firms.

In Paris, he will participate with other NATO commanders in a SHAPE exercise from April 26 to 30.

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A record 147,304,000 barrels of oil flowed through pipe-lines last year, 37% more than in 1952, 67% more than in 1951.

GOVERNMENT



OF CANADA

CANADIAN WEEKLY BULLETIN

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DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

MR. ST. LAURENT'S TORONTO ADDRESS: Speaking on the future role of "Free" Asia in world affairs in an address to the annual meeting of the Canadian Press, held in Toronto on April 28, 1954, the Prime Minister said in part:

"We in the Western world are apt to think of world affairs in terms of the free nations of Europe and North America on the one side and the Communist-dominated world on the other. I suppose it is natural for us to think of South and South East Asia as an area whose people also have to choose one side or the other in the so-called 'cold war' and who should be just as much concerned about the outcome of that cold war as we are.

"No doubt the consequences of a Communist victory over the West if that could happen would be very serious for the peoples of Asia in the long run, but it is not reasonable to expect the peoples of Asia to see the importance of these matters from the same angle that we do.

"What has happened to countries like Poland, Czechoslovakia, Eastern Germany, Austria and other nations of Eastern Europe is something that has real meaning for us; but the enslavement of these countries cannot have the same immediate significance for the vast multitudes of these people of Asia.

"Many millions of them may never have even heard of most of those countries and they have had very little contact and not much experience with Soviet Russia at any time. It is equally true that they know little about North

America, but they do know that the main language used in North America is English and that most of its people are of Western European origin and their memories of their relations with Western Europeans are not altogether happy. It would be less than frank to say that their experience with European domination has left them without any suspicions even about us in North America. And it is important for us to realize that the peoples of Southern Asia, because they have had so little direct experience of Russian Imperialism, Communist or otherwise, are not inoculated as we are against the false ideas and illusory promises of Communist propaganda. On the other hand, they are apt to associate the whole Western world with the former Imperialism they resented so deeply and unless we can show them that we really want to be their friends and to treat them as equals we can hardly expect to enjoy their sympathy and enlist their support for the kind of peaceful world we are seeking to achieve.

"Nevertheless, the nations of Southern Asia are bound to play an increasingly important part in world affairs. For some time I have been deeply impressed, and I am sure you have too, with the great and growing importance of these ancient Eastern civilizations which are striving to adapt themselves to this twentieth century.

"It seemed clear to me that their power and influence would be certain to increase, and that in terms of our own self-interest we

(Continued on P. 5)

INDONESIAN AMBASSADOR: His Excellency Usman Sastroamidjoyo presented to His Excellency the Governor General on April 22 his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Indonesia to Canada. The ceremony of presentation took place at Government House.

The Acting Under-Secretary of State for External Affairs, Mr. R.A. MacKay, was in attendance on the Governor General on this occasion. The Chief of Protocol, Mr. H.F. Fever, presented the Ambassador to the Governor General. The Ambassador was accompanied by Mr. Suyoto Suryo-di-Puro, First Secretary of his Embassy. Mr. Lionel Massey, Secretary to the Governor General, was also present.

Mr. Sastroamidjoyo received the degree of Doctor of Laws from Leiden University, Holland, in 1934. He practised law at Bandung, Indonesia, from 1935 to 1945, when he became a member of the Provisional Parliament of the Republic of Indonesia. His career in the Indonesian Foreign Service began in 1947, when he was appointed as the first envoy of the Republic of Indonesia to Australia. Since then he has held various posts in the Indonesian Foreign Ministry. From 1951 to 1952 he served as delegate, with the rank of Ambassador, to the Sixth General Assembly of the United Nations in Paris. Prior to his appointment as Ambassador to Canada, he was Special Assistant to the Minister for Foreign Affairs.

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BILINGUAL INSTRUCTION: Cadres of bilingual instructors are to be formed immediately at all corps schools and within English-speaking Army units to help train French-speaking soldiers.

A recent training directive issued by Army Headquarters outlines the policy for training French-speaking soldiers. It states: ". . . in order that French-speaking Canadians will not be handicapped when serving in units which are predominantly English-speaking, they must be given the opportunity of obtaining instruction and receiving orders in the French language. To this end," the order states, "bilingual cadres will be maintained by corps schools and Active Force units so that French-speaking soldiers may receive orders and instruction in their own language. . . ."

The policy now will be to conduct the depot and recruit training of French-speaking recruits at corps schools and units. Suitable French-speaking soldiers will be selected, upon completion of recruit, trades or specialist training, for English language and junior non-commissioned officers' courses at the CATS.

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Wool production rose by 930,000 lb. or 12% last year to 8,621,000 lb.; with shorn wool output up 4% to 6,659,000 lb.; and pulled wool output up 50% to 1,962,000 lb.

TRADE IN SECURITIES: Trade in outstanding securities between Canada and other countries in January resulted in a capital inflow of \$6,300,000 compared with \$4,700,000 in December. This inflow was the largest of five consecutive sales balances recorded since September, 1953. The volume of trading was down when compared with the preceding month but was heavier than for any other month since June, 1953.

Transactions with the United States led to a sales balance of \$1,800,000, in contrast to a purchase balance of \$2,000,000 in December. In each month from July to December, 1953, United States residents on balance disposed of Canadian stocks, but in January they again added to their holdings. Repatriation of outstanding Canadian bonds and debentures also fell in January and the balance of trading with the United States in all Canadian securities changed from net purchases of \$8,300,000 in December to net sales of \$800,000 in January.

There were counter movements in trading in foreign securities, and the relatively large sales by Canadians of United States non-government bonds which occurred in December did not continue in January. Mainly as a result of this factor, the sales balance of foreign securities with the United States fell to \$1,000,000 from \$6,300,000 in December.

The sales balance with the United Kingdom was \$2,400,000, or less than half the December balance. While the volume of sales continued at a relatively high level, Canadian repurchases were larger than in any month since 1946, with the exception of October, 1950. Increased repurchases of Government of Canada bonds was the principal factor contributing to the change from December. Transactions with other overseas countries led to a capital inflow of \$2,100,000, somewhat larger than in December.

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RUBBER PRODUCTION AND CONSUMPTION: Consumption of natural, synthetic and reclaim rubber in February moved up to 7,814 tons from the preceding month's 6,759 tons, and month-end stocks declined to 12,820 tons from 13,200. Domestic production of synthetic and reclaim fell to 7,122 tons from 7,647. Consumption comprised 3,503 tons of natural (3,068 in January), 3,060 tons of synthetic (2,574), and 1,251 tons of reclaim (1,117). Month-end stocks were: natural, 5,388 tons (5,220); synthetic, 5,785 (6,235); and reclaim, 1,647 (1,745). Domestic production of synthetic rubber amounted to 6,739 tons (7,287); and reclaim, 383 tons (360).

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Occupied farm land was valued at an average \$51 per acre in 1953, \$3 or 6% more than in 1952, \$21 or 70% more than in 1945 and more than double the 1935-39 average of \$24.

CONSUMER PRICE INDEXES ACROSS CANADA: Seven of the ten regional consumer price indexes declined between February 1 and March 1 while three advanced. Food indexes were lower for all except the Edmonton-Calgary series which showed no overall change. Lower quotations for beef, tomatoes and shortening were mostly responsible for the decline in foods as they offset a general advance in coffee and scattered increases for pork, oranges and carrots.

Continued advances in rents resulted in higher indexes for the shelter component in all cities except St. John's. The principal changes in clothing were increases for women's cloth coats and decreases for men's nylon socks and women's nylon hosiery and rayon undergarments. As a result of these and other scattered changes, clothing indexes were lower in six cities, higher in two and unchanged in two.

Household operation indexes moved higher in five cities due mainly to advances for electrical appliances, dishes, glassware and cleaning supplies. Higher local transportation fares in Saint John and Saskatoon were reflected in substantial advances in the other commodities and services indexes for these two cities. Of the remaining eight cities, four showed no change, while four registered mixed movements due to changes in automobile operation and higher toilet soap prices.

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ELECTRIC ENERGY OUTPUT: Production of electric energy by central electric stations in February totalled 5,152,524,000 kilowatt hours, moderately below last year's corresponding output of 5,255,048,000 kilowatt hours. This followed a small decline in January from a year earlier, and the cumulative production for the January-February period fell to 10,786,071,000 kilowatt hours from 10,911,585,000.

Consumption of primary power - production, less net exports, and secondary power - in February advanced to 4,873,840,000 kilowatt hours from 4,681,074,000, and with January's total up to 5,379,051,000 kilowatt hours from 5,106,043,000, the two-month total climbed to 10,252,891,000 kilowatt hours from 9,787,117,000.

Gross exports to the United States fell in February to 130,283,000 kilowatt hours from 196,961,000 in the same month last year, and January-February exports dropped to 268,064,000 kilowatt hours from 412,146,000.

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CONCERT PARTY TO KOREA: An all-Canadian group of concert artists will leave Montreal by air May 2 for a six-week tour of the 1st Commonwealth Division in the Far East. It will be the fifth Army-sponsored Canadian show to play to members of the 25th Canadian Infantry Brigade in Korea.

WHEAT AND WHEAT FLOUR EXPORTS DOWN: Total exports of Canadian wheat and wheat flour in terms of wheat in February amounted to 13,700,000 bushels, down from both the preceding month's 17,800,000 bushels and last year's February exports of 17,600,000 bushels. This brought the cumulative total for the August-February period of the present crop year to 152,000,000 bushels, a drop of 27% from the preceding year's 207,800,000 bushels.

Exports of wheat as grain in February totalled 10,600,000 bushels compared with 13,800,000 in January and 14,000,000 a year earlier. In the August-February period the exports aggregated 126,300,000 bushels compared with 175,600,000.

February's exports of wheat flour in terms of wheat amounted to 3,100,000 bushels as compared with 4,000,000 in January and 3,600,000 in February, 1953. This brought the cumulative total for the August-February period to 25,700,000 bushels as compared with 32,200,000.

The United Kingdom continued to be the principal market for Canadian wheat, taking 42,100,000 bushels - 33% of the total - in the August-February period.

The United Kingdom was also the chief purchaser of Canadian wheat flour in the August-February period, taking some 8,187,000 bushels (wheat equivalent). Next in order were the Philippine Islands with 2,895,000; Venezuela, 1,898,000; Jamaica, 1,215,000; Trinidad and Tobago, 1,120,000; Korea, 953,000; Japan, 793,000; Hong Kong, 716,000; and Gold Coast, 605,000.

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GRAIN STOCKS: Visible supplies of Canadian wheat on March 31 totalled 355,403,000 bushels, moderately below the 350,188,000 bushels in store a week earlier, but 29.4% larger than last year's corresponding total of 274,588,000 bushels. Prairie farmers marketed 2,873,000 bushels of wheat during the week ending March 31, up from 2,308,000 a week earlier and 2,690,000 a year ago.

Prairie farm deliveries of oats and barley were larger than a year earlier, but both rye and flaxseed were moved in smaller volume. Marketings of oats amounted to 978,000 bushels (863,000 a year ago); barley, 1,260,000 bushels (1,066,000); rye, 83,000 bushels (142,000); and flaxseed, 36,000 bushels (45,000). Overseas export clearances of wheat during the week ending March 31 increased to 4,927,000 bushels from 3,278,000 a week earlier and 2,192,000 a year ago, but cumulative clearances from the beginning of the crop year to the end of March were down to 135,702,000 bushels from 170,051,000.

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Wholesale sales increased more than two and a half times from \$5,290,750,000 to \$14,223,198,000 in the 1941-51 decade, but the number of wholesale establishments rose only 6% to 26,156 from 24,758.

COLOMBO PLAN PROPOSAL: The Department of External Affairs announced on April 24 that agreement has been given to the proposal of the Government of India that additional counterpart funds arising from Canadian aid be allocated to the Mayurakshi hydro-electric and irrigation project in West Bengal.

In accordance with the Statement of Principles of 1951, which governs the co-operation of the two Governments under the Colombo Plan, certain forms of Canadian assistance give rise to local currency proceeds which are known as counterpart funds. Where, for example the aid takes the form of commodities which are sold in the Indian market, the revenue from their sale is paid into a counterpart fund. Similarly, where Canadian assistance is in the form of equipment provided to the Government of India for use in a specific development project, this equipment is normally made available to the project by the Government of India on a loan basis and the repayment of such a loan is credited in due course to a counterpart fund. By agreement between the two Governments, the counterpart funds generated by Canadian aid are used to assist in the local financing of specific Indian development projects.

The two Governments had previously decided that the rupee proceeds from the sale of \$10 million worth of Canadian wheat, supplied to India under the Colombo Plan in 1951-52, should be devoted to the Mayurakshi project. It has now been agreed that the proceeds from the sale of \$5 million worth of Canadian wheat supplied to India in 1952-53 should also be used for this purpose, together with the counterpart funds arising from the provision of 50 locomotive boilers for the Indian railways.

This means that the total Canadian contribution to the Mayurakshi project in the form of counterpart funds will be about \$17 million. In addition, the Canadian Government is providing the project with hydro-electric equipment valued at about \$3 million. Altogether, therefore, Colombo Plan aid from Canada will have accounted for approximately two-thirds of a total project expenditure which is estimated at more than \$31 million.

On completion in 1955-56, the Mayurakshi project is expected to irrigate over 600,000 acres in the monsoon season and an average of 120,000 acres during the winter season. It is anticipated that the project will yield roughly 400,000 additional tons of food grains a year, worth about \$16 million, while some 2,000 kilowatts of firm electric power will be generated at the hydro-electric plant under construction on the Mayurakshi River.

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The 2,050 ships operated by Canadians in 1952 included 95 passenger vessels, 95 that carried both passengers and freight, 723 freighters, 79 tankers, 405 tugs, 548 tow barges and scows and 105 of other types.

TRADE DELEGATION: The Department of External Affairs announced on April 26 that a trade delegation headed by the Deputy Minister of Trade and Commerce, Mr. W.F. Bull, had left for Portugal and Spain to commence trade negotiations with these countries.

The delegation includes Mr. Maurice Schwarzman of the Department of Trade and Commerce, and Mr. George Glass of the Department of Finance. Mr. J. Lawes of the Newfoundland Associated Fish Exporters Limited will accompany the delegation.

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NEW BANK NOTES: Canada's new notes will be 6 inches long by 2¼ inches deep. The long measurement is the same as the current issue but the notes are approximately 1/8 of an inch shallower. The latter change was made for technical reasons.

Plates for the fronts and backs of all denominations will be complete in the near future and some denominations are already in production. Distribution will not begin until September of this year in order to build up stocks of the new issue in various parts of the country and substantially to use up stocks of the current issue.

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VISIT OF H.M.C.S. QUEBEC TO EUROPE: HMCS Quebec (training cruiser), under the command of Captain E.W. Finch-Noyes, CD, RCN, of Oakville, Ont.; and Chester, N.S., will sail from Halifax April 30 on a five-week spring training cruise to European waters.

During the cruise the Quebec is scheduled to visit the Portuguese island of Madeira, May 7-11; Lisbon, Portugal, May 13-15; Copenhagen, Denmark, May 20-25, and Brest, France, May 28-30, returning to Halifax on June 6.

At Brest, members of the directing staff and current course of the National Defence College, Kingston, who are touring Europe, will be embarked in the Quebec for return passage to Canada. The party includes senior officers of all three services.

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NATIONAL HARBOURS BOARD SURPLUS: With total revenues of \$21,000,000 and a net income surplus of \$2,400,000, the financial results of the National Harbours Board in 1953 were the best in its experience, according to the 18th annual report presented to Parliament by the Minister of Transport, Mr. Chevrier. In 1952, revenues amounted to \$20,300,000 and the surplus was \$1,000,000. The increase in revenues came almost entirely from grain elevators.

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Canadian ships lost at sea, burnt or otherwise destroyed totalled 87 valued at almost \$5,000,000 in the seven postwar years 1946-52.

(Continued from p. 1)

MR. ST. LAURENT'S TORONTO ADDRESS

should seize every opportunity that presents itself to strengthen the bonds of goodwill and mutual understanding with them. Canada has a special opportunity because, like these nations, we too have emerged from a colonial status to a status of equality in the Commonwealth, and that common experience is itself a basis for mutual understanding.

"My visit was certainly a rewarding one to me. I found traditions and achievements going back thousands of years which make our own history seem, by comparison, like a creation of yesterday. I was struck by the realization that the spiritual and philosophical insight, which has always been one of the glories of the East, is still a living reality.

"And side by side with this ancient cultural inheritance are the new forces which are beginning to stir Asia in this period of history. The most powerful of these is a national sentiment, and closely associated with it, the insistence on the recognition of racial equality. In every part of the East this double force is at work driving men in new directions. One feels that in every part of the East the desire for national independence goes hand in hand with a new sense of the dignity of the individual and the equality of all men, regardless of origin or colour.

"This feature of the Eastern scene is one which we in the West can neglect only at our peril. The Peoples of Asia, who have so recently thrown off what they consider the last vestiges of colonial domination, are determined to manage their own affairs without interference. And I am confirmed in the view that no long-term solution of Asian relations with the West will be possible which does not carry with it full recognition of the common human brotherhood of all men in all countries.

"The desire for a more distinct national identity and this new sense of the importance of the individual present a great challenge to the new Asian nations of our Commonwealth. One of the most important tasks with which they are faced at the present time is to assure an adequate supply of food, clothing, and shelter to meet the minimum basic needs of their many millions of human beings. It is by assisting them to meet this challenge, and at the same time encouraging them in their effort to achieve the goals I have mentioned, that we can demonstrate our friendship and goodwill toward them. Even before my recent tour, I had frequently asserted that we could not afford to overlook these vast areas of Asia, where mass poverty prevails and where there is not much use in talking about the abstract advantages of political freedom to men and women who are perpetually hungry.

"If we hope to have real security in the world - and unless it is world-wide we are not apt to have it for ourselves - I am convinced we must, in a true spirit of equality and co-

operation, join in a world-wide concerted effort to help the peoples of Asia to secure greater material advantages and the hope of a better future for themselves.

"The people of Southern Asia, like the people of Canada - and the average person is not much different the world over, he has the same hopes and aspirations - these people are engaged in a high enterprise of national development. To carry that enterprise to a successful conclusion they too need stability and peace in the world. I said a moment ago that Westerners were regarded with suspicion in Asia but that does not mean that the people there do not want peace and stability as much as we do and are not willing to work with us in achieving those ends, once we can convince them we are on the right road. But we cannot expect them to assume that our way is always the right way.

"The views of the governments and peoples in Southern Asia on the way they can most usefully help to maintain world peace are not all identical with the views of the government and people of Canada on the efforts which Canada can most usefully make.

"But we should not forget that until we signed the North Atlantic Treaty, we in North America had generally held the view that it was preferable not to make precise commitments in advance as to the action we would have to take if ever there was an outbreak of war. That was our traditional position until six or seven years ago. That seems to be India's position now. And I do not think we in Canada have any more right today to urge India to change its policy than we had in June, 1940, when the Western world was crashing about our ears, to urge the United States to change its policy. We hoped for a change and we expected that ultimately there would be a change, but we felt it would not help to try to tell the people of the United States that we knew better than they did what they should do in their own best interests.

"The countries I had the privilege of visiting are in the throes of what we hope will continue to be a peaceful revolution and they are, so far as I could gather, determined to make their revolution by democratic and peaceful means. The leaders of those countries are apt to succeed only if the masses of the people see with their own eyes that their economic and social conditions are improving and are likely to continue to improve.

"I have seen something of the poverty of an average Indian village. I walked through the muddy lanes of such a village and into the dark mud houses. I went on to visit a village nearby where a community project had been established and where the villagers, with government assistance, were working together to improve their living conditions and to increase their production. There was already clear evidence of great improvement.

"I began to realize what a stupendous un-

dertaking it is to raise the living standards of the 300 million villagers of India. But I also began to understand that the magnitude of this task should not be thought of in terms of one nation comprising 300 million villagers but in the more manageable terms of 500 thousand separate villages. That is a lot of villages but each one of these villages is an individual community and the plan is for each individual community to do for itself what has been done in each of the already improved villages. It can be done provided each gets the same technical assistance from the government, and, in particular, provided it gets the help and inspiration of an enthusiastic and dedicated local official.

"The enthusiasm and determination and realistic approach of all the planning authorities, both central and local, is such as to justify the hope that these ancient nations will succeed in their war against the poverty, the diseases and the ignorance so widespread amongst those great masses of our fellow human beings. The cost of their victory in that war is bound to be great. As Mr. Nehru said of his own country, this generation of Indians must accept a lifetime of hard labour, but it is apt to be very rewarding labour."

"The task of these countries will be immeasurably easier provided there is a reasonable level of peace and stability in the world and provided we in the West do lend a helping hand and do display in our dealings with them sympathy, insight and understanding.

"Of course it is only too true that in the East there is poverty, poverty more extensive and more pervasive than anything we in the West have known for centuries. But one also sees much beauty, beauty of old buildings, beauty of the countryside, beauty of the people themselves. One sees in some of the devoutly religious Asian people, serenity seldom seen in the West.

"I venture to suggest that one of the best ways we can make sure that serenity becomes a more common quality than it is now is to try to understand the people of the East and treat them as we ourselves want to be treated. We will thus be helping to enlist their sympathies in the great struggle to strengthen the prospects of keeping this a world where men and women of every continent can live their lives in freedom and in peace.

"We in the Western world have been striving in the partnership of the North Atlantic alliance, to make secure for our own and future generations the freedom we believe is the very essence of civilized life. In this age of hydrogen bombs with their threat of total destruction for organized human society, we must of course put our ultimate trust in the designs of a benign Providence, but we must also do our best to help ourselves towards the peaceful triumph of sanity and freedom in the world.

"That is why we have felt it so necessary first to achieve and then to maintain adequate strength to deter aggression. But we have also to continue to develop and to defend freedom and to keep proper perspectives in our own countries, and thus demonstrate the superiority of our way of life, not only for the Western world, but also for the countless millions in Asia.

"And we have to do this, while continuing to live in a shrinking world alongside the great nations behind the iron curtain where years of intellectual, social and political servitude may have undermined the aptitude and perhaps even the desire of many for what we regard as essential personal and national freedom. And we must do it with the knowledge of the existence and availability of atomic weapons and of their terrifying destructiveness.

"In the face of all that there is no short and easy way to make the world what we would like it to be or even to make our own freedom absolutely secure. We must continue to build up and to maintain our strength but we must not forget that the purpose of that strength is not to seek a propitious moment to start a third world war with all its horrors and mass destruction but to do our part to deter others from starting one.

"Mr. Eisenhower said recently in a speech to the American Newspaper Publishers Association that never has there been a more compelling and rewarding time than the present to labour for a co-operative peace based upon international understanding. One way for us to do our part towards that goal of international understanding is to build up and retain the goodwill and friendly confidence of the great new nations of Southern Asia.

"They are our partners in the Commonwealth; a Commonwealth of free and equal nations of many races and many continents. I venture to repeat about this partnership the words Mr. Bennett used about our relations with India: 'It could mean the expansion of freedom and opportunity for a greater proportion of the world's population than ever before'.

"I hope, with my whole heart, that it will!"

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CANADIANS IN KOREA: The last shots fired by the 4th Regiment, Royal Canadian Horse Artillery in Korea, were fired on April 21 in honour of Queen Elizabeth's 28th birthday.

The regiment, which hurled thousands of rounds at enemy-held positions during its stay in Korea, sails for home later this month.

The 21-gun salute honouring the Queen was fired from the banks of the Imjin River, three miles from the demilitarized zone.

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Nearly \$2 million worth of fishing tackle is made in Canada each year.



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WEEK'S EVENTS IN REVIEW

GOVERNOR GENERAL'S ADDRESS TO CONGRESS: After expressing his appreciation for the warm welcome which he had received and for the privilege of addressing the two great legislative bodies of the United States, Mr. Massey devoted the remainder of his address to Canadian-American relations. The text of his address follows in part:

"To say that you in the United States and we in Canada have much in common, is a venerable platitude. Living as we do side by side on the same continent, our resemblances are many. We have, too, similar views on fundamental things. Among our common characteristics, one of the greatest, I believe, is our dislike of regimentation - our respect for the differences which lend colour to everyday existence. We believe that each man should lead his own life; that each group of men should preserve its own customs. It is not surprising, therefore, that for all that we have in common, you and we should each preserve certain habits and traditions which we cherish because they belong to us. We know it is not your wish to have on your borders a mere replica of your own country, but rather a self-respecting community faithful to its own ways. We are thus better neighbours, because self-respect is the key to respect for others. On our side of the border you will find a country in which parliamentary government has been, we believe, successfully married to a federal system; a country whose people cherish two languages and two cultures - English and

French; a land which has inherited from its mother countries in the old world many forms and customs which have been happily fitted into life in the new. These ways of ours you respect because they are ours, just as we respect your ways because they are yours. Thus, in the words of the "Treaty of Amity, Commerce and Navigation", which laid the foundation of our present concord as long ago as 1794, we "promote a disposition favourable to friendship and good neighbourhood".

"In Canada we are indeed fortunate in our neighbourhood. We have a warm-hearted neighbour. This your people have shown us over the years. There are countless bodies in this country in which, through your invitations, Canadians share membership with their American friends. We are not unmindful of what we owe to your great universities and foundations. Let me say, too, that we are ever conscious of the warmth of the hospitality we receive when we are your guests.

"We have a powerful neighbour. Your massive strength, economic and military, excites a sense of wonder at its magnitude. The dedication of this power to the cause of freedom evokes the gratitude of all who love freedom everywhere. Your Canadian neighbours know that when you assumed the grave responsibilities you bear today, it was not of your choosing. And for what you have done, we honour you.

"We have a friendly neighbour. There is no need to enlarge on the traditions of neighbourly good sense which for so long have mark-

(Continued on P. 5)

NORTH PACIFIC FISHERIES COMMISSION REPORT:

The role Canada will play with the United States and Japan in working out a solution to fisheries conservation problems in the North Pacific is outlined in a report published on April 29 by the recently-established International North Pacific Fisheries Commission. The Commission is made up of the following: Canada -- Dr. Stewart Bates, John N. Buchanan, Roger T. Hager and James Cameron; The United States -- Edward W. Allen, John L. Farley, Milton E. Brooding and I. Frank Reintzleman; Japan -- Ryuji Takeuchi, Iwao Fujita and Kyuhei Suzuki.

With the publication of the chairman's report, Dr. Bates, the Commission's first chairman, who is Deputy Minister of Canada's Department of Fisheries, also announced the appointment of a temporary executive director of the Commission. He is Milton C. James, Consultant to the Department of Fisheries of the State of Washington. Mr. James has a long record of experience in fishery investigations in the United States and served as a U.S. commissioner on the International Pacific Halibut Fisheries Commission. He agreed to serve until the Commission is organized sufficiently to select someone on a permanent basis. His duties begin on August 1.

The Commission, which has its headquarters temporarily established at the University of British Columbia in Vancouver, is made up of representatives of Canada, the United States and Japan under the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed in Tokyo in May, 1952. While there are other international treaties in existence for the conservation of marine fisheries resources, notably those between Canada and the United States for the regulation of the Pacific salmon and halibut fisheries and the ten-nation agreement covering the Northwest Atlantic, this treaty has established principles which are in some ways new in the practice of international conservation. It recognizes the concept of the freedom of the high seas but it attempts to get recognition of the fact that where a fishery has been developed and is under conservation by one or more parties jointly, other nations, which have not contributed to its development, might be asked to abstain from exercising their ordinary international rights to fish these resources as long as they continue to be fully utilized and under scientific study and regulation.

The Commission's first report describes the preliminary discussions of the programme of scientific studies to be undertaken co-operatively by the three nations. This programme calls for a free exchange of scientific knowledge of the fisheries resources of the North Pacific. The Scientific Committee of the Commission will meet in Tokyo in May to work out a more definite programme of joint scientific

study by the three countries, and to begin the preparation of their report for the next meeting of the Commission itself, to be held in British Columbia towards the end of October.

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NATIONAL RESEARCH COUNCIL SCHOLARSHIPS: The National Research Council of Canada has granted 236 scholarships for 1954-55, with a total value of \$283,200. These scholarships include 75 bursaries worth \$800 each, 103 studentships worth \$1100 each, and 21 fellowships worth \$1400 each. All of these are to be held in Canada.

Special scholarships awarded for study abroad include 20 awards worth \$1900 each. These special scholarships are to be held in the following countries: ten in the United States of America, eight in the United Kingdom, one in France, and one in Sweden.

Seventeen overseas postdoctorate fellowships at \$2500 each have been granted for work in the following countries: twelve in the United Kingdom, two in Sweden, one in Denmark, one in France, and one in the Netherlands.

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EXPORTS TO NEW ZEALAND: New Zealand has relaxed a substantial number of restrictions on the importation of goods from dollar countries, which will benefit exporters in Canada. The Right Hon. C.D. Howe, Minister of Trade and Commerce, on April 29, drew attention to an announcement made to this effect in New Zealand on April 26. This is a matter of major importance, he said, as it provides for a re-opening or expansion of the New Zealand market for many Canadian products, the importation of which has been severely restricted or entirely excluded in recent years.

This recent announcement supplements that made on April 8, to the effect that New Zealand would permit the importation of motor vehicles from Canada and the United States to the value of some \$2.5 million in 1954.

Mr. Howe said that these relaxations in discriminatory import restrictions are welcomed here as a progressive step in the return to greater freedom for international trade. The New Zealand market has, for many years, been one of the most important in the British Commonwealth for Canada. Canadian exports to New Zealand in 1951 had a value of \$22 million, but declined to \$7 million in 1953 due to the imposition of import restrictions. "I feel sure that the new relaxations announced by New Zealand will go far in returning this mutually beneficial trade to the higher levels which have prevailed in the past."

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Petroleum products used for heating, cooking and lighting totalled 1,220,200,000 gallons in 1952, about 17% more than in 1951 and nearly nine times as much as a decade earlier.

JOINT DEFENCE PRODUCTION TALKS. During the course of his visit to Ottawa, the United Kingdom Minister of Supply (the Rt. Hon. Duncan Sandys) has had talks with Canadian Ministers concerned with defence. He also met the Canadian Chiefs of Staff and Dr. Solandt (Chairman of the Defence Research Board).

These talks provided an opportunity for a general exchange of views on defence matters affecting the two countries, with special reference to the problem of defence production and of aeronautical and weapon research. Among other subjects the Ministers discussed the supply of equipment required by Canada from the United Kingdom.

The arrangements for co-operation in scientific and technical development were reviewed, and methods for securing a still closer integration of the defence research programmes of the two countries were discussed, with particular reference to aircraft and air-to-air guided weapons.

The Ministers also reviewed the progress made in regard to the standardization of weapons and equipment. In this connection they discussed the question of the Belgium F.N. automatic rifle, which the United Kingdom Government has decided to manufacture in Britain for the British Army.

Whilst the Canadian Government has not as yet reached any final decision, the adoption of this rifle for the Canadian forces is being actively considered and some two thousand of these weapons have been ordered for troop trials.

Should the Canadian Government adopt this weapon, it would propose to manufacture it in Canada. This would necessitate converting the design to inch dimensions, since the Belgian production drawings, which are based on the metric system, are not suited to manufacturing methods and tooling in North America.

The Canadian Government has agreed to undertake the actual work of adapting the production drawings to the inch system in accordance with accepted American-British-Canadian standards. This work will be carried out at Canadian Arsenals at Toronto. The closest collaboration will be maintained throughout with the United Kingdom Ministry of Supply who will be represented at Canadian Arsenals by design and production experts.

The United States Government has been invited to appoint observers to maintain technical liaison in connection with this work.

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Ordinary and supplementary benefit claimants on the live unemployment insurance register on February 26 numbered 512,567, up from 494,831 a month earlier, and 363,165 at the same time last year, according to the Dominion Bureau of Statistics.

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Dairy products brought farmers \$413,127,000 last year.

FEDERAL-PROVINCIAL HIGHWAYS CONFERENCE: The Federal-Provincial Conference on the control and regulation of interprovincial and international highway transport concluded its deliberations at noon on April 28, 1954.

This Conference which was called by the Minister of Transport for the purpose of considering ways and means by which the provinces might assume control of that part of the nation's highway transport which the recent decision of the Privy Council found to be within Federal jurisdiction has been in session for the past two days.

The Conference dealt in the main with two questions. Firstly, whether or not there was a disposition on the part of the provinces to assume control over interprovincial and international highway transport in view of the reluctance of the Federal Government to enter this field. All nine provinces (Newfoundland not being represented at the Conference) expressed their willingness to assume this control.

Secondly, there was the question of the method by which the provinces might be enabled to assume control over interprovincial and international highway transport. Two possibilities were discussed: an amendment to the British North America Act which would give the Provinces complete jurisdiction, and Federal legislation which would give the provinces control over extra-provincial highway transport. The latter alternative was considered to be the more feasible method, having regard to the many various problems involved in obtaining amendment to the constitution.

The Legal Committee of the Conference submitted a draft Bill which would transfer to the provinces the right to control and regulate interprovincial and international highway transport. The majority of the provincial representatives indicated their approval of the draft Bill and all undertook to present the proposed measure to their governments for early consideration.

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RECRUITING ADS AWARD: Recruiting advertisements sponsored by the Department of National Defence in the past few months have won a merit award from the National Advertising Agency Network, an American cooperative network of independent advertising agencies.

A letter addressed to the Department of National Defence and signed by Oakleigh R. French, managing director of the NAA, states that the Department has been awarded an award of merit in the 1954 creative awards competition sponsored by the association.

The Defence Department's award winning entry was prepared by Ronalds Advertising Agency, Ltd., Montreal.

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Telephone calls from Canada to Asia numbered 404 in 1952, some 160 or 66% more than in the preceding year.

REHABILITATION IN KOREA: United Nations forces made another concession on April 26 toward the rehabilitation of troop-occupied sections of Korea, when the village of Chinmokchong was re-established in the Canadian sector of the front, less than a mile from the demilitarized zone.

The move was the result of mutual negotiations between the Korean Government, the Korean Civil Assistance Command of the 8th Army and the 1st Commonwealth Division. The move allows 95 Korean families to resume cultivation of 400 acres of soil that have been lying stagnant since the beginning of the fighting in June, 1950. Five hundred more farmers and their families will move into the area as construction progresses.

In a brief ceremony attended by U.N. officials, the commander of the 25th Canadian Infantry Brigade, Brigadier J.V. Allard, acting on behalf of all Commonwealth forces in Korea, cut a white tape, officially opening the new village.

Construction is to begin immediately on housing accommodation and a school for the new village. Each housing unit will comprise 600 board feet of lumber, seven pounds of nails and two and one-half bags of cement, all supplied by the Korean Civil Assistance Command, to which Canada contributes a proportionate share of the cost.

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EXERCISE "HIGH GEAR ONE": Operational elements of the 1st Canadian Infantry Brigade who have been undergoing training in this area for the past two weeks began battalion and brigade level training on May 3 with Exercise "High Gear One", the first of three exercises to be held under direction of Brigadier W.A.B. Anderson, the brigade commander.

The exercise will culminate in the brigade's first test as a fighting formation during Exercise "Commonwealth Three", when it will be practised by the 7th (British) Armoured Division, the famed Desert Rats of the Second World War. More than 4,000 members of Canada's NATO army formation will take part in the manoeuvres with the British forces.

This phase of training is being carried out under simulated battle conditions with 25 umpires appointed to observe and report upon reactions of both forces. Chief Umpire is Major J.R. Picard of Cornwall, Ontario.

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PIPE LINES DELIVERIES PEAK: The movement of oil through Canadian pipe lines continues to set new records, January's deliveries rising to 15,367,000 barrels, up by 4,642,000 from last year's corresponding total of 10,725,000 barrels. Total new receipts in January amounted to 15,430,000 barrels, up some 4,500,000 or 42%.

"VENTURE" PLAN INSTRUCTOR: The appointment of Instructor Commander George Lionel Amyot, 42, of Winnipeg, to be director of studies at HMCS Venture, was announced May 3 by Naval Headquarters.

HMCS Venture is the name to be given the establishment at Esquimalt, B.C., where cadets enrolled in the Royal Canadian Navy under the "Venture" Plan will be trained. It will be commissioned this summer under the command of Captain Robert P. Welland, of Ottawa and Victoria.

The plan offers seven-year short-service appointments to young men with junior matriculation or equivalent, with opportunity to apply for permanent status after initial training.

Commander Amyot, who is equally at home speaking either English or French, is at present the director of studies at the Canadian Services College, Collège Militaire Royal de Saint-Jean, Saint-Jean P.Q. Much of his career in the Navy has been devoted to the training of junior officers afloat and ashore.

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FEDERAL PROVINCIAL HIGHWAYS CONFERENCE: The federal-provincial conference on the control and regulation of interprovincial and international highway transport convened at 11 o'clock on April 26 with the Honourable Lionel Chevrier, Minister of Transport, presiding. Those representing the federal Government were Honourable Stuart Garson, Minister of Justice, Mr. E.A. Driedger, Counsel (Justice), Mr. C.W. West, Deputy Minister of Transport, Mr. W.J. Matthews, Q.C., Director of Administration and Legal Services (Transport), and Mr. G.A. Scott, Special Adviser to the Minister of Transport.

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CANADIAN ARMY NATO SUPPLIES: The Canadian Army will ship quantities of hand grenades, vehicle spare parts and electronic equipment to the Royal Norwegian Army and the Royal Danish Army early in May.

The military supplies will be shipped under terms of the mutual aid program of the North Atlantic Treaty Organization. The Royal Norwegian Army will get the grenades and the electronic equipment. Spare parts for three-ton Army trucks will be shipped to the Royal Danish Army.

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BATTLE MANOEUVRES IN GERMANY: Infantrymen and tankmen of the 1st Canadian Infantry Brigade are learning battle co-operation in the former Wehrmacht training area at Soltau in the British Zone of Germany.

A troop of four Centurion tanks from "D" Squadron, Lord Strathcona's Horse (Royal Canadians) and a company of infantrymen from the 2nd Battalion, The Royal Canadian Regiment last week staged the first of a series of field exercises.

(Continued from P. 1)

GOVERNOR GENERAL'S ADDRESS TO CONGRESS

ed our relations. We can only hope that they may be reflected elsewhere in this troubled world.

"We are happy to think that we know you well. Countless Canadians have personal friends on this side of the border. Many of us have relatives here. It is, of course, natural that a small community should know more of a larger neighbour than that neighbour knows of it. We are getting to know each other better as the years pass. We welcome your visits to us. Often your objective may be the river or the forest, and we are happy to offer you a playground. But perhaps you will let me say that we would not have our visitors show too strong a preference for those parts of Canada which are not yet inhabited by Canadians! We should like you to know our people - what they do and how they do it. I would not, of course, suggest that you are unaware of what is going on in Canada in the field of engineering and industry. Much of our development in these spheres, I need not say, is a result of your confidence in our future. Nowhere has our recent growth met with warmer acclaim than in this country. It is true that quite extraordinary things have happened of late in Canada, but we prefer sober adjectives with which to describe them. Our expansion has been rapid, but it is steady and it is built on sound realities. It is based on the character of our people and on the quality of our national life. It is based on a hardihood and spirit of adventure as remarkable as that shown by our first explorers; on the disciplined intellect of our men of science seeking out new horizons of knowledge and usefulness; on the devotion of our legislators working to fulfil the conscious vision of the Fathers of our Confederation who almost a hundred years ago came together to found a new nation. We believe that the Canada of today is not unworthy of inspection. I invite you to come and see us.

"I have talked about ourselves as your neighbours. I have said little about ourselves as your partners. You and we work together in the international community. Along with kinsmen and friends across the seas, we are allies in defence of the things we value. And, if I may say so, I think that we in Canada, like you, have given proof that those values must be actively and zealously defended. In the far north we are working with you to strengthen the defences of this continent on our territory and on yours. In Korea there has been, from an early stage, a Brigade Group of Canadian troops. They are now standing guard against the possibility of renewed attack. Twelve Squadrons of the Royal Canadian Air Force and a further Canadian Brigade Group are stationed in Europe. Such formations, I need hardly say, should naturally be related in our minds to the size of the population which provides them.

"We are also supplying our European friends with mutual aid on a considerable scale. Canada, too, is giving help under the Colombo plan to the countries of southern Asia. We believe - as you do - that the problems of our time cannot be solved by military strength alone. The line can be held only by the deployment of force, but the objective - peace - can be won only by the quality of infinite patience. In our collaboration, we may not always agree on every detail of the plans we must discuss together, but there is no difference between us on the fundamental aims which we pursue; we may differ now and then on the "hows" but never on the "whys". You may depend upon us as faithful friends and comrades."

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VISIT TO DEFENCE ESTABLISHMENTS: Canadian leaders in many walks of life are being invited by The Honourable Brooke Claxton, Minister of National Defence, to visit a number of major defence establishments May 11-14, inclusive. The tour will be for 35 leaders of churches, universities, business, industry, trade unions and other national organizations.

The party will leave Montreal May 11, at 9:30 a.m., and proceed by bus to R.C.A.F. Station, St. Hubert. A short briefing session will be followed by an inspection of Air Defence Headquarters and the station. A flying display of jet fighters and other aircraft has been arranged, and after lunch the party will be flown to Halifax.

On Wednesday, May 12, there will be a short tour of H.M.C. Dockyard, the Torpedo and Anti-Submarine School and the Electrical School. The party will proceed to sea in ships of the First Canadian Escort Squadron for a demonstration of anti-submarine operations. They will return to Ottawa the same afternoon.

On the morning of Thursday, May 13, a visit to a radar station has been arranged, after which the party will proceed to Camp Petawawa.

In the invitations being extended for the tour, emphasis will be placed on heads of leading industries engaged in defence industry and production for defence purposes. The tour will permit them to see the use being made of some products of their factories.

Defence Minister Claxton said: "We can best build up and maintain our defences to meet requirements of the 'long pull' if there is as wide as possible an understanding of the objectives and of the progress being made to meet its requirements."

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WORK STOPPAGES DOWN: There was less time lost through work stoppages arising from industrial disputes during March than in any month since April, 1951, according to a preliminary summary of strikes and lockouts released on April 26 by the Hon. Milton F. Gregg, Minister of Labour.

TRACING ORIGINS OF NARCOTICS: Scientists in the Department of National Health and Welfare's Food and Drugs Laboratory at Ottawa have applied known methods of examination in a manner that provided practical identification of the source of samples of opium, it was revealed on May 4, by the Hon. Paul Martin, Minister of National Health and Welfare.

Mr. Martin said that Canadian researchers have been part of a United Nations team working on the problem of tracing the origin of opium in collaboration with scientists from Israel, France, Sweden, Norway, the United States, the United Kingdom, India, China, the Netherlands and many other countries. The procedures, make it possible, he said, to determine beyond a reasonable doubt the country from which the opium comes. The procedures, Mr. Martin said, should be a valuable aid in the narcotics control program of the United Nations organization.

The Canadian research on the project was carried out under the direction of Dr. C.A. Morrell, Director of the Department's Food and Drug Divisions, and Dr. L.I. Pugsley, Assistant Director of Scientific Services.

The Ottawa researchers have concentrated on studies of opium ash, which depends on such factors as the soil, the climate and the environment of the area which produced the plant. These studies, combined with the determination of the alkaloids in the opium, give accurate indications as to where the material was grown and processed.

Tested on opium samples provided by the United Nations, the Canadian detection system scored a 100 per cent record of accuracy, and Canadian scientists believe that the method will stand up under the test of time.

Mr. Martin pointed out that the results achieved in the Canadian laboratory were greatly assisted by the volume of research in other lands on the same project. "Our idea was not an entirely new one", Mr. Martin said, "Our scientists just worked on a slightly different slant of the problem". Study of the origin of raw opium has been under way under the general direction of the United Nations for the past five years. Almost 30 scientists in many lands have participated in the study.

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CANADA-U. S. TRAFFIC UP: Volume of highway traffic between Canada and the United States was 2% greater in February than in the corresponding month last year. Aggregate border crossings numbered 675,800 vehicles compared with 662,200. The increase in the number of foreign vehicles was between 1 and 2%, and the increase in Canadian vehicles returning was nearly 3%.

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Provincial Governments spent \$392,587,000 on health and social welfare in 1952, almost \$10,000,000 more than in 1951.

WOMEN IN INDUSTRY: The increasing part being taken by women in Canada's industrial expansion is reflected in a series of articles under the general heading "Womanpower" which begins in the April issue of the Labour Gazette, it was announced today by the Hon. Milton F. Cregg, Minister of Labour. The series of articles is being compiled to provide a reliable handbook of information on Canada's womanpower.

The opening article points out that until 1891 there were not enough women in Canada employed outside their homes to warrant inclusion in the census records. By May 1953, however, there were 1,170,000 women in the Canadian labour force. This situation was undoubtedly hastened by two global wars followed by postwar conditions with their consequent upsurge of production of civilian goods and sharply rising living costs.

Prior to the 1939-45 war, the number of married women working outside their homes in peacetime was negligible. Today, however, faced with high living costs and with the leisure and urge to continue in work for which they may have been trained, married women represent more than 25 per cent of all women in Canada employed in non-agricultural work.

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DEFENCE ORDERS: A list of defence contracts for \$10,000 or more awarded to Canadian firms by the Department of Defence Production and Defence Construction (1951) Limited for the last half of March was released here today.

Contracts for petroleum products on a fiscal year basis made up a large part of the total. Altogether, 73 contracts with a total value of \$22,944,488 were issued for gasoline, fuel oils and lubricants. An order for T-34 aircraft valued at \$1,441,176 was awarded to Canadian Car and Foundry Co. Ltd., while Rubenstein Bros Ltd., received a clothing contract worth \$1,021,724. Other awards, totalling \$3,412,160, went to Chrysler and General Motors and covered truck and spare parts requirements.

The list, including contracts valued at \$482,523 placed by Defence Construction (1951) Limited, totalled \$40,717,105. Contracts classified for security reasons and amendments to contracts were not included in the list.

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STEEL INGOTS OUTPUT: Canadian steel mills produced 258,765 tons of steel ingots in February, 18% less than last year's corresponding tonnage of 316,741. Since January's output was down 14% to 290,487 tons from 339,215 a year earlier, the combined production for the January-February period declined to 549,252 tons from 655,956. The daily average output for February fell to 9,242 tons from 11,312, and the 2-month average was down to 9,309 tons from 11,118.

GOVERNMENT



OF CANADA

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WEEK'S EVENTS IN REVIEW

MR. PEARSON AT GENEVA: The following is the partial text of the speech by the Secretary of State for External Affairs, Mr. Lester B. Pearson, at the Geneva Conference on May 4:

"If I venture to take part in this debate, it is because I do not wish my silence to be interpreted as indicating any weakening or slackening of the strong support that my country has steadily given to United Nations policy on Korea; or as indicating, even by omission, approval of the distortions in some previous speeches on Korean and Asian developments; or indifference to the false charges that have been levelled, particularly at the United States of America, in respect of these developments.

"The right to be free does not include the obligation to be communist; and 'Asia for the Asians' is not the same as - indeed is the opposite of - 'Asia for the Cominform'. It would be no contribution either to Asian peace or prosperity, independence or dignity, if the Japanese East Asian co-prosperity sphere were exchanged for the Chinese East Asian co-communist empire.

"In their speeches to this conference the leaders of the delegations of the Soviet Union and the People's Republic of China have attacked the United States for a policy of aggressive imperialism in Asia, which, they allege, stands in the way of freedom for the Asian peoples. As the leader of the delegation of a country which is a neighbour of the most powerful state in the world, I can say with a

conviction based on our national experience that the people of the United States are neither aggressive nor imperialist; and it is the people of the United States that freely elect their governments.

"If, indeed, the United States did not respect the rights and interests of others, Canada would not today be an independent power but merely a satellite of her great neighbour. Her representatives would not be able, as they certainly are able, to speak their own minds and stand up for their own views in conferences of the nations, even if this means, as it has more than once meant, disagreeing with some aspects of the policy of the United States of America.

"I hope that the fact that we have on occasion so disagreed (indeed, we differed on the composition of the United Nations Korean Political Conference) will be taken as convincing evidence, not only of our own independence, but also of the respect which the United States has for smaller countries, and of the value which it attaches to co-operation and support based on free will, and not imposed from above. Our own experience of free partnership and co-operation shows the rest of the world how little it has to fear from this so-called 'aggressive imperialism' of the United States.

"There was another observation of the leader of the Chinese Communist delegation which invites comment. He states that all foreign military bases in Asia should be removed and

(Continued on P. 4)

FARM INCOME DOWN 13%: Canadian farm operators (excluding Newfoundland) realized a net income from farming operations in 1953 of \$1,656,600,000, according to preliminary estimates by the Dominion Bureau of Statistics, 13% less than the revised \$1,900,800,000 in 1952, and 23% less than the 1951 record high of \$2,154,500,000. The decline for the second consecutive year was the result of a drop of 8% in gross farm income more than offsetting a decline of 3% in farm operating expenses and depreciation charges.

Gross farm income in 1953 amounted to an estimated \$3,193,300,000 as compared with \$3,477,900,000 in 1952 and the all-time high of \$3,578,500,000 in 1951. The decline from the 1952 gross was the result of lower returns from the sale of farm products and a substantial drop in the value of year-end changes in farm-held stocks of grains and livestock. Income in kind for 1953 was down 3% from 1952; this item includes the value of that produce grown by farm operators and consumed in the farm home plus an imputed rental value of the farm dwelling.

INVENTORY CHANGES

Farm cash income from the sale of farm products and from participation payments on previous years' grain crops aggregated \$2,741,300,000, 3% below the revised and now all-time high estimate of \$2,826,600,000 in 1952. Higher income from the sale of wheat, dairy products, eggs, corn, sugar beets, hay and wool was more than offset by lower returns from other farm products. Although the build-up of the live stock population and the stocks of grains on farms continued during 1953, it was at a much slower rate than in the past few years. As a result, the estimated value of year-end inventory changes of farm-held grains and live stock amounted to \$50,900,000 as compared with \$237,700,000 in 1952 and the record high of \$353,900,000 for 1942. The year-end inventory changes of grains held on farms in 1953 were valued at \$26,600,000, down 79% from 1952, and the value of live-stock inventory changes declined 78% to a total of \$24,300,000.

Farm net income in 1953 was down in all provinces except Nova Scotia and British Columbia. Although the net for British Columbia was virtually unchanged from 1952, that of Nova Scotia was up by 6%. On a percentage basis, the greatest decline occurred in Prince Edward Island; in absolute terms it occurred in Saskatchewan.

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MEAT HOLDINGS DOWN: Cold storage holdings of meat at the beginning of April totalled 74,240,000 pounds, moderately larger than March 1 holdings of 71,111,000 pounds, but sharply under last year's corresponding stocks of 119,847,000 pounds.

AIRLINES OPERATIONS - 1953: Canada's airlines last year carried more passengers, freight and mail than ever before, but faster-rising costs sliced operating income 60% to \$1,504,021 from \$3,763,948 in 1952. This was less than a quarter of the \$6,990,586 operating profit of 1951 but still compared favourably with the operating losses sustained in earlier years.

Operating revenues and expenses both passed the hundred-million-dollar mark for the first time last year, revenues climbing \$12,010,047 or 13% to \$102,529,342 and expenses \$14,269,974 or 16% to \$101,025,321. All revenue and expense items were higher than in the preceding year.

During 1953, scheduled and non-scheduled airlines flew 2,719,960 paying passengers and 71,352 non-revenue passengers, 421,766 more revenue passengers and 8,699 more non-paying than in 1952.

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WORLD WHEAT SUPPLIES: Supplies of wheat remaining on or about March 1 this year in the four major exporting countries for export and for carryover at the end of their respective crop years amounted to 1,869,900,000 bushels, some 27% greater than the 1,471,600,000 available a year ago, according to the Dominion Bureau of Statistics. This year's March 1 supplies were held as follows, last year's totals being in brackets: United States, 906,700,000 bushels, (654,400,000); Canada, 671,200,000 (546,900,000); Argentina, 147,700,000 (151,600,000); and Australia, 144,300,000 (118,700,000).

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DEPARTMENT STORE SALES: Department store sales rose 2.5% in March as compared with the corresponding month last year, according to preliminary figures. There was a steep rise of 20.5% in British Columbia, and moderate increases of 3.1% in Manitoba and 1.9% in the Maritimes.

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BUTTER STOCKS HIGHER: Creamery butter stocks on April 1 rose to 42,277,000 pounds from last year's corresponding total of 26,812,000, but the holdings of cheddar cheese declined to 22,397,000 pounds from 26,577,000.

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MARGARINE PRODUCTION UP: Margarine production in March rose to 9,823,000 pounds from 8,041,000 in the preceding month and 8,302,000 in the corresponding month last year.

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Average price per troy ounce of silver fell to 83.52 cents in 1952 from 94.55 cents in 1951, but was higher than in any other year since 1946.

LARGE GAIN IN SHIPMENTS TO U. K.

MARCH EXPORTS UP: A large gain in shipments to the United Kingdom was the main factor in raising the value of Canada's domestic exports in March moderately above a year earlier for the first time since October last, according to the Bureau's monthly summary statement. Exports to the United States were slightly lower in value as were those to other Commonwealth countries, Latin American and European countries, but there was a rise in value to other foreign countries.

Total shipments in March were substantially above February in value, making a progressive gain from the low level of January. There were successive advances during the quarter in sales to the United Kingdom, United States and Latin America that heavily outweighed similarly successive declines to Europe and the remaining foreign countries.

Domestic exports to all countries in March were valued at \$315,700,000 as compared with \$307,800,000 a year ago, the rise being due to larger volume, since prices averaged 3% lower. The small overall rise in March over last year was not sufficient to offset the large decline in January and the value of shipments to all countries in the first quarter of this year declined to \$851,000,000 from the preceding year's \$900,600,000. Volume in the period was about 3.4% lower.

Most of the month's increase in exports occurred in the wood and paper group, with planks and boards, wood pulp, and newsprint paper accounting for a major share of the rise. Non-metallic minerals and chemicals both moved moderately higher and agricultural and vegetable products, animals and animal products, and fibres and textiles were steady. There were sizeable declines in iron and products, and non-ferrous metals.

Domestic exports to the United States in March declined slightly to \$200,801,000 from \$202,391,000 a year earlier, and the first-quarter total fell to \$526,534,000 from \$564,301,000. Main decreases both in March and the January-March period were in wood and paper, iron and products, non-ferrous metals, and

agricultural and vegetable product groups. Chemicals and allied products were higher in value.

Mainly as a result of larger shipments of agricultural and vegetable products, wood and paper, and non-ferrous metals, exports to the United Kingdom rose in March to \$52,314,000 from \$38,525,000 a year earlier. In the quarter, agricultural and vegetable products, and wood and paper products were higher in value, but non-ferrous metals were lower, and the overall value climbed to \$134,683,000 from \$123,934,000.

March exports to other Commonwealth countries declined to \$13,432,000 from \$16,480,000, and in the quarter to \$37,255,000 from \$55,796,000. Shipments were higher in value in both periods to the Union of South Africa and New Zealand, but lower to India and Pakistan. Australia's March value was down, but the January-March total was higher.

Shipments to Latin American countries sloped off in March to \$14,688,000 from \$16,767,000, and in the quarter to \$38,130,000 from \$47,875,000. There were reduced shipments in both periods to Argentina and Brazil, increased sales to Cuba and Venezuela. Total for Colombia was higher in March but lower in the quarter, and for Mexico down in March but up in the three months.

Shipments to European countries showed no pronounced changes with March sales at \$18,104,000 compared with \$18,256,000, and first-quarter shipments at \$59,818,000 compared with \$59,213,000. There were increased exports in both March and the first quarter to France, Federal Republic of Germany, Italy, and Switzerland. Shipments to Belgium and Luxembourg were up in March but down in the quarter, while sales to the Netherlands and Norway were down in March but up in the three-month period.

Mainly due to increased shipments to Japan, exports to the remaining group of foreign countries climbed in value in March to \$15,528,000 from \$13,593,000 a year earlier, and in the quarter to \$51,667,000 from \$45,254,000.

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LABOUR INCOME UP: Canadian labour income for February was estimated at \$947,000,000, up \$6,000,000 from the preceding month and \$27,000,000 or nearly 3% higher than a year earlier. This brought the cumulative total for the first two months of the year to \$1,888,000,000 as compared with \$1,848,000,000 at the same time last year.

All major industrial groups with the exception of construction, contributed to the small rise in labour income as compared with January. Total wages and salaries in manufac-

turing advanced \$3,000,000; each of the totals for the distributive group of industries and for finance and services increased \$2,000,000, and that for the primary industries rose \$1,000,000. A decline of \$2,000,000 in construction wages and salaries followed the seasonal pattern of recent years.

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Farmers netted \$1,656,600,000 last year, 13% less than in 1952 and 23% less than in the peak year of 1951.

(Continued from P. 1)

MR. PEARSON AT GENEVA

foreign armed forces stationed in Asian countries withdrawn. It would be interesting to know whether he includes in this sweeping generalization the Russians in Port Arthur.

"In his second statement, made yesterday, Mr. Chou En-lai brought up the question of prisoners-of-war. It is difficult to understand why, if he is sincere in his desire to press forward with a peaceful solution of the Korean problems.

"We all know of the efforts made last winter at Panmunjom, under the skilful and impartial administration of Indian representatives, and the direction of the Neutral Nations Repatriation Commission, to give all prisoners the opportunity of making up their own minds whether to return to communism or not. We know also that this question has now been settled - and to reopen it at this Conference would serve no useful purpose.

FATE OF PRISONERS

"If the Geneva Convention is cited by the leader of the Chinese delegation, I would remind him of the thousands of South Korean prisoners who disappeared without a trace shortly after capture; of the failure to account for many United Nations prisoners, of the refusal to allow the Red Cross to visit them, or to give information concerning them, of the cruel treatment and torturing interrogations to which many of them were subjected.

"While, Mr. Chairman, the questions I have been raising are all important, our primary concern at this conference is a peace settlement for Korea. On that subject the leader of the North Korean delegation has presented a number of proposals which have been endorsed by the delegations of the People's Republic of China and the U.S.S.R. Those proposals have not, however, been adequately defined or explained. My delegation is not alone in its suspicion that they include words and phrases designed to camouflage a scheme which would bring to Korea the reverse of freedom and independence.

"It is clear, Mr. Chairman, that the most superficial examination of the North Korean proposals, with its veto provisions for the All-Korean Commission, with its rejection of free elections, guaranteed by impartial and effective outside international supervision, with the voters in North Korea, for instance, left to the tender mercies of the communist governmental machinery in expressing their views, it is clear that such an examination of these proposals shows that they provide no hope for bringing about a free, united and democratic Korea.

"Such hope lies in the acceptance by this conference of the principles laid down by United Nations resolutions for the solution of this problem; principles accepted by the vast

majority of the nations of the world. These provide for a union of all the Korean people, under a government chosen by those people.

"This united Korea will need some international guarantee against aggression. It will also require, and be entitled to, economic assistance from other countries to repair the cruel devastation and destruction of war.

"If these peaceful purposes are not achieved by a just, honourable and negotiated settlement, the consequences will be bad, and probably far-reaching. Failure here may well necessitate further collective consideration by those who, as a result of such failure, will feel increasingly threatened, of further ways and means to meet that threat. This, in its turn, may harden and make more dangerous the great and tragic division in the world which now exists.

"The reward for success at Geneva will be great in terms of peaceful progress; but the penalty of failure may be even greater in terms of increasing tensions and the risk of a war which would engulf and destroy us all."

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DOMINION DRAMA FESTIVAL: An opening night audience of more than 2,000 persons in formal attire saw the Hamilton Players' Guild presentation of "Rebecca" at Hamilton, Ont., on May 10. It was the first of eight plays presented this week.

Governor General Vincent Massey, patron and first President of the Festival, welcomed the audience and the players.

Mr. Hugh Hunt, adjudicator, predicted a brilliant future for the legitimate theatre in Canada in his commentary.

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EMBASSY IN HAITI: The Department of External Affairs announced on May 12 that the Government of Canada and the Government of Haiti have agreed to exchange diplomatic missions.

The first Haitian consular office in Canada was opened in 1880, when an honorary consul of Haiti was appointed in Halifax. In 1944, the Consulate General of Haiti was established in Ottawa. Since 1921, Canada has been represented in Haiti by non-resident trade commissioners.

Canadian relations with Haiti have become of increasing importance in recent years and it is now desired to establish, before the end of 1954, an Embassy of Canada at Port-au-Prince, and an Embassy of Haiti at Ottawa.

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WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America on April 14 totalled 351,601,000 bushels, slightly below the preceding week's 352,810,000 bushels, but up 23% from last year's 270,413,000 bushels, according to the Dominion Bureau of Statistics.

SECURITY TRADING: A somewhat heavier volume of international security trading by Canadians in February was accompanied by a marked increase in net sales to \$12,700,000, or more than double the capital import recorded in January. Most of the increase in the sales balance was from trading with residents of the United States. This balance rose from \$1,900,000 in January to \$6,600,000 in February, resulting mainly from net sales of \$6,000,000 common and preference stocks of Canadian companies.

The sales balances of \$3,200,000 and \$2,900,000 recorded in February with the United Kingdom and with other overseas countries, respectively, were also larger than in January and reflected increased non-resident interest in both bonds and stocks of Canadian governments and corporations.

The net capital inflow of nearly \$19,000,000 arising from trading in outstanding securities between Canada and other countries in the first two months of this year was the largest recorded in any two months since the first quarter of 1951; in recent months there has also been a substantial participation by United States investors in new issues of Canadian bonds and debentures in the Canadian market. In early 1951, the United States dollar was selling at a premium of nearly 5% in terms of Canadian funds. In contrast, in February of this year the noon average value of the United States dollar in Canada was 96.65 cents and was lower than for any month since October, 1952.

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AGRICULTURAL PRODUCTION: Largely attributable to smaller grain crops and a decline in the output of live stock, Canada's 1953 index number of the physical volume of agricultural production declined to 155.0, 6% under 1952's all-time high of 165.2. At the 1953 level the index was the third highest on record.

Reduced production of sugar beets, fruits, tobacco, vegetables and maple products also contributed to the decline from 1952. Offsetting these declines to some extent were increases in the production of potatoes, dairy products, and poultry and eggs.

On a provincial basis, declines occurred only in the Prairie Provinces where the output of wheat and barley in 1953 was somewhat below the record-breaking production of 1952. This, together with smaller production of live stock in Manitoba and Saskatchewan, contributed largely to the declines which ranged from nearly 10% in Alberta to 20% in Manitoba.

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Airline planes flew a record 63,583,000 revenue miles in 1953, equivalent to 2,553 times around the world at the equator. In 1947 they flew only 35,573,000 miles, the equal of 1,428 times around the globe.

R.C.A.F. AT MALTA MEMORIAL: Canada and the Royal Canadian Air Force were represented in Malta on Monday, May 3, when Her Majesty the Queen unveiled the Commonwealth Air Force Memorial there. Air Force Headquarters has been advised. The Memorial was dedicated to the lives of 2,301 aircrew who, while serving in or in association with the R.A.F. operating from Malta and other bases in the Western and Central Mediterranean area, lost their lives and have no known graves. Air Commodore Martin Costello, CBE, CD, of Alexandria, Ont.; and Winnipeg, Air Member at Canadian Joint Staff, London, represented the Canadian Government and the R.C.A.F. in placing a wreath on the newly dedicated Memorial.

A small party of Canadian airmen served as street-liners for the procession of the Queen when she arrived at the Memorial. The men, drawn from all R.C.A.F. stations in Europe, flew to Malta two days before the ceremony. Among the R.C.A.F. party were many who served at Malta and bases in the Mediterranean, and several whose relatives are commemorated by the Memorial.

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REHABILITATION OF DISABLED: Canada's programme of rehabilitation for the civilian disabled has reached a new stage of development in recent months, Mr. Ian Campbell, National Co-ordinator of Civilian Rehabilitation, said May 5, in Ottawa at the opening of the fifth meeting of the National Advisory Committee on Rehabilitation of Disabled Persons.

Eight provinces have now signed agreements which will lead to the appointment of provincial co-ordinators of rehabilitation and some of the emphasis in the federal-provincial programme must now swing to the plans which are shaping up in the provinces, Mr. Campbell said. Developments in the provinces will be influenced by the historical background, the wishes and the peculiar needs of each province, but the National Committee will assist them by continued work on such problems as the clarification of the parts played by the different professions in the rehabilitation team, the securing of vocational guidance and training with maximum use of local facilities, and the stimulation of acceptance of the handicapped as employees.

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DAIRY FACTORY INDUSTRY: Factory value of shipments of the dairy factory industry of Canada in 1952 was \$451,025,000, and the value of production was estimated at \$459,446,000 an increase of 4% over the \$440,798,000 recorded in 1951, and an all-time high point in the history of the industry.

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Fruit crops had a total farm value of \$45,733,000 last year, 5% more than in 1952.

EMPLOYMENT: Industrial employment at the beginning of March declined 0.5% from a month earlier and was 3.2% lower than at the same time last year, according to the Bureau's monthly advance index. The decline in the February-March comparison conformed to the movement indicated at the beginning of March in 12 of the last 15 years.

Accompanying the slackening in industrial employment at the beginning of March was an advance of 0.9% in weekly payrolls as compared with February and a small rise over a year earlier. At the same time per capita weekly wages and salaries advanced to \$59.28 from \$58.47 at the beginning of February and \$57.40 a year ago.

The advance index number of industrial employment on the 1949 base, stood at 106.5 on March 1 compared with 107.0 a month earlier and 110.0 a year ago, and the payrolls index was 147.5 compared with 146.2 at the beginning of February and 147.0 at March 1 last year.

RAILWAY OUTLOOK: Canadian railways, beset by rising costs and competition, can maintain their present scale of operations only by constantly introducing improvements and economies, Mr. Donald Gordon, Chairman and President, Canadian National Railways, on May 6 told the 28th annual system meeting of the railway's union-management co-operative movement in Montreal.

Mr. Gordon said that while Canada seemed to be experiencing a "slight downturn" in the volume of rail traffic, he was optimistic about long term prospects. The Canadian economy and population will grow, bringing with it an increasing demand for transportation and communication facilities.

R.C.A. IN KOREA: The Royal Canadian Artillery has completed a full circle. The arrival at a Korean port of the 3rd Regiment Royal Canadian Horse Artillery means that each regiment of Active Force Canadian field artillery has served in the Far East theatre.

Since the commencement of Canadian participation in the Korean action, each of the remaining three regiments of Royal Canadian Horse Artillery has completed a tour of duty in the Far East. The 3rd Regiment R.C.H.A. will be the fourth Canadian unit to display the sign of the winged white horse in Korea.

RISE IN CHEQUES TOTAL: Value of cheques cashed in clearing centres in March climbed 6% to \$13,107,000,000 from last year's corresponding total of \$12,331,000,000, and cumulative debits for the first three months of the year rose 4% to \$35,707,345,000 from \$34,342,218,000. Debits were higher than a year earlier in all economic areas except the Prairie Provinces.

PIPED OIL RISE: Net deliveries of oil through Canadian pipelines in February rose to 18,725,000 barrels, some 3,550,000 more than in the corresponding month last year. This boosted the cumulative total for the January-February period 39% to 29,091,000 barrels from last year's 20,897,000 barrels.

Increased deliveries were recorded in all provinces except Alberta in February, totals being as follows: British Columbia, 1,067,000 barrels (nil in 1953); Alberta, 1,267,000 (1,329,000); Saskatchewan, 1,134,000 (1,072,000); Manitoba, 3,142,000 (1,733,000); Ontario, 2,595,000 (1,701,000); and Quebec, 4,519,000 (4,337,000).

RAIL COSTS RISE: Both revenues and expenses of Canada's major railways increased in 1953 over 1952, but expenses rose more than revenues and net operating revenue and operating income were both lower, according to the Bureau's summary for the twelve months.

Revenues of the sixteen railways (with annual operating revenues of \$500,000 and over) included in the Bureau's monthly reports increased 2.8% last year to \$1,194,711,156 from \$1,161,662,978 in 1952. However, expenses rose 4.1% to \$1,091,798,976 from \$1,049,183,622, bringing a reduction of \$9,567,136 to \$102,919,180 from \$112,479,625 in net operating revenue.

HOME BUILDING: Total number of new dwelling units completed in Canada during the first quarter this year increased to 20,327 as compared with 18,392 in the corresponding 1953 quarter, but the number started was down slightly from last year at 11,722 against 11,930, according to the Bureau's monthly report. At the end of March there were 51,070 units under construction compared to 49,232 a year earlier.

Most important mineral in value terms last year was oil, which represented 15% of the total mineral production value as compared with 11% in the preceding year. In 1952 gold was first, closely followed by nickel and copper, each accounting for about 12% of the total.

Contract drilling for fuels and other minerals cost \$75,884,000 in 1952, 37% more than in 1951, and footage drilled was one-fifth greater at 13,635 feet.

Airlines carried a record 2,720,000 paying passengers last year, 18% more than in 1952 and three times as many as in 1947.

Three out of every four tons of refined zinc produced in Canada are exported.



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
 DEPARTMENT OF EXTERNAL AFFAIRS
 OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

HOPES FOR PEACE: "We are always prepared to meet the leaders of other peoples, to negotiate with them, to settle differences by peaceful means and to appeal to all men of good will to preserve this peace which we all desire for our own good and for the good of mankind," said the Prime Minister, Mr. L. S. St. Laurent, on May 16, at the official opening of the Veterans' Hospital at Ste. Foy, Quebec.

He spoke as follows on the international situation:

"During my world tour I had the opportunity of seeing in many places the destruction and suffering caused by war: both the recent destruction caused by a war which is barely ended and the destruction and distress which are still apparent after almost ten years of reconstruction.

"It is difficult for a peace-loving man, conscious of his own rights and those of his fellow-men, to understand how national leaders who are supposed to strive for the well-being of their own people can bring themselves to launch a war which is liable to cause such destruction and suffering, not only to the peoples whom they attack but also to their own citizens.

"It is also difficult to understand the attitude of those who, by their acts of injustice and their despotism run the risk of bringing on a new world war, when the heavy losses and effects of defeat which the insti-

gators of the last two world wars have brought upon themselves are still apparent.

"It is even more difficult to understand how leaders, who are aware of the devastating power of modern weapons, can constantly create new incidents liable to cause a conflict which would annihilate what generations have taken centuries to build.

"The good will we have offered and the honest and sincere efforts which we put forth to ensure the maintenance of universal peace after the last two wars have become insufficient in themselves.

"Therefore, in order to avoid another war, we have felt that the only alternative to the loss of our rights and freedom by capitulating before potential aggressors, was to adopt a defence policy which required the 14 members of North Atlantic Alliance to make preparations which would deter aggressors from attacking any of our countries without exposing themselves to total defeat, or at least to losses of such magnitude that there could be no victory for either side."

"Our people, like those of other free countries who want to preserve their independence and freedom, have accepted the sacrifices which are necessary to bring about such protection.

"Our financial sacrifices have been heavy, but I think that the speed, firmness and determination with which we took our stand have already borne fruit. I believe that the courageous attitude of a world free, united, and

ready to defend itself has sown the seeds of doubt in the minds of those who might entertain aggressive designs.

"His Holiness Pope Pius XII said in 1948:

"There are goods which are of such importance to society that it is perfectly lawful to defend them against unjust aggression. Their defence is even an obligation for the nations as a whole who have a duty not to abandon a nation that is attacked."

"I do not mean, however, that we shall not continue to act in good faith, that we shall not continue to attempt, by all possible means, to reach a peaceful understanding and settlement of present difficulties.

COMMON GROUND

"The free world, of which we are part, is just as anxious as ever to find a common ground within the bounds of justice and respect for the rights of all.

"We are always prepared to meet the leaders of other peoples, to negotiate with them, to settle differences by peaceful means and to appeal to all men of good will to preserve this peace which we all desire for our own good and for the good of mankind.

"We are not losing confidence and we shall continue to work towards that end patiently and firmly.

"A ceremony such as this should inspire and encourage us to work still harder in the interests of peace, so that we may eventually direct all our energies not to the production of instruments of war or even of buildings such as this, but to the development of our material and intellectual wealth, to our own betterment and that of all mankind. . . ."

* * * *

TRAINING FOR UNEMPLOYED: The Minister of Labour, Mr. Gregg, in addressing the twenty-first meeting of the Canadian Vocational Training Advisory Council, on May 12, urged the delegates to consider ways and means of expanding training for unemployed persons in order to facilitate their chances of obtaining suitable employment. The Council is under the chairmanship of Dr. G. Fred McNally, former Chancellor of the University of Alberta.

The members of the Council from all parts of Canada, and representative of provincial government, employers, labour and education, noted a growing recognition of the value of vocational training. Discussions covered, in addition to training for unemployed, such items as apprenticeship training, training for older persons and those with physical handicaps.

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139,190,000 lbs. of tobacco were harvested in 1953, some 500,000 less than in 1952, but an increase in the average farm price to about 43¢ from 41¢ raised the total crop value 5% to \$59,617,000.

DOMINION DRAMA FESTIVAL: The Calvert Trophy for the best play was awarded to La Nouvelle Equipe Theatre group of Montreal at the end of the week-long Dominion Drama Festival at Hamilton, Ont., on May 17. It was the second year in a row a French-language play, written by a Canadian author, had taken top honours at the Festival.

Adjudicator Hugh Hunt said the play was executed with professional excellence.

Among other Festival awards, the Henry Osborne Challenge Trophy for best actor went to Gordon Robertson, of Kingston Domino Players, for his role of Christopher in the play "The Playboy of the Western World".

The Nella Jeffries Trophy for best actress went to Edna Pozer, of Calgary Workshop 14, for her role as Jennet in the production, "The Lady's Not For Burning". Miss Pozer has already been chosen to appear in the Shakespearean Festival at Stratford this year.

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SEASONAL UNEMPLOYMENT STUDY: The Minister of Labour has announced the publication of the results of the first comprehensive study of Canada's serious problem of seasonal unemployment.

In explaining the background of the study, Mr. Gregg stated that late in 1952, the National Advisory Council on Manpower asked the National Employment Committee, an advisory body to the Unemployment Insurance Commission, to study the problem of seasonal unemployment.

During the summer of 1953, a questionnaire was sent out by the National Employment Committee, through regional and local employment committees, to employers in 18 seasonal industries.

The highlights of this study have now been published under the title "Seasonal Unemployment in Canada" in booklet form for distribution to those interested.

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AWARD OF GOODENOUGH MEMORIAL PRIZE: A naval graduate of the Canadian Services College at Royal Roads, Victoria, B.C., has become the first Canadian to be awarded the Goodenough Memorial Prize by the British Admiralty. He is Sub-Lieutenant Frederick William Crickard, RCN, 23 of Vancouver.

The prize is awarded annually to the Sub-Lieutenant, undergoing technical courses in the United Kingdom for the rank of Lieutenant, who makes the highest marks of his year in gunnery, provided he has also taken a first class certificate in seamanship.

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Since the war the average work week in manufacturing has been cut by 3 hours to 41 hours and 18 minutes, while average hourly earnings have almost doubled from 69.4¢ in 1945 to 135.8¢ in 1953. Average weekly wages jumped from \$30.74 to \$56.09 in the 8 years.

NORTHERN SERVICE OFFICERS: A new kind of career in the north is being opened to adventurous Canadians.

The job is called Northern Service Officer, and the men who are chosen to fill it will live at the edge of the Canadian Arctic; at Aklavik near the mouth of the Mackenzie River; at Coppermine on Coronation Gulf; at Coral Harbour on Southampton Island; at Port Harrison on the east coast of Hudson Bay; at Frobisher Bay on Baffin Island, at Fort Chimo on Ungava Bay.

"This is work with a rare kind of challenge," Northern Affairs Minister Lesage commented when announcing the competition which the Civil Service Commission is conducting for his Department. "Canada is now turning in earnest to the development of its northlands. It recognizes the special problems of the Eskimo whose traditional life is being changed by contact with men from the south, by new methods of hunting, by new forms of employment. These Northern Service Officers will have a great responsibility for the future of the lands and the people who live there."

The men chosen will work in established communities in Eskimo country. Their job will be to get to know the native peoples, to help them use their available resources, and to develop new resources to improve their economic, social, and cultural conditions. They may assist them with local industries such as boat-building, tanning, or handicrafts, and they will always be on the lookout for new outlets for native talents. Equally important, these officers will advise the Administration in Ottawa of measures which might be taken to improve the life of the Eskimos, and to help them make a bigger contribution to national life.

Nearly everyone who has worked with the Eskimos has become an enthusiast for Canada's most northern residents, but the job of the Northern Service Officer is not for anyone. It is for men with the qualities of leadership which opened up other parts of Canada in earlier years. Pioneering today is a better life than it was for the first visitors to the west or to the Arctic. The Northern Service Officers will have homes and facilities for their families, if their families are willing to share the life.

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INVENTORIES HIGHER. Total value of inventories held by Canadian manufacturers at the end of February was \$4,047,000,000, slightly above the preceding month's \$4,041,500,000, and up 4% from last year's \$3,889,000,000. Inventories actually owned by manufacturers advanced to \$3,617,100,000 from \$3,065,500,000 the month before and \$3,488,100,000 last year, and inventories held but not owned, at \$429,900,000, declined from January's \$436,000,000, but climbed from last year's \$400,900,000.

HOURLY EARNINGS RISE: Average hourly earnings in Canadian manufacturing industries in 1953 increased 5.1% as compared with 1952, weekly wages rose 4.6%, while average hours worked per week were slightly lower, according to the Bureau's annual review of man-hours and hourly earnings.

Although average hourly earnings increased during 1953, the rise over 1952 was below the post-war average, and was also less than in either 1952 or 1951. The percentage gain was the same as in 1950, but was otherwise the smallest since 1946. Except during the late summer, there were successive though slight advances in the monthly average during 1953.

The payment of higher wage rates was mainly responsible for the rise in factory earnings generally in 1953, but changes in industrial distribution as compared with a year earlier also contributed. Factories producing durable manufactured goods, in which hourly earnings rose 5.2%, reported an increase of more than 7% in their aggregate hours. In the non-durable industries, the total of hours was higher by over 4%, while the average hourly earnings mounted by 4.7% from 1952.

The rise of 4.6% in average weekly wages in manufacturing was the smallest advance in any year since 1946, and the annual average of hours worked per week was the lowest in the record. Since 1945, the weekly hours have shortened by 6.8%, partly as a result of lessened amounts of overtime work as compared with the war years, and partly reflecting a reduction in standard hours in many industries and establishments.

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DEFENCE RESEARCH BOARD: Appointments as members of the Defence Research Board have been accepted by one of Canada's most distinguished scientists and a leading Canadian industrialist.

For Dr. Chalmers Jack Mackenzie, of Ottawa, internationally known scientist, the appointment marks his second term as a Defence Research Board member. As President of the National Research Council, Dr. Mackenzie was an ex-officio member when the Board was created in 1947. Mr. Randolphe William Diamond, of Trail, B.C., Vice President and General Manager of the Consolidated Mining and Smelting Company of Canada Limited will broaden his past associations with the Board by service as a member.

* * * *

FARM PRICES LOWER. The trend of Canada's farm price index of agricultural products, which has been upward since November last, was reversed in March. From a revised figure of 233.8 in February, it declined 1.3 points to 232.5. This decline resulted from a general lowering of prices for live stock, dairy products, potatoes, and poultry and eggs. No change was recorded for grains.

CANADA'S DEFENCE PROGRAMME

COSTS EXCEED \$5,000,000,000: Canada's defence objectives are: (1) The immediate defence of Canada and North America from direct attack; (2) implementation of any undertakings made by Canada under the Charter of the United Nations, or under the North Atlantic Treaty Organization, or other agreement for collective security; and (3) the organization to build up strength in a total war, it was reiterated in a White Paper tabled in the House of Commons by the Minister of National Defence, Mr. Brooke Claxton, on May 17.

"The most probable method of attack upon North America by a hostile power would be by air," the White Paper states. "Recent indications confirm the fact that the U.S.S.R. has made further progress in the fields of atomic and other nuclear weapons and in the development of long range bombing potential. Canada and the United States, consequently, remain determined to continue to take all reasonable measures for adequate defence of the North American continent. The element of surprise tends today to give a would-be aggressor an even more significant advantage than in the past.

AIR DEFENCE

"Insofar as effective air defence is concerned, it is of paramount importance that three sets of operations should be successfully integrated. These are: first, the prompt detection and identification of the enemy by radar, ground observers, or other means; second, the communications of this intelligence inwards to a command centre and the outward communication of orders and intelligence to air and ground defence units and to civil defence authorities; finally, trained personnel, aircraft and anti-aircraft weapons must be able to annihilate or drive off the attackers. It is towards the fullest practicable realization of these ends that the joint efforts of Canada and the United States have been, and will continue to be, directed.

"Defence against air attack is only one part (though a very important part) of the various measures that must be taken for defence of the continent of North America against direct attack; and continental defence and the build-up of the strength of the North Atlantic nations in Western Europe must be carried on at the same time as part of the one general operation of preserving peace and preventing aggression by having the strength, actual and potential, to make it plain that aggression will not pay.

Under the heading of "Air Force" it reports, in part:

"In the past year considerable progress has been made in the construction of the joint Canadian-U.S. network of radar stations to provide early warning and communications faci-

lities for directing squadrons of fighters. New radar installations of the most modern and powerful type have replaced practically all of the temporary mobile facilities which were in use since the Second World War. A number of installations, primarily of usefulness in the defence of the United States, have been manned by U.S. personnel. Additional capacity for protection against air attack is being provided as a supplement to the radar chain, without undue expense as to money, materials and manpower. In this connection the equipment known as the 'McGill Fence' has been developed and tested extensively, largely by McGill University in co-operation with the Defence Research Board. United States authorities have been kept fully informed of this project from the beginning.

"Substantial progress has been made in the formation of the Ground Observers Corps. . . .

"The build-up of regular and auxiliary fighter squadrons continues. Thirty-seven of the forty-one squadrons previously planned in the Canadian Defence Programme are now organized and the balance will be established this year as scheduled. . . ."

STRIKING FORCE

Army: "The Mobile Striking Force is maintained for defence against surprise airborne attack. The Army component of this force now consists of battle-experienced infantry battalions returned from service in Korea, supported by airborne units of artillery, engineers, signals, Army Service Corps and medicals."

Navy: "For the protection of shipping and the defence of Canadian coastal areas and harbours, the Royal Canadian Navy had in commission fifty-eight ships during the period March 31, 1953, to March 31, 1954. . . ."

In introductory paragraphs to the detailed report on Canada's defence efforts it is stated, in part:

"The past year has seen very substantial accomplishments in Canada's defence programme announced by the Minister of National Defence on February 5, 1951. The programme has been subject to constant review and, as necessary, some modifications have been made to meet varying demands inherent in Canada's commitments. . . .

"Although there have been indications in recent months of some relaxation in international tension, the need for Canada, in common with other nations of the free world, to maintain adequate defence forces remains a matter of vital importance. . . .

"The need for continuing vigilance on the part of the nations of the free world and for the necessary strength to support their aspirations for peace is to be found, to go back no further, in the lessons of the uncertain

period on the eve of the Korean War. About that time it has been said that certain powers were 'tempted' to commit aggression by the prospect of an easy conquest of a nearly defenceless area. Since that time the free world has built up its armed forces and has made clear its determination not to tolerate wanton aggression. The apparent improvement in the present international situation is directly related to the growing ability of the free nations to speak from a position of strength. It is essential if we are to maintain and improve the prospects for peace that the NATO countries must continue, perhaps for a lengthy period, to devote a substantial part of their resources to the common defence effort."

Cash disbursements during the three-year programme, the Paper reports, have been \$5,005,479,000, and total budgetary expenditures for the period are likely to amount to \$5,137,565,000.

* * * *

EMPLOYMENT RISING: The spring pick-up in employment accelerated during April but at a somewhat slower pace than is usual for the month the Department of Labour reported on May 19. The total number of persons working during the month ending April 17 rose moderately. Unemployment fell slightly less than a year ago; the usual seasonal increase in the labour force was also considerably less because of the lower labour requirements this spring.

Cold weather, which retarded expansion of outdoor activities, particularly in agriculture and construction, combined with reduced hirings in a number of manufacturing industries, contributed to the slower-than-usual rise in employment. Outdoor activities increased in all regions during the month but on a smaller scale than usual and labour surpluses remained well above those of last year in most labour market areas.

Although total manufacturing employment changed very little during the month, it fell further below last year's rising levels. Employment continued well above year-earlier levels in the paper products, motor vehicles, tobacco products, electrical apparatus and chemicals industries and well below in the textile, clothing, primary iron and steel, leather products, railway rolling stock, aircraft and farm implement industries.

Employment in the trade and service industries showed little change from the previous month and continued above the levels of the previous year.

The civilian labour force at 5,257,000 in the week ended April 17, 1954, showed small increases from 5,236,000 in the week ended March 20, 1954, and from 5,241,000 in the week ended April 18, 1953. These estimates are obtained from the monthly labour force survey conducted by the Dominion Bureau of Statistics.

WORLD WHEAT: Supplies of wheat remaining on or about April 1 this year in the four major exporting countries for export and carry-over at the end of their respective crop years amounted to 1,844,600,000 bushels, some 31% greater than the 1,406,000,000 bushels available a year ago. Totals follow by countries with last year's stocks in brackets: United States, 923,100,000 bushels (620,100,000); Canada, 652,300,000 (530,000,000); Argentina, 129,900,000 (148,800,000); and Australia, 139,300,000 (107,100,000).

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RETAIL SALES OFF: Canada's retailers totalled \$2,543,473,000 in sales in the first three months of this year, but this was 1.2% less than last year's first-quarter value of \$2,574,482,000. The sales decline was common to all but two provinces and six trades. Retail sales picked up a slight 0.4% in March to \$934,792,000 from \$931,476,000 a year earlier, but this was not enough to counteract the sales drops of 4% in January and 0.1% in February.

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LIAISON TOUR: The Canadian Ambassador to Japan, Mr. R.W. Mayhew, has completed a liaison tour of Canadian units and installations in the Far East which carried him more than 1,500 miles. In a gruelling, day-long schedule, the Ambassador spent May 12 visiting elements of the 25th Canadian Infantry Brigade on the demarcation line in Korea.

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FEWER AUTOS SOLD: Canadians bought 98,044 new motor vehicles for \$252,661,000 in the first three months of this year, a drop of 20,686, or 17% in number and \$43,700,000 or 15% in value from the first quarter last year. Sales were lower in each of the three months, but the March drop was considerably less than in January and February.

* * * *

WELCOMING QUEEN: Twenty-four R.C.A.F. jet pilots helped welcome the Queen back to Britain on May 15. The pilots, flying sabre jet fighters from the R.C.A.F. base at North Luffenham, England, formed part of a formation of 180 jet fighters and bombers which escorted the Royal Yacht Britannia up the Thames.

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STORE SALES UP: Canada's department stores increased their sales slightly in the first quarter this year to \$209,170,000 from \$207,531,000 in the first three months last year, a gain of 0.8%. Increased trade in three regions outweighed declines elsewhere. Higher sales in 10 departments more than offset decreases in 19.

86 SURVEY PARTIES: The Geological Survey of Canada is placing 86 parties in the field this year, the Minister of Mines and Technical Surveys, Mr. George Prudham, has announced. All the provinces and the two territories will share in the programme. Last year 79 geological parties were assigned to field work.

Largest project to be undertaken this year is a reconnaissance survey in the central part of District of Keewatin, Northwest Territories, that will cover an area of approximately 60,000 square miles, all of it underlain by rocks of the Canadian Shield. Known as "Operation Baker" the work is a follow-up of a 1952 project known as "Operation Keewatin" in which a 57,000-square mile portion in the southern part of District of Keewatin was mapped in a reconnaissance survey, disclosing about 14,000 square miles of favourable prospecting ground. As in the 1952 project, use will be made of two helicopters in the 1954 operation. A fuel cache will be established in preparation for a similar project in 1955.

HELICOPTERS

Helicopters are to be tried out in two other projects this year. In the Coquitlam area in British Columbia, the Department, for the first time, will use a helicopter for geological traverses in mountainous terrain, and two parties will make joint use of a heli-

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SALES RISE: The unadjusted sales index for nine wholesale trades registered 352.5 for March, a sharp increase from 312.8 a month earlier and 1.8% above last year's March figure of 349.0. Higher sales in the grocery, fruit and vegetable, and drug trades outweighed reductions in the dry goods, tobacco and confectionery, auto parts and equipment, footwear, clothing and hardware lines in the 12 month comparison.

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The Bank of Canada announced that it has acquired property in Toronto on University Avenue between Queen and Richmons Streets and will erect a building on it in the near future.

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From 1901 to 1951, the number of women in the Canadian labour force increased from 237,900, to 1,164,300 and from 13.5 per cent of the total female population 14 years of age and over in 1901 to 23.6 per cent in 1951.

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copter for transportation in an investigation of the mineral resources in Cape Breton Island.

Four parties will carry out reconnaissance surveys in widely separated parts of the Arctic. Two of these will work on northern Baffin Island; another on Prince Patrick, and Eglinton islands and the western part of Melville Island, in the western Arctic, and the fourth on the northwest coast of Ellesmere Island, less than 600 miles from the Pole.

Nine of the parties will map and examine radioactive mineral areas in Saskatchewan, Ontario, and Quebec; six will be similarly engaged in iron ore areas in Quebec, Ontario and Labrador; four will work in coal areas in British Columbia, Alberta, and Nova Scotia; and 14 in metallic mineral areas in Northwest Territories, Yukon, British Columbia, Ontario, New Brunswick, and Nova Scotia. Seven will map areas in British Columbia and Alberta of interest in the exploration for oil and natural gas.

Special projects will include a detailed study, in co-operation with the Dominion Observatory, of the peculiar circular formation of Mouchalagan and Manicouagan Lakes about 120 miles northwest of the port Seven Islands, Quebec; damsite investigations on the Columbia and South Saskatchewan Rivers; and continuation of geological investigations in connection with the St. Lawrence Seaway project.

OVERSEAS AWARDS: The Royal Society of Canada announced on May 21 the names of the 27 winners of Canadian Government Overseas Awards for the year 1954-55.

The awards consist of 13 Fellowships with a value of \$4,000 each and 14 Scholarships worth \$2,000 each, and are tenable this year in France and the Netherlands.

The Canadian Government Overseas Awards were initiated in 1952. Candidates are selected by the Royal Society of Canada and funds are derived from a parliamentary allocation of balances owing to the Canadian Government which are expendable in the countries concerned. These funds are administered by the Department of External Affairs.

Of the 27 awards for 1954-55, 22 are tenable in France and five in the Netherlands.

Six of this year's fellowships and four scholarships have been granted for study in the creative arts.

Seven of last year's scholarships have been renewed for a second year.

GOVERNMENT



CANADA

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WEEK'S EVENTS IN REVIEW

NORTH AMERICAN DEFENCE: "I do not believe we are going to have a war in the near future, but equally I do not see any sign of a change in the long-term objectives of the Soviet Union," said the Minister of National Defence, Mr. Brooke Claxton, as the first point in his summary of an address in the House of Commons on May 20, introducing his departmental estimates.

The summary with which the Minister concluded his speech proceeded as follows:

"Secondly, the planned build-up of strength of the free nations has been a major factor in preserving peace, and consequently it is only common sense that we should continue that effort for precisely the same reasons that five years ago led us to agree in common on this policy and plan.

"Thirdly, we are nearing the end of the development of large classes of weapons. It is very hard today to build a gun better than the 25 pounder, or the 155 millimeter. The cost of any improvement in range or operational qualities is out of all proportion to the advantage gained in performance, and that is true of a very large range of weapons. We are entering into the era at last where there are already in operation guided missiles from ground to air and air to air, and their accuracy and efficiency will be increased.

"We may also be coming close to the time when the pilot of a fighter aircraft will not have much more to do than get the aircraft off and back on to the ground, so that by the time

we have our supersonic fighters to replace the F-86E and the CF-100 it is at least possible that these will be the last aircraft to depend extensively on human beings, and we will then be in or very close to the age of the push-button. It has been a long time coming and it is still some distance off.

"But we will never eliminate the human factor that brings me to this point, that while the allies have made great advances, everything we know points to the fact that the Russians also have made great advances and we have no reason to believe that we can continue to be superior in science, research, engineering and production unless we continue to make even larger efforts in the field of research, development and production.

"As we get into - to use a curious term - the very sophisticated types of weapons and aircraft, the cost increase is out of all proportion so that we must, while maintaining this effort, strive steadily for simplification, economy, efficiency, and standardization. When you get into the field of bombers, fighters, guided missiles, radar, anti-aircraft devices and the like your equipment is no good if the enemy has something which is even slightly better. Consequently, as I say, we must keep up the effort in research, development, engineering, and production, and strive steadily for economy.

"Fourth, we will certainly see a build-up in continental defence as the importance of this increases with the necessity of protect-

ing the ability of the strategic air command of the United States to deliver the A and H bombs, that ability being an essential ingredient in the capacity for massive retaliation.

"Fifth, the economic and financial considerations involved in defence planning today are going to become steadily more important. Not that they have not been important throughout, but a steady drive must be kept up and maintained to achieve the greatest possible economy in terms of men and money. This means that in our planning we cannot afford to make mistakes, because if you start out to develop a new aircraft you may be in for an expenditure of \$125 million before you have a second aircraft off the line. Consequently, everything must be done having regard to the long term effort, and it must be done in the closest possible co-operation with our allies, particularly Britain and the United States. There I am happy to say that we have the closest working co-operation, not only with those two countries but with every country in the North Atlantic Treaty Organization.

PERSONNEL

"Sixth, and this is perhaps the most important of all, in defence operation, possibly more than in any other operation mankind has to undertake, that operation must depend on the quality of the personnel, the quality of the leadership, and the quality of the men. We have been fortunate in having officers and men of good quality, but with the increasing complexity of weapons, the necessity for insisting on a high standard and getting it becomes even more urgent and important than ever before. So as we face the challenges of 'the long pull', not the least important of these challenges is to find ways and means of maintaining the alertness, the professional skills, ambitions, and physical and mental abilities of the officers and men in our armed forces.

"This becomes, as has been found in the United States where special studies have been made of it, a matter of their continuing to have the confidence and the respect of the civilian population. This is a matter of the utmost importance if we are to maintain the strength of our armed forces; and that is something to which I believe they are entitled, by their records of service and by their records as civilians, judged by any standard you like. Their crime records are considerably lower than those for corresponding groups in civilian life; and that is as it should be.

"Seventh and finally, this whole operation of facing the 'long pull' under the threat of a war of total destruction requires stout hearts and a really great degree of understanding on the part of the civilian people. The 'Canadian Unionist' published by the Canadian Congress of Labour in April, 1954, had this to say apropos of the H-bomb.

"The task of the individual, in spite of the threat of world destruction is, in Carlyle's words, 'to do the task which lies nearest to hand', and, in the present circumstances, this means that we must simply do our work as well as we can, and let it go at that. We must try to be guided by the lessons of experience and the dictates of reason."

"If we apply that statement to the national and defence fields, it is obvious that there is no ground for despair or discouragement or for doing nothing. It is obvious that we must continue to follow what we and the other nations have agreed is the right course in order to preserve peace and to maintain our security. But the A-bomb and the H-bomb force the nations of the world to try to find means of ensuring that they will never be used. It has been said that war is a failure in foreign policy; and foreign policy - understanding between nations - has become of greater importance and greater urgency than ever before in the history of mankind. From time to time specific problems occupy the international stage, as we have seen at Geneva over Indo-China. This crisis or that fills the headlines and the newscasts but no particular crisis should outweigh the preservation of the great alliance of the free world which is the fundamental bulwark of our own security."

CONTINENTAL DEFENCE

Speaking on continental defence and its protective radar system, Mr. Claxton said earlier in his address:

"A good many hon. members visited St. Hubert R.C.A.F. station this session and saw there the air defence command headquarters for Canada. That command is operational today 24 hours a day. It receives intelligence of every aircraft coming under surveillance at any one of the radar stations. That aircraft is identified either as a friendly aircraft because it has filed a flight plan, because of its characteristics, or because we see it, or is not identified - in which event the fighters are scrambled and carry out an interception.

"Just last week at a radar station not far from here I saw interceptions carried out from the control room of the radar station to which had been hooked up the telephones of the pilots, of fighter command, of the radar operators, and of the plotters. These were hooked up to loudspeakers so that from the station we could hear the whole battle being carried out, and within a very few minutes the interceptions were successfully completed.

"This system, as planned between the United States and Canada, is now more than 90 per cent complete and operational. These interceptions are carried out daily, night and day, in operations against B-36's and B-47 jets which have come over on simulated raids without the knowledge of the stations. The percentage of kills as they were counted in these exercises was extraordinarily high compared

with any experience in the second world war. It was not one hundred per cent but it was above 90 per cent indicating a very successful operational state.

"This is, I say, in operation today and the whole system as planned between the United States and Canada will be in complete operation by late summer or early autumn. The communications are hooked up so that within seconds or a minute or so of an aircraft being found on the radarscope at one of the radar stations the intelligence of that is received at air defence command and at Colorado Springs where the United States strategical air force is located. Communications are in effect on a 24-hour basis.

RADAR DEFENCES

"It is very risky for people charged with defence to make a prophecy. All we can do is to give opinions and not give assurances, but this system of defence against air attack has reached the stage today where if I were in charge of the Russian air force and were aiming to reach important targets in the United States I would not go across the lines of these radar defences. I would go some other way, and there are other ways.

"I have mentioned 90 per cent. That is a figure which I have cited for purposes of illustration, but that is not enough when you are dealing with A and H-bombs. We cannot get 100 per cent - I am sure of that - because of the size of the country, the difficulty of carrying out construction and the tremendous cost in terms of men, equipment and money. However, we do need more early warning. We need it not only in order to carry out interception but also in order to economize on manpower. The first step towards having additional early warning has been announced in the construction of a new chain across Canada, north of the existing one, to use equipment which has generally been known as the McGill Fence equipment. The purpose of this is to give additional early warning.

"We have also had under consideration by scientists and military experts in the United States and Canada additional means of having early warning, and no doubt additional steps will be taken from time to time. . . ."

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G.T. WESTERN RY: Operating figures in the first four months this year indicate that the Grand Trunk Western Railroad will end 1954 with a deficit of approximately \$548,000, compared with a net surplus of \$1,150,329 in 1953. Mr. Donald Gordon, Chairman and President of the Canadian National - Grand Trunk System, told the annual meeting of the G.T.W. Board of Directors at Detroit on May 17. Revenues for the year, estimated at about \$58,000,000, would be 5.29 per cent less than actual 1953 revenues.

IMMIGRATION UP 23 P.C.: The Department of Citizenship and Immigration reported this week that during the first three months of 1954 immigration was 23 per cent greater than in the same period last year. The totals were 28,223 and 22,937 respectively.

Immigration from the United Kingdom was up 24 per cent from 6,367 to 7,882. The biggest increase, however, was from countries other than the United Kingdom, the United States and North Europe.

This total was up by 66 per cent, from 5,870 to 9,773. The biggest increase was in Italian immigrants. In the first three months of 1953, Italian immigrants numbered 2,972; in the same period this year they numbered 6,156. Italian immigrants made up the largest single national group in the first quarter.

The largest group from the North European countries came from Germany - 3,674. This was a decrease from last year's first three months when 4,173 Germans came to Canada.

The next largest North European group were the Dutch. There were 2,973 Netherlands immigrants in January, February, March, an increase of 145 over the number in the corresponding period a year ago.

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MAY 5 WHEAT STOCKS: Visible supplies of Canadian wheat on May 5 totalled 347,959,000 bushels, slightly under the 348,731,000 bushels held a week earlier, but up almost 31% from last year's corresponding stocks of 266,180,000 bushels.

Prairie farmers reduced their wheat deliveries in the week ending May 5 to 3,844,000 bushels from 8,255,000 a year earlier, oats to 788,000 bushels from 1,051,000, barley to 966,000 bushels from 2,640,000, and rye to 81,000 bushels from 153,000.

Overseas export clearances of wheat in the week totalled 2,853,000 bushels, up from 1,915,000 a week earlier, but sharply below last year's 8,973,000.

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AID FOR ALLIES: New shipments of Canadian military supplies are on their way to the United Kingdom and Denmark under terms of the mutual aid programme of the North Atlantic Treaty Organization, Army Headquarters has announced.

The shipments include trucks for use of the Royal Danish Army and vehicle spare parts and trucks for the Royal Air Force, United Kingdom.

The Danish supplies were shipped from Montreal. Supplies for the Royal Air Force are being shipped from Hamilton, Ont., at various times between May and the end of September.

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Death sentences were meted out to 17 murderers in 1952, two more than in 1951 but less than in any other year since the war.

REDUCED WHEAT ACREAGE: Canadian farmers at the end of April intended to reduce their seeded acreages of wheat, rye, and potatoes this year from last year's levels, to increase their acreages of oats, mixed grains and flaxseed, and to seed virtually the same barley acreage. An increase of nearly 3% over 1953 was anticipated in the area to be summer-fallowed in the Prairie Provinces.

The combined acreage of spring and winter wheat in Canada for harvest this year is placed at 24,600,000 acres, a reduction of over 900,000 acres or 3.5% from 1953. Rye shows the greatest percentage decrease from last year with the combined acreage of fall and spring seedings at 900,000 acres, less than 60% of the 1953 seeded acreage of 1,500,000. Anticipated plantings of potatoes of some 300,000 acres represent 93% of last year's acreage.

OATS, FLAXSEED

The indicated acreage of oats for grain at 10,700,000 acres, is some 9% greater than last year's 9,800,000, and intended seedings of flaxseed at 1,500,000 acres exceed by nearly 53% last year's acreage of less than a million. Mixed grain seedings are expected to approximate 1,500,000 acres, about 2% greater than a year ago.

Basic data for the estimates were obtained from the Bureau's annual April 30 survey of crop correspondents conducted in co-operation with provincial departments. These intended acreages are merely indicative of farmers' plans at the end of April, and acreages actually seeded may vary considerably from the intentions figures, depending upon conditions affecting seeding subsequent to April 30.

Intended spring wheat acreages in Manitoba are down 7%, Saskatchewan 2%, and Alberta 6% from last year and these provinces account for most of the decrease in wheat acreage. Ontario's wheat acreage is placed at 711,500 acres (all but 30,500 of which is winter wheat), a decrease of 7% from 1953.

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AUTO SHIPMENTS: Factory shipments of Canadian-made motor vehicles in the first quarter of this year were slightly under those of a year earlier, increases in January and February being offset by a decline in March. January-March shipments this year totalled 130,212 units as compared with 130,788 a year earlier. In March, 45,634 were shipped (51,990 last year); February, 44,268 (42,904); and January, 40,310 (35,894).

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Junior officers of the 1st Commonwealth Division in Korea now have their own club on the banks of the Imjin River, where, in the words of Major-General H. Murray, their divisional commander, "They can get away from their colonels for a short while".

ARMY ROTATION: The final phase of spring rotation of the 25th Canadian Infantry Brigade was in sight this week as "A" Squadron, Lord Strathcona's Horse (Royal Canadians) staged their farewell "roll-past" in their Sherman tanks before Brigade Commander, Brigadier J.V. Allard, Army Headquarters announced.

The Strathconas, who have supplied the armoured component of the Canadian U.N. Forces in the Far East for the past three years, will soon sail for Canada to be succeeded by "D" Squadron of the Royal Canadian Dragoons from Camp Petawawa, Ont.

The departure of the Strathconas will complete the overall spring rotation of the 25th Brigade, which began earlier this year, and involved almost 6,000 troops.

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TV'S OUTSELL RADIO IN FEBRUARY: Producers' sales of television sets continue to rise, and in February exceeded the sales of radios for the first time. TV set sales in February rose to 38,029 from 25,973 a year earlier, but radio sales were cut to 33,828 units from 47,696.

TV receiver sales were higher in all areas, with the bulk of the sales in Ontario and Quebec: Ontario's sales were up to 18,348 units from 17,152, Quebec to 14,696 from 7,524, British Columbia to 3,923 from 1,288, Atlantic Provinces to 802 from 6, and the Prairie Provinces to 260 from 3.

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PETROLEUM RISE: Receipts of crude petroleum at Canadian refineries rose 28% in February as compared with the same month of 1953, and output of refined products advanced 17%. Month-end inventories of refined products climbed 15.6%.

The month's receipts of crude petroleum totalled 12,955,000 barrels as compared with 10,104,000. Supplies from domestic sources rose steeply to 7,431,000 barrels from 3,490,000, and imported supplies dropped to 5,524,000 barrels from 6,614,000.

The month's output of refined products amounted to 12,783,000 barrels as compared with 10,887,000, and refinery inventories totalled 21,588,000 barrels compared with 18,660,000.

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A special programme commemorating the part played by the Royal Canadian Navy in the Second World War was broadcast nationally over the Canadian Broadcasting Corporation's trans-Canada network on Battle of the Atlantic, Sunday, May 16.

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Average weekly wages in Canadian manufacturing industries at the beginning of March rose to \$57.69 from \$56.58 a year earlier.

NEW NORTHERN HEALTH SERVICE

CARE OF INDIANS, ESKIMOS: The health of Canada's northland is to have a new look.

In a joint announcement on May 26, the Minister of National Health and Welfare, Mr. Paul Martin, and the Minister of Northern Affairs, Mr. Jean Lesage, told of plans for a new Northern Health Service to make a concerted attack on one of the biggest problems of the north - the health of its people.

The million and a half square miles of Canada which lie north of sixty degrees are the most sparsely populated in the country, and conditions there are about as difficult as doctors and public health officers find anywhere. You cannot put a hospital in every settlement of 100 people even if the nearest medical facilities are 1,000 miles away. The land is rugged, and the travel is tough.

DISTANCE PROBLEM

The doctor who hears by radio about an epidemic in a remote Eskimo settlement may be able to reach his patients only by parachute drop or dog team. He may have to work only with instruments and drugs which he can carry. The climate can be harsh, the facilities primitive, but the biggest problem of all is distance.

These are the conditions which have long been faced, not only by medical officers of the federal Government but by the employees of the territorial governments, by the workers of Roman Catholic and Anglican missions, by mine doctors, and by private practitioners who minister to the medical needs of Canada's most northern residents. Conditions like these can be adequately met only by a concerted effort. The Northern Health Service is the Government's answer.

The Northern Health Service is to be established as a division of the Department of National Health and Welfare. The new agency will not supersede any of the existing organizations - it will bring them together, and

help the co-ordination of policy and planning. Ordinarily health facilities are not undertaken by the federal Government except to meet direct federal responsibilities, but the unusual problems in the north demand unusual solutions. The Government expects the new agency to operate until the north has developed to the point where territorial governments have the resources and population to enable them to establish their own departments of health.

"Missionaries of the Church of England and of the Roman Catholic Church have through years of zeal and devotion, provided services under trying conditions," Mr. Lesage commented. "Other organizations, both private and community, have borne their share. The new federal agency will co-operate and help in the expansion and improvement of the service."

The agency will also operate its own hospitals, public health and nursing services and other facilities which are required for National Defence staff and for Eskimos and Indians whose health is normally a federal responsibility.

WHITEHORSE HOSPITAL

The federal Government is willing in addition to help to meet territorial responsibilities for health if suitable financial arrangements can be made with the Territorial Administration.

The Minister of Northern Affairs has written members of the Yukon Territorial Council inviting the participation of the Yukon Government in the Northern Health Service.

One of the products of future planning may be a new hospital in Whitehorse. The need to replace the present military hospital may create the opportunity to build a modern all-purpose hospital to serve all territorial needs in the area. The kind of establishment which would meet present and future needs might cost about \$3,000,000.

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MANUFACTURERS' 1953 SHIPMENTS UP: Canadian manufacturers' shipments in 1953 were valued at \$17,655,723,000, up 4.2% from the preceding year's \$16,939,275,000, according to estimates contained in the first issue of a new quarterly publication released by the Dominion Bureau of Statistics. First-quarter shipments were valued at \$4,260,202,000 (\$4,007,196,000 a year earlier); second quarter, \$4,666,716,000 (\$4,354,588,000); third quarter, \$4,428,724,000 (\$4,222,696,000); and fourth quarter, \$4,300,081,000 (\$4,354,795,000).

Shipments of consumers' goods in the full year climbed in value to \$10,837,028,000 from \$10,442,823,000, non-durables accounting for \$6,514,079,000 compared with \$6,388,601,000,

semi-durables for \$2,237,542,000 compared with \$2,279,289,000, and durables for \$2,086,207,000 compared with \$1,774,933,000. Shipments of producers' goods rose to \$3,405,683,000 from \$3,352,931,000, capital goods to \$2,064,194,000 from \$1,828,741,000, and construction goods to \$1,348,018,000 from \$1,314,780,000.

Shipments were highest in value in the foods and beverages group of industries at \$3,391,022,000 compared with \$3,460,436,000 in 1952, second highest in transportation equipment at \$2,200,286,000 compared with \$1,800,742,000, third highest in iron and steel products at \$2,038,059,000 compared with \$2,134,759,000, and fourth highest in paper products at \$1,565,385,000 compared with \$1,502,835,000.

TRADE PACT WITH SPAIN: The Secretary of State for External Affairs, Mr. L.B. Pearson, in the absence of the Minister of Trade and Commerce, made the following statement in the House of Commons on May 26 announcing a new trade agreement with Spain:

"A Canadian delegation headed by the Deputy Minister of Trade and Commerce has been in Spain for some time carrying on trade negotiations with Spanish officials. My colleague the Minister of Public Works (Mr. Winters) recently went to Spain to conclude the final phases of these negotiations with the Spanish Government, and to sign the resulting agreement on behalf of the Canadian Government.

"I am pleased to inform the House that an agreement has now been reached with the Spanish Government. This agreement is the first direct trade agreement between Canada and Spain. It will be signed today in Madrid by my colleague, Mr. Winters, and His Excellency Martin Artaaj, Spanish Minister of Foreign Affairs, and will come into force provisionally on July 1 of this year.

AGREEMENT TERMS

"The new agreement provides for the exchange of most favoured treatment with respect to customs duties and related matters. Both countries undertake not to impose discriminatory import or exchange restrictions, except for balance of payments reasons. Such restrictions must not discriminate between dollar countries. As part of the agreement, the Spanish Government has undertaken to make available import licences and dollar exchange for minimum annual import from dollar countries of 2,000 metric tons of dry salted codfish. This arrangement will improve and stabilize sales of Canadian salted cod in our traditional Spanish market.

"Canada has accorded the following tariff concessions to Spain: the binding of free entry on olives from Spain as from July 1. Formerly, olives were subject to a duty of 17.5 per cent ad valorem. We have agreed to reduce the duty on edible oil from 7.5 per cent to 5 per cent and to eliminate the one cent per pound duty on almonds. We are also making a small reduction in the duty on paprika. As mentioned earlier, these tariff concessions become effective July 1, 1954."

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Stone of all kinds was produced in Canada in 1952 to the value of \$31,000,000. Quarries in Quebec accounted for about one-half of the total, and those in Ontario for about one-third.

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SICKNESS SURVEY: Roughly three out of five Canadians are prevented by illness from following their normal activities at some time during the course of a 12-month period, according to figures contained in the fifth of a series of reports based on the 1950-51 Canadian sickness survey. This survey was a joint undertaking of the Dominion Bureau of Statistics; the Department of National Health and Welfare, and provincial health departments. Estimates are based on a sample of some 30,000 people, and make available for the first time figures on the volume of sickness among the general population of Canada.

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LIONEL CONACHER'S DEATH: Canada's greatest athlete of the half-century, Lionel Conacher, Liberal Member of Parliament representing Toronto Trinity, died on the evening of May 26 after suffering a heart attack while playing in the annual softball game on Parliament Hill between Members of Parliament and the Parliamentary Press Gallery.

Mr. Conacher had collapsed at third base in the sixth inning after hitting a triple. He died on the way to hospital.

The Prime Minister led in the tributes that were paid all across Canada to the memory of a great sportsman.

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PRICES REPORT: The Dominion Bureau of Statistics published on May 25 its annual report on Prices and Price Indexes. Although this 232-page publication is concerned principally with prices and price indexes for the 4-year period, 1949-52, it also contains considerable historical data extending back to 1867 in the field of wholesale prices.

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ELECTRICITY OUTPUT: Output of electric energy by central electric stations was slightly lower in March and the first three months of this year than a year earlier. The month's production totalled 5,765,789,000 kilowatt hours as compared with 5,779,752,000 a year earlier, bringing the three-month output to 16,551,860,000 kilowatt hours as compared with 16,691,337,000.

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Volume of highway traffic between Canada and the United States was 2% greater in February than in the corresponding month last year. Aggregate border crossings numbered 675,800 vehicles compared with 662,200.

GOVERNMENT



OF CANADA

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WEEK'S EVENTS IN REVIEW

GENEVA CONFERENCE: The Secretary of State for External Affairs, Mr. L.B. Pearson, reported to Parliament and the people of Canada on May 28 about his recent trip to Europe, during which he attended the meeting of the North Atlantic Council, the subcommittee of the Disarmament Committee of the United Nations, and the Geneva Conference on Far Eastern Affairs. His address in the House of Commons dealt for the most part with the Geneva conference.

After outlining the communist "peace plan" for Korea, which he described as, "a scheme designed to provide for the establishment of an interim government, along the pattern of the communist proposals in Germany, in which the communist representatives would hold the power of veto", he placed on the record, as follows, the Canadian views of what should be done to reach a good Korean settlement:

"First, a unified Korea should preserve the state structure for Korea which has been endorsed by the United Nations, with such constitutional changes as might be necessary to establish an all-Korean Government.

"Second, the people of Korea should be given an opportunity to express their views as to their future Government and for that purpose there should be held, with a minimum of delay, free and fair elections for a national assembly and possibly also for a president.

"Third, the conditions for such elections should include equitable representation by population over the whole of Korea.

"Fourth, to ensure that such elections should be fair and free, they should be supervised by an international agency agreed on, if possible, by the Geneva Conference but acceptable to the United Nations. In order to ensure maximum objectivity - and that is going quite a long way to meet the views of the other side - we felt that this supervisory agency might consist of nations which do not belong to the communist bloc and which did not participate in military operations in Korea.

"Fifth, arrangements should be made for the withdrawal of all foreign forces from Korea by stages, that withdrawal to be completed in a short period, to be fixed by the Conference, after the post-election all-Korean Government had begun effectively to function; in other words, withdrawal might begin at once by both sides and be completed within a short time after the Korean Government had begun to function.

"Sixth, a reaffirmation of international responsibility under the United Nations to participate in the relief and rehabilitation of Korea through economic and material assistance. Finally, an international guarantee under the auspices of the United Nations of the territorial integrity of unified, free and democratic Korea."

If the Korean Conference at Geneva could not succeed in bringing about unification of that land he thought "it would be wise . . . to suspend, not to terminate the Conference and to agree to look at the problem again some

months ahead when conditions might be a little bit different".

He added: "I admit that we are still far short of the achievement of a peaceful solution of the Korean question. It is an intensely difficult problem and we shall need a large fund of patience if an acceptable solution is to be attained; but there is still hope that such a solution will eventually be attained. Meanwhile I feel - and it is no unimportant result if I am correct in this feeling - that after the Geneva discussions the renewal of hostilities in Korea is much less likely than it might have been before that Conference opened."

Dealing with the Indo-Chinese side of the Geneva Conference, Mr. Pearson said:

"I believe it is too early to predict whether a negotiated settlement can or cannot be reached on honourable terms which would bring an effective end to the hostilities, provide a basis for a workable political settlement, recognizing the interests of the indigenous peoples of the countries concerned, and which would be a wise move in the direction of creating positions of stability in the Southeast Asia area. So long as negotiations are still going on, however, I think it would be unwise and indeed unnecessary for me to speculate on the result of the failure to end the war. Nevertheless whether success or failure results, the problem of general security in Southeast Asia remains.

SEARCH FOR SECURITY

"As I see it, the solution to that problem depends largely on whether the countries most immediately involved can agree on the objectives and principles that should underlie any collective arrangement to maintain and strengthen security in that area. I hope I may be pardoned if I put forward, on the basis of my own association with this problem in recent weeks, some considerations which in my view affect the search for security in Southeast Asia.

"In the first place, I think we must accept the fact that the international communist conspiracy is working for, and has made progress in, securing control of Southeast Asia. We should certainly be aware of the danger to international peace and security in this development, a danger which cannot be exorcised by comforting interpretations of Asian Communism as merely agrarian reform or as Nationalism painted red.

"It is true, I think, that the urge for national freedom and for social and economic reform, and not devotion to Communism as such, is the mainspring of the greatest revolution of our time, the emergence of the masses of Asia from colonial control, feudal restrictions and western pressures. But communist Imperialism, directed from Moscow or from Peking or both, has been too successful in ex-

ploiting, and in some cases in capturing these forces, even though Communism as the agent of aggressive and reactionary Imperialism cannot bring either freedom or progress to those it envelops. We know that but there are millions of destitute and despairing people in Asia who do not as yet.

"In the second place we should, I think accept the fact that if this danger exists, and I think it does, there can be no objection to, indeed there should be approval of, regional collective security arrangements organized to meet those dangers in the right way, by those immediately concerned, under article 51 of the United Nations Charter. We cannot support the principle of collective security in one part of the world and reject it in another. I think it is right and important that the United States of America should be reassured by its friends on this question of principle. Nevertheless, we should also recognize that in practice the type of collective security arrangements suitable for the Atlantic area might not be practical or desirable in Southeast Asia.

REGIONAL SOLUTION

"An understanding of these needs and these differences will assist, indeed I think will be essential, in finding the right regional solution to the problem of security in that part of the world, once it is agreed that such a solution is necessary to supplement and make more binding the general application of the United Nations Charter. Any such regional solution, I think, might well embody the following principles:

"First, arrangements reached must be consistent with the provisions of the United Nations Charter. If they could be associated in some form with the United Nations, so much the better.

"Secondly, they must be divorced from anything that could be called Colonialism and not designed to maintain regimes, colonial or national, that have little or no popular support.

"Thirdly, it should be recognized that the problem cannot be dealt with effectively in military terms alone, and that no mere military agreement is likely to be satisfactory or enduring. Indeed military aggression of the conventional sort is not likely to be the main danger so much as communist Imperialism exploiting those forces within the state - and not always unworthy forces - in order to bring about subversion, civil war and the forcible installation of communist regimes.

"It should also be recognized that, as President Eisenhower said on May 12, no country can be saved from Communism unless it wants to be saved.

"Then, fourth, as I see it, any solution must not be, or susceptible to the interpretation as being, a purely 'western' one, or one

from which free Asian countries feel that they have been excluded. Surely we must recognize that, whether we agree with all their policies or not, little of a substantial or permanent character is likely to be achieved in establishing peace and security in Southeast Asia, or any other part of Asia, without the advice, co-operation and assistance of the free Asian countries. I think it is most important - and I am sure the House agrees with me - that those countries should feel that, even if they are not members of it, any collective security arrangements in Southeast Asia that may be worked out should be in their interest, and have taken into consideration their interests. If not enough Asian states feel that way, the foundation of any Southeast Asian security organization will not be very firm.

"In this connection, the Commonwealth association can play and has played a valuable role. And that is one reason why, in my opinion, it was helpful and wise to keep the Asian members of Commonwealth informed, as they were kept informed, closely and continuously, of Geneva developments. It is also one reason why I regret that India, or some similar Asian state or states, was not a member of the Geneva Conference.

WILL TAKE TIME

"The working out of an arrangement which would be based on the considerations I have ventured to mention will not be easy, and I think that it will take time. But there is dilemma here, in that time may be against those who desire to build up a security system to deter aggression in Southeast Asia. After all, there is a war going on there. It is not easy, in diplomacy, to reconcile considerations of defence urgency with the necessity for careful political preparation and of securing general and wholehearted agreement. There can be danger both from over-timidity and from over-zealousness. There can also be trouble between friends if there is doubt about timing, about exactly what is being planned, about what we are trying to secure, and about what we are trying to prevent.

"We should certainly be clear on that last point - what we are trying to prevent. Is the united action which it is desired to bring about to be against Communism as such, regardless of the means, military or otherwise, which it adopts to secure its ends in any particular Asian country; or is the commitment for collective action against military aggression only? If it is to be the first, then we should realize that arrangements to achieve this end will be interpreted as a declaration of implacable and fixed hostility, with all action short of general war, and even at the risk of such war, against Asian Communism.

"The other concept is that which is embodied in NATO. Here the commitment for action, in contradistinction to consultation, is clear and explicit. And it comes into operation as

soon as a military aggression has been committed by one state against another - but not sooner.

"I do not think it will do any service to the unity of those who are working together for peace if there is not a very clear understanding on this point, and if any negotiations are not based upon that understanding.

"Now, if I may close by referring a little more specifically to the policy of the Canadian Government in respect to the questions we have been discussing at Geneva, and which are still under discussion there.

"We will continue - and I am sure there will be general agreement on this - we will continue to assist in bringing about a Korean peace settlement, consistent with United Nations principles and decisions; but we will not repudiate or betray those principles or decisions.

"If the Geneva Conference should not at this time achieve such a settlement, we will favour a re-examination of the problem at a future date, whether at the United Nations General Assembly or by a resumption of the present Conference called for that purpose.

"We will oppose any move by anyone to resume hostilities in Korea.

REAL INTEREST

"So far as Indo-China and Southeast Asia are concerned, we recognize that Canada has a very real interest in what is happening there, and what is likely to happen there. As a country with hundreds of miles of exposed coast on the Pacific, Canada is naturally concerned with problems affecting security in the Pacific and in Asia. Moreover, we know from the experience of two world wars that peace is indivisible and that a threat to peace anywhere can soon cover the whole world.

"Our inevitable concern for developments in Southeast Asia is increased by our close relationship to the United Kingdom, Australia, New Zealand and the three Asian members of the Commonwealth. The growing anxiety of these latter three over hostilities going on so near to their homelands can be readily appreciated, since their security would be very seriously threatened if an aggressive communist nation took control, either by internal subversion or by direct military intervention, of one after another of the countries in the area.

"Added evidence of our concern for the security and well-being of the nations of South and Southeast Asia is to be found in our active participation in the Colombo Plan, whereby we have sought to associate ourselves with the area's economic development.

"In so far as accepting special political and defence commitments is concerned, there is of course a limit to what a country of Canada's population and resources can do. We have limited strength, in both men and materials; and our commitments are already heavy. Existing undertakings, such as those under NATO, are

such as to circumscribe what Canada can and cannot undertake, militarily and otherwise, not only in Southeast Asia but elsewhere.

"And therefore, while it is true that if peace is threatened by communist aggression anywhere, it is threatened everywhere, it is also true that Canada cannot be expected to accept special or regional defence commitments in every part of the world where collective arrangements may be advisable. We have of course, through membership in the United Nations, accepted the provisions of the charter. Canada has, therefore, already definite, if general, obligations in the maintenance and restoration of peace and security in all areas where these are in danger.

"In this connection, it should be realized that the situation in Indo-China, with all its consequences to the peace and security of Southeast Asia, has not yet been brought to the United Nations, and is not before the United Nations at the present time. If or when that position should change, Canada's policy, like those of other member states, will of course depend upon the nature, the purposes and the scope of any action which might be recommended by the United Nations. Any action involving an extension of Canada's present commitments would be placed before Parliament.

U. N. ORGANIZATION.

"The responsibility for seeking recourse to the United Nations would rest with the states and governments in the areas which are most directly concerned, and any such approach would, I assume, depend upon the outcome of the direct discussions which are now going on in Geneva, and also on a clear assessment of the possibilities and limitations of effective United Nations action. It is clear - at least it seems clear to me - that the United Nations Organization possesses a fund of experience and provides available procedures for peaceful settlement which, in other circumstances, have helped in the past to put seemingly intractable problems on the road to solution, or to halt deterioration in situations threatening the peace, and I would hope that the United Nations might prove useful in this situation, too. But, whether at the United Nations or at Geneva, or wherever the road may lead, the search for peace and security goes on."

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TV sales exceeded radio sales for the first time this February when over 12% more television than radio sets left the factory. In February last year 41% more radios than TV sets were sold by manufacturers.

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Canadians made 387 long distance calls to Australia and New Zealand in 1952, while incoming calls from these countries numbered only 70.

CANADA-PORTUGAL TRADE PACT: The Minister of Trade and Commerce, Mr. C.D. Howe, announced in the House of Commons on May 28 the signing in Lisbon of a new trade treaty between Canada and Portugal. He said, in part:

"This is the first direct trade agreement between Canada and Portugal. It provides for the continued exchange of most-favoured-nation treatment with respect to customs duties and related matters. Both countries undertake not to impose discriminatory import or exchange restrictions, except for balance of payments reasons. When such restrictions are imposed they must not discriminate between countries having convertible currencies.

"As part of the agreement, the Portuguese Government has agreed to make available import licences and dollar exchange for minimum annual imports from dollar countries of 3,000 tons of dry salted codfish. This quantity is divided between 1,000 tons of small codfish and 2,000 tons of the larger sizes. This arrangement will place Canadian sales of dry salted codfish in the Portuguese market on a more stabilized and permanent basis and will provide an opportunity for increasing sales.

COFFEE

"For the first time Canada will accord most-favoured-nation treatment to certain Portuguese colonies. As a result, coffee, which is one of the chief colonial products of Portugal, will now enter Canada at the most-favoured-nation rate rather than at the general rate as has been the case up to now. Canada has also made the following tariff concessions to Portugal: The rate on almonds is reduced from 1 cent per pound to free; the rate on corks, over 3/4 inch in diameter, is reduced from 4 1/2 cents to 2 cents per pound, while the duty on smaller sized corks is reduced from 8 cents to 2 cents per pound.

"I wish to draw the attention of hon. members to the important advantages which accrue to the Newfoundland codfish industry as the combined result of the two new trade agreements with Spain and Portugal, which open up an assured annual market for 100,000 quintals of dry salted codfish, a substantial portion of which can be shipped in small sizes.

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GOOD WILL VISIT: With the good wishes of His Majesty the King of Denmark, the Royal Danish Navy and scores of citizens for a "bon voyage", HMCS Quebec sailed from Copenhagen May 25 after a five-day good will visit termed by the ship's commanding officer as one of the most successful within his experience.

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Home nursing services of the Victorian Order of Nurses are available to about 36% of the population. The Order has branches in all provinces except Prince Edward Island.

FOREIGN TRADE DOWN: Canada's foreign commodity trade was lower in value in April than in the corresponding month last year, according to preliminary figures for the month released by the Dominion Bureau of Statistics on May 27. Estimated imports were down 9% to \$358,000,000 from \$391,800,000, and total exports were off a slight 2% to \$298,200,000 from \$304,800,000. The result was a reduced overall import surplus of \$59,800,000 as compared with \$87,000,000 a year ago.

Cumulative figures for the January-April period followed a generally similar pattern, with estimated imports from all sources down 8% to \$1,282,100,000 from \$1,389,700,000, and total exports 4.5% lower at \$1,164,500,000 compared with \$1,218,700,000. The four-month import surplus declined to \$117,600,000 from last year's \$171,000,000.

TRADE WITH U.S.

Commodity trade with the United States was lower in value both in April and the four-month period. April's imports from the United States were cut to \$265,300,000 from \$297,200,000 last year, while total exports fell more moderately to \$181,800,000 from \$192,300,000, the import surplus being reduced to \$83,500,000 from \$104,900,000. In the four-month period, estimated imports were off to \$956,600,000 from \$1,060,300,000, total exports to \$719,000,000 from \$767,300,000, and the import surplus was \$237,600,000 against \$293,000,000.

April's imports from the United Kingdom were slightly lower in value at \$36,300,000 compared with \$38,000,000, and total exports fell to \$39,600,000 from \$45,400,000, resulting in a lower export balance of \$3,300,000 in contrast to \$7,400,000. In the four-month period, imports were down to \$124,400,000 from \$133,200,000, exports were up to \$175,400,000 from \$170,000,000, and the credit balance on the period's trade moved up to \$51,000,000 from \$36,800,000.

Imports from other Commonwealth countries were a shade higher in April at \$14,700,000 as compared with \$12,500,000, and total exports were up to \$18,900,000 from \$16,300,000. In the four-month period, imports climbed to \$43,800,000 from \$41,700,000, but exports were off to \$56,500,000 from \$72,800,000. Purchases from all other countries in April were moderately lower at \$41,700,000 compared with \$44,100,000 a year earlier, but exports increased to \$57,900,000 from \$50,800,000. In the January-April period, imports from these countries rose to \$159,300,000 from \$154,500,000, and exports advanced to \$213,600,000 from \$208,600,000.

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Coal supplies dwindled to a 13-year low of 38,163,000 tons last year, about two and a half tons per Canadian.

CANADA-U.S. TRADE: Canada-U.S. trade was the basis of a question by the Leader of the Opposition, Mr. George A. Drew, and answer by the Prime Minister, Mr. L. S. St. Laurent, in the House of Commons on May 31. The two leaders spoke as follows:

Mr. Drew: "I wish to direct a question to the Prime Minister and to ask him if he can amplify the information which has been given to the press and is contained in a statement in a Canadian Press despatch that federal officials said today that if the curbs receive Presidential approval Canada will have to consider some form of economic readjustment, possibly a withdrawal of tariff concessions equivalent in physical and psychological value to the United States restrictions imposed."

Mr. St. Laurent: "No, Mr. Speaker, I know of no such information given by Canadian officials to the press. All I would care to say at this time is that the Canadian Government is aware of the latest developments in Washington relating to commodities of interest to Canada. We are, of course, very much concerned about the possibility, although I would not say the probability, of any action being taken against our exports and I may say that the United States Government is fully aware of our views. We have kept almost continuously in touch with the U.S. administration on these matters generally and have emphasized our attitude in cases directly involving our trade. I am confident that in arriving at his decisions the President will take into account the wider considerations involved, including the repercussions on friendly countries. I am sure that he will be anxious to avoid actions which would seriously affect the trade of Canada and other allied countries."

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"SHAKE-DOWN" MANOEUVRES: Two days of "Shake-Down" manoeuvres have just ended for Canada's 25th Infantry Brigade in Korea, testing the forces communications and operational fitness.

Hot daytime temperatures and chilly "October-like" nights prevailed as the Canadians moved through the hills and valleys bounding their sector of the front, rehearsing the various phases of fighting under closely simulated battle conditions.

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SIGNS ROME CONVENTION: Canada has become the twenty-first state to sign the Rome Convention of 1952, according to an announcement made in Montreal on May 26 by the International Civil Aviation Organization. The convention, concluded in Rome in October 1952, specifies the rules and the limits of liability in the case of an aircraft causing death or personal injury or damage to property in foreign territory.

END KOREA AIRLIFT: "The trans-Pacific airlift operation that the RCAF has been carrying out for almost four years in support of the United Nations effort in Korea is to finish shortly," the Minister of National Defence, Mr. Brooke Claxton announced this week.

"A decision to end RCAF participation in the airlift has been made and it is expected that the final RCAF round trip to Japan will be made by a North Star leaving its home base at Dorval, outside Montreal, on Saturday, May 29.

"Requirement for air transport support of the UN operations in Korea has decreased and there has been a lessening of the overall airlift operations over the northern route," he proceeded. "In consequence, the United States Air Force is reducing its facilities at Shemya Air Force Base, in the Aleutians, which the RCAF North Stars have been using as a refueling point. Unavailability of Shemya would make economic operation of the RCAF North Stars unfeasible over this run. Because of this, and the decreased requirement, the RCAF operation is being brought to an end.

"Canadian Pacific Airlines will continue, for the time being at least, to operate its scheduled airlift flights to Korea, under charter to the Canadian Government, as part of the Canadian contribution towards the UN effort in Korea. . . ."

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FREIGHT MOVEMENT DOWN: Canada's railways moved 10,151,582 tons of revenue freight during January, 16% less than the 12,129,942 tons hauled in the first month last year. Loadings were off 1,574,572 tons or 17% to 7,679,308, while receipts from foreign connections were reduced to 1,267,771 from 1,515,915 tons for freight destined for delivery in Canada and to 1,204,503 from 1,360,147 tons for intransit freight,

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Gross factory value of products manufactured by Canada's synthetic textiles and silk industry in 1952 totalled \$157,629,000, a 5% decline from the preceding year's \$166,550,000. There were 48 establishments in the industry - two more than in 1951 - with 15,700 employees as compared with 18,000 in 1951, and salary and wage payments aggregating \$42,709,000 compared with \$44,694,000.

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RHINE RADIO LINK: Another link in the network of the R.C.A.F.'s overseas radio stations was established recently when Air Marshal C.R. Slemon, Chief of Air Staff, inaugurated the use of the base radio station at the R.C.A.F.'s No. 4 Fighter Wing at Baden-Sollingen at the edge of the Rhine River in Germany. Air Marshal Slemon recently completed a tour of overseas R.C.A.F. bases.

Air Marshal Slemon made the opening transmission on the airmen's closed circuit radio station, marking the beginning of regular programmes for the airmen and their dependents. The radio station is housed in one end of an unused barrack block on the camp, and has been so painted and polished by the airmen that it would be the envy of almost any modern commercial radio station across Canada.

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GEN. GRUENTHER'S VISIT: General Alfred M. Gruenther, Supreme Commander Allied Powers in Europe, will visit Ottawa on June 10 and 11 at the invitation of the Minister of National Defence, Mr. Claxton.

He is to meet the Prime Minister and members of the Cabinet Defence Committee and on June 11 will speak to Senators and Members of Parliament.

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U.S. INDUSTRIAL VISITORS: Wood preservation experts from more than a dozen leading industries and Public Utilities Companies in the United States spent Monday, May 31, at the Forest Products Laboratories of Canada, Ottawa. The Laboratories form a part of the Department of Northern Affairs and National Resources.

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INDUSTRIAL EMPLOYMENT: There was a further recession in industrial employment at the beginning of April. The Bureau's advance industrial composite index, on the 1949 base, stood at 105.5 as compared with 106.6 a month earlier, and 110.0 at April 1, 1953.

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Inventory investment of Canadian manufacturers at the end of March aggregated \$3,599,800,000, 1% below December last but 3% higher than a year earlier, according to advance figures released by the Dominion Bureau of Statistics.



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WEEK'S EVENTS IN REVIEW

FREE WORLD UNITY: "Excessive economic nationalism, if unchecked, will sooner or later corrode any coalition, and weaken until it destroys co-operation and unity in foreign or defence policies," said the Secretary of State for External Affairs, Mr. L.B. Pearson, in addressing the Canadian Historical Association at Winnipeg on June 4.

Mr. Pearson's subject was, "Some Thoughts on Canadian External Relations" and he said that Canada's development in the last two decades had been almost as striking in her external relations as in domestic policy.

Canada's earlier policy of refusing to accept the obligations of collective security was motivated primarily by domestic considerations, "by the desire to avoid taking up a position on issues which would split the country. . . . If we can today have a positive foreign policy it is precisely because of the degree of internal cohesion and unity which we have achieved."

Mr. Pearson then proceeded:

"In the '30's then, we were intensely pre-occupied with the effect of our foreign policy on the unity of our country. But in the '50's we are also concerned with the connection between that policy and the unity of the coalition against aggression, in which Canada is playing an active part. The problem of seeking unity has been vastly enlarged in scope and complexity.

"With the fantastic development in weapons and communications which technologists have produced, the effective scale of political

affairs on our planet is rapidly changing. And as the scale changes the effective unit of manoeuvre in international politics changes too. Today no nation, not even the greatest, is big enough to be a fully effective unit of foreign policy.

"In the 19th century, and to a large extent too in the first half of this one, most of the problems of foreign policy were problems within our Western civilization: usually problems between European states. Today the most challenging and most significant issues are found in the relations between two concepts of world organization and in the emergence of new Asian states, free and insistent.

"The main problems of foreign policy in a democracy now have to be assessed, and day to day decisions taken, against this background of global relations between civilizations. And against this background it is of course obvious that our greatest need, our one indispensable asset, is unity among those who are working together to defend freedom and maintain peace. Today we certainly cannot take this unity for granted.

"It is not easy, but it should be possible, for democratic statesmen to cultivate effective cohesion and co-operation within a coalition. For one thing, successful politicians in a democracy are inevitably schooled to sense quickly, almost before they appear, the first signs of disunity within their own section or nation.

"Again, when action is needed, careful and

timely consultation is the democratic politician's stock in trade; often it is his weakness! Anyone experienced in the operations of a democracy, with its committees, cabinets, caucuses, trade union meetings, or boards of directors, knows or soon learns the value of having private consultations with his leading associates, before confronting them in public with the need to pronounce judgment on a new issue.

"These processes are equally important in a coalition of states. They are not always followed. But I think that - in our coalition against aggression - we are improving our techniques of co-operation and, more important, increasingly acquiring the habit of consultation. We are learning the value of prior discussion - not as a substitute for action - but as essential for united action.

CONSULTATION

"Needless to say, consultation does not mean merely the opportunity either to share in responsibility for implementing a decision already taken, or alternatively to stand aside. Consultation means the opportunity to participate in the give and take of ideas, the weighing of pros and cons, and the formulation of policy.

"This may seem like a tall order between a group of sovereign states - varying so much in power and influence as is the case with the members of our coalition. It is a tall order, and its achievement will take considerable time. In crises, indeed, something less may seem to suffice or may have to suffice. But eventually nothing less than this true consultation will be adequate to consolidate a coalition of free peoples, and to forge out of several democracies a unity deep and strong enough for the international situation of risk and menace with which we may have to live for a long time.

"This broader responsibility does not in any sense remove, or weaken, the direct constitutional responsibility of each democratic government to its own nation. It is something additional. It is nothing formalized. It is, rather, an attitude which must be developed, a quality of outlook that must be achieved.

"This requirement of unity will put a premium on those qualities of detachment, patience, and moral courage which any politician in a democracy needs from time to time if he is to stand firm despite the passing moods and passions of the moment. For though not only interests but intellectual appreciation and the understanding of a situation may be shared in common throughout a coalition, yet the emotions and passions of political moods are usually limited to a single country; at times, indeed, to a section thereof.

"As Gouzenko, and Kravchenko, and Petrov, and many others have proved, the free indivi-

dual is the Achilles' heel of totalitarianism. But a democratic coalition also has its Achilles' heel; in the temptations, which can beset any democratic politician, to yield too much to expediency, to the claims of immediate time and place and circumstance.

"Above all, if we are to make a coalition work, we must accustom ourselves to living with requirements and within a framework, broader than that of our own state.

"This will apply, of course, to the economic as well as to other aspects of policy: Excessive economic nationalism, if unchecked, will sooner or later corrode any coalition, and weaken until it destroys co-operation and unity in foreign or defence policies. Attitudes to neighbours and allies cannot be kept in water-tight compartments.

LEADERSHIP

"Finally, those peoples within our coalition whose strength gives them a position of leadership have a special obligation to cultivate the self-denying qualities of patience, restraint and tolerance. In their turn, the smaller and less strong members will have to demonstrate, not a surrender of their identity or free judgment, which would be undesirable and impossible, but a sense of proportion and a recognition that the acceptance of leadership and the possession of power warrant special influence and weight in the counsels of the coalition.

"An acceptance of the over-riding claims of unity, and the acceptance of the delays and concessions which are sometimes necessary to cultivate it, come hardest, of course, to the strongest; for a consciousness of strength naturally encourages self-confidence and is apt to induce a tendency to take for granted the acquiescence of others. The less strong members of a coalition probably find it easier than the stronger to be conscious of the anxieties and attitudes of others; and easier also to recognize the perils of disunity within the greater society of which they form a part.

"The importance of doing what we can to strengthen the unity and cohesiveness of our Atlantic coalition is, in one sense, a new, though a very important principle of Canadian foreign policy. In another sense, however, it is merely a new expression of something that always has been considered a main objective of that policy; good relations and close co-operation between the United Kingdom and the United States. Canada's absorption in this objective is as old as the Canadian nation..."

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N. D. C. TOUR: After a two-month tour which saw them visit 12 European and Middle East countries, the Director, staff and members of the National Defence Collège embarked in HMCS Quebec at Brest, France, on May 30 for passage home to Canada.

STABLE LEVEL OF ECONOMY: The Government adheres to the policy of doing everything possible to maintain an economic climate in which may flourish a high and stable level of employment and income, the Minister of Labour, Mr. Milton Gregg, said in addressing the Canadian Manufacturers' Association at Jasper on June 7.

An excerpt from his remarks is as follows:

"Present trends in industrial relations have been strongly influenced, there is no doubt, by the expanding economic activity of the past fifteen years. Industry has enjoyed prosperous conditions. This has contributed to the general success of collective bargaining relations in Canada.

"There are those who anticipate that the coming months will produce a different economic background for industrial relations, and who feel also that a change would be not altogether a bad thing. Personally I am not anticipating any marked change. Nor can I see any good reason for welcoming it.

"We, as Canadians, have got past the point where we are prepared to tolerate any prolonged or avoidable unemployment. Undoubtedly, some dislocations will continue to arise from time to time affecting particular industries or areas or groups of workers. During recent months, many firms have certainly found themselves subject to competition somewhat keener than existed in the period of peak activity.

"Such developments, however, whether their cause lies within Canada or beyond our borders, need not cause us to lose sight of the tremendous basic strength and potential of our economy.

"As my colleague, Mr. Howe, declared recently, the Canadian Government still adheres to the policy of doing everything possible to maintain an economic climate in which may flourish a high and stable level of employment and income. . . ."

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WHOLESALE PRICE INDEX: Canada's general wholesale price index dipped 0.3% in April to 217.9 from 218.6 in March. Although four of the eight major groups declined, the major part of the decrease occurred in the vegetable products group which dropped 1.8% to 196.0 from 199.6

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CANADA YEAR BOOK: The Dominion Bureau of Statistics released on June 1 for distribution the 1954 editions of the Canada Year Book, and its smaller companion, the illustrated Canada Handbook.

The Canada Year Book, which is the official statistical annual of the resources, institutions and social and economic conditions in Canada, presents extensive statistical and analytical commentary designed to describe the essential elements in the progress of Canada.

CAPITAL INFLOW: Portfolio security transactions during the first three months of 1954 resulted in a net capital inflow of \$171,000,000.

This was the largest net quarterly movement into Canada since the end of fixed exchange rates in the third quarter of 1950, and reflected principally sales abroad of new Canadian issues for \$169,000,000. Provincial direct and guaranteed securities accounted for the largest part of the total, but corporate and municipal bonds were also of importance.

Sales of new issues of Canadian stocks were light. Retirements of foreign-held Canadian securities during the first quarter are estimated to have totalled \$16,000,000.

Trade in outstanding Canadian issues led to a sales balance or capital import of \$16,000,000. Net sales of Canadian stocks amounted to \$21,000,000 and were partly offset by net repurchases of other Canadian securities.

This was a reversal of the direction of movements during the final quarter of 1953. In that quarter there were net repurchases by Canadians of stocks, partly offset by net sales of other outstanding Canadian securities.

Taking into account trading in both Canadian and foreign outstanding issues, in the three months ending March there were capital inflows of \$8,000,000 from the United States and \$12,000,000 from the United Kingdom and other overseas countries. In the preceding quarter there had been outflows of \$6,000,000 to the United States and inflows of \$20,000,000 from other countries.

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25TH ADOPTS VILLAGE: A war-devastated village in the Canadian sector of Korea is to be adopted by men of the 25th Canadian Infantry Brigade and re-established through voluntary cash contributions of Canadian soldiers serving in the Korean theatre.

It is the first move of its kind among United Nations forces in Korea.

The tiny farming settlement of Chinmokchung, which was obliterated in the fighting of three years ago, will once again appear on the map of free Korea to shelter more than 850 men, women and children who have been widely scattered about the country in refugee camps, homeless and destitute.

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SALES FINANCING ADVANCE: Another record in financing of retail instalment sales raised the volume of business handled by sales finance and acceptance companies to a new high of \$942,746,000 in 1953, according to the Bureau's annual report. This was 15% above the previous peak of \$818,633,000 reached in 1952. Balances outstanding at the end of 1953 aggregated \$696,663,000, an increase of 29% over the preceding year's \$539,807,000.

EMPLOYMENT PATTERN: The customary seasonal relationships between hirings and separations in certain industries were apparent during the two year period from September, 1951, to August, 1953, according to the Bureau's semi-annual report.

From January to March, when the level of employment is normally stable and at a seasonal low, hirings and separations were in balance. Commencing in April and continuing through June, a rise in the level of employment was associated with an excess of hirings over separations. Equality of hirings and separations at a high level of employment was characteristic of the remaining late summer months and continued into the harvest season. This equality of hirings and separations, associated with a somewhat lower level of employment, obtained during October and November, followed a reduction of hirings in relation to separations in December.

Although seasonal fluctuations in hirings and separations are common to all industries, incidence of seasonality is not uniform either between industries or industry sub-groups. Industries such as construction and forestry and logging exhibit much more extreme fluctuations in both hirings and separations than the total for all industries.

Within the manufacturing industry as a whole a similar situation exists. Such industry sub-groups as foods and beverages, wood products and to a somewhat lesser extent transportation equipment, are highly seasonal in their operations. Balanced against these are industry sub-groups such as printing and publishing, electrical apparatus and supplies, and tobacco and tobacco products which exhibit relatively stable patterns of hirings and separations.

Hirings and separations by regions also display seasonal patterns related to the economic characteristics of the region. In Ontario and Quebec, in which manufacturing occupies an important position, the scope of fluctuations in hirings and separations was less than in the Pacific and Atlantic regions where primary industries are relatively more important.

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MACPHAIL MEMORIAL: A bronze bust of the first woman member of the House of Commons, Miss Agnes C. Macphail, is to be placed on a pedestal in the vicinity of the chamber of the House, it was announced on June 8 by the Speaker. The memorial, by Felix Weihs de Weldon, sculptor, has been offered by two sisters of Miss Macphail.

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There were 235 institutions of higher education in Canada in 1951-52, including universities, junior colleges, technical and professional institutions and independent theological colleges.

EMPLOYMENT FOR GRADUATES: Employment prospects for the 11,000 graduates leaving Canadian universities this spring could be termed bright, stated the Minister of Labour, Mr. Gregg, on June 9.

He explained that starting salaries for graduates were slightly higher this year than in 1953. His statement was based on a study of openings and starting salaries conducted by the Executive and Professional Division of the National Employment Service.

The Minister explained that while it appeared that the vast majority of university graduates had found, or soon would find, suitable employment in their chosen professions, the prospects were not quite so good for full summer employment for the undergraduates.

The study showed that starting salaries were highest for graduates in medicine, dentistry, and engineering, although there was considerable variation among the different branches of engineering.

The starting salary range for graduates in medicine as doctors, ranged from a low of \$375 to a high of \$535 and an average of \$421 monthly. For internes the rates were somewhat lower with a low of \$100, a high of \$225, and an average of \$153 monthly. In dentistry, the range was a low of \$350, a high of \$500, and an average of \$406 per month.

In the field of engineering the low starting rate offered for chemical engineers was \$250, the high \$500, and the average \$322 monthly; for mining engineers, low \$265, high \$415, average \$327.50; for petroleum engineers, low \$300, high \$375, average \$351; for electrical engineers, low \$250, high \$425, average \$305; for mechanical engineers, low \$250, high \$390, average \$308; and for civil engineers, low \$230, high \$400, average \$315 per month.

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LIVING COSTS: The consumer price index remained practically unchanged between April 1 and May 1, moving from 115.6 to 115.5. Foods declined from 110.4 to 110.2 as lower quotations for butter, eggs, bananas, oranges and some meat items were more than sufficient to offset increases for coffee, tea, processed cheese, apples, pork, beef and several fresh vegetables.

Due to advances in both the rent and home-ownership components, the shelter index changed from 125.6 to 125.8.

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CANAL TRAFFIC RECORD: Last year a modern record of 33,373,064 tons of freight was locked through Canada's 10 canal systems, 2,018,925 tons or over 6% more than in 1952, the Dominion Bureau of Statistics has reported in its annual review of canal statistics. Traffic on Canadian canals has not exceeded this amount since the construction of the American Davis and Sabine locks at Sault Ste. Marie during the first world war.

MEDICAL FELLOWSHIPS: This year's National Research Council medical fellowships awards include eight Senior Medical Research Fellowships and fifteen Graduate Medical Research Fellowships, with a total value of \$76,900, plus travelling allowances when required. The eight winners of Senior Medical Research Fellowships are:

Casselmann, W.G.B., B.A., M.A., M.D., Ph.D., Vancouver, graduate of the University of Toronto who will do medical research in the Banting and Best Department of Medical Research, University of Toronto.

Crowson, C.N., B.A., M.A., M.D., C.M., Toronto, Queen's and McGill Universities, who will do medical research in the Department of Pathology, Queen's University.

Fitz-James, P.C., B.Sc.A., M.Sc.A., M.D., Ph.D., Vancouver, University of Western Ontario, who will do medical research in the Department of Bacteriology and Immunology, University of Western Ontario.

Gunton, R.W., M.D., D.Phil., F.R.C.P.(C), Toronto, University of Western Ontario, who will do medical research in the Department of Medicine, University of Toronto and at the Toronto General Hospital.

Heagy, F.C., M.Sc., M.D., Ph.D., Stratford, Ont., University of Western Ontario, who will do research in biochemistry and bacteriology at the University of Western Ontario.

Kalant, H., B.Sc., M.D., Toronto, University of Toronto, who will do research in pathological chemistry at the University of Toronto.

Nichol, J.T., B.A., M.Sc., Ph.D., M.D., Glanworth, Ont., University of Western Ontario, who will do research in biophysics at the University of Western Ontario.

Pearce, J.W., M.D., C.M., D.Phil., High River, Alta., Queen's University, who will do medical research in physiology at the University of Western Ontario.

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WAGE RISE: There was a rise of 3.6 per cent in the index wage rates in Canada between October, 1952, and October, 1953, as compared with a rise of eight per cent during the year ending October, 1952, according to preliminary tabulations of the Labour Department's index of wage rates released on June 4.

The preliminary tabulations were based on a survey of 15,000 establishments conducted by the Labour Department's Economics and Research Branch. A sample survey covering 800 representative establishments showed a further rise of 1.2 per cent during the six-month period from October, 1953, to April, 1954.

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SAFETY AWARD TO C.N.R.: Canadian National Railways has been named a winner of a U.S. National Safety Council award for its public safety activities, according to advice received from Chicago by Mr. Donald Gordon, Chairman and President.

IMPORT TRENDS MIXED: Canada's commodity purchases from the United States, the United Kingdom and other Commonwealth countries taken together were somewhat lower in value, and those from Latin America, Europe and other foreign countries as a group somewhat higher in March and the first quarter this year than in 1953, according to final figures on March imports released by the Bureau.

Total value of commodity imports in March was \$353,000,000, just under 2% below last year's March total of \$360,100,000. Prices were fractionally higher this March, however, so that the volume was somewhat over 2% less. With substantial reductions in value in January and February, total value for the quarter decreased over 7% to \$925,900,000 from \$998,000,000 last year, while volume was down still more as prices were slightly higher in each month.

FROM UNITED STATES

March imports from the United States were down moderately in value to \$269,975,000 from \$272,845,000 last year, but the quarter's imports fell sharply to \$690,104,000 from \$763,054,000. Since total exports to the United States showed smaller declines to \$205,200,000 in the month from \$206,400,000 and to \$537,100,000 in the quarter from \$574,900,000, the import balance with the United States was slightly smaller in the month at \$64,800,000 against \$66,500,000 last year and for the three months was down to \$152,900,000 from \$188,100,000.

Purchases from the United Kingdom declined sharply in March to \$30,890,000 from \$37,568,000 last year, accounting for most of a drop in the quarter to \$88,219,000 from \$95,279,000. In contrast, total exports to the United Kingdom increased in the month to \$52,800,000 from \$38,800,000 last year and in the three months to \$135,900,000 from \$124,600,000. The export balance with the United Kingdom thus rose to \$21,900,000 for March compared to \$1,300,000 and \$47,700,000 against \$29,400,000 for the quarter.

Total imports from Commonwealth countries declined in March to \$9,432,000 from \$10,937,000 last year and in the quarter to \$28,908,000 from \$29,230,000.

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R.C.A.M.C. HONOURED: Her Majesty the Queen has approved the appointment of The Queen Mother as Colonel-in-Chief of the Royal Canadian Army Medical Corps, the Minister of National Defence, Mr. Claxton, announced on June 4.

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WHOLESALE PRICES OFF: Industrial material prices at wholesale were slightly lower in May as indicated by a decline in the composite index for 30 commodities to 224.6 for the week of May 28 from 225.6 for the week of April 30.

HIGHWAYS AND AUTOS: Canadian expenditures on highways have risen steadily since the war but the number of motor vehicles per mile of surfaced road has increased even faster, the Dominion Bureau of Statistics has reported in its annual review of highway statistics.

Postwar outlay on highways had reached almost \$2,000,000,000 by the end of March last year, and of this amount more than \$1,100,000,000 was put into building new roads and reconstructing old ones. As a result, surfaced road mileage increased by nearly 50,000 miles to 181,306 miles at the end of 1952. However, the number of motor vehicles per mile of surfaced highway had climbed to 17.4 by 1952, even more than the 1928 pre-depression peak of 16.7.

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WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America on May 26 totalled 341,564,000 bushels, almost unchanged from 341,605,000 a week earlier but far above last year's corresponding total of 256,753,000 bushels. Farmers in the Prairie Provinces marketed 3,954,000 bushels of wheat in the week ending May 26, considerably less than the 6,976,000 marketed in the corresponding week last year.

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HOUSING RISE: After lagging behind last year in February and March, completions of new housing units picked up in April with 6,774 ready for occupancy, 449 or 7% more than in 1953, the Dominion Bureau of Statistics has reported. January completions were up 36% and the four-month total of 27,101 was 2,384 or nearly 10% more than the number finished in January-April last year.

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LABOUR INCOME: Canadian labour income for March is estimated at \$941,000,000, down \$6,000,000 from February but \$17,000,000 or 2% higher than for March last year. The cumulative total for the first quarter is estimated at \$2,829,000,000, up \$57,000,000 or 2% over the 1953 first-quarter estimate of \$2,772,000,000.

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AUTO TAXES: In reply to a question in the House of Commons on June 8, the Prime Minister said that no consideration had been given to reduction of the excise and the sales tax on automobiles.

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AID FOR DISABLED: The legislation under which the federal Government will contribute up to \$20 a month toward pensions for those who are permanently and totally disabled was given final approval in the House of Commons on June 8. With the provinces paying half, a maximum of \$40 a month will be provided.

NATO JOURNALISTS' TOUR: The Department of External Affairs announced on June 4 that twenty-one newspapermen from thirteen North Atlantic Treaty countries were starting a three-week tour of Canada at Ottawa on June 6.

Seventeen of the journalists flew from Paris on June 5. They were met by officials of the Departments of National Defence and External Affairs and by representatives of their countries' Missions in Ottawa. The group was joined here by two United States correspondents, and by two Turkish correspondents at present accompanying the Prime Minister of Turkey on his United States tour.

This tour is one of a series arranged by the North Atlantic Treaty Organization in member countries and is being sponsored by the Departments of National Defence and External Affairs. The purpose is to provide an opportunity to journalists from NATO countries to observe Canada's defence installations, industrial projects and civic institutions. The group will travel approximately 8,000 miles in Canada in an RCAF North Star and will visit Ottawa, Winnipeg, Vancouver, Victoria, Whitehorse, Calgary, Rivers, Churchill, London, Toronto, Montreal, Quebec City, Arvida, Sept Iles, Halifax, St. Johns and Gander. A number of Canadian journalists have participated in similar NATO tours in Europe.

During their two and one-half day stay in Ottawa the visiting journalists met with members of the Government, representatives of NATO Missions in Ottawa and officials of departments concerned with NATO.

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MARINE INSURANCE CUT: The Minister of Transport, Mr. Chevrier, announced on June 7 that marine underwriters in London, England, have agreed to a considerable modification in insurance premiums on ships trading to ports on the St. Lawrence River and the Atlantic Coast of Canada.

Formerly, additional premiums have been required when ships sailed to or from ports in the St. Lawrence and eastern Canada except Halifax and (for bunkering purposes only) the ports of Louisburg and Sydney. Under a new agreement, which does not apply to Labrador waters or waters west of Montreal, the extra premiums are abolished for the summer period, 1st June to October 31st, and reduced by approximately 50% during the remainder of the year, for vessels not over fifteen years old and which are equipped with radio direction finding apparatus.

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Commercial fisheries represent a great natural resource which has been yielding annually an ever-increasing harvest of protein food since the time of John Cabot. Currently the annual catch of fish is close to two billion pounds and is valued in the neighbourhood of \$180 million.

GOVERNMENT



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
 DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

GENEVA CONFERENCE: The Secretary of State for External Affairs, Mr. L.B. Pearson, made a report to the House of Commons on June 11 on the progress of the Geneva Conference. He said:

"The Korean talks at this Conference, that is the Korean side of the Conference, have made very little progress since my report to the House two weeks ago today, on May 28. It will be recalled at that time the Conference had before it proposals put forward by the North Korean delegation in the earlier days of the Conference, and a set of proposals submitted by the South Korean delegation on May 22. The distance between the two sides, as exemplified by these proposals, is still very great, and nothing in the nature of detailed negotiations has yet been possible.

"On June 5, Mr. Molotov, the leader of the Soviet delegation, submitted to the Conference a five point resolution on what he called the fundamental principles for a Korean settlement on which he sought the agreement of the Conference. At first glance these proposals seemed to be plausible enough. In fact, some of them are merely a restatement of principles on which agreement had already been reached through the armistice arrangements and at the Berlin Conference of Foreign Ministers last February. The Molotov proposals are, however, cast in such broad and general terms that they completely gloss over the differences between

ourselves and the Communists on this subject, and their acceptance would convey a completely false impression that real progress had been made and that something substantial had been agreed upon, which is not the case.

"For instance, the Molotov resolution calls for an international commission to supervise the holding of elections, which on the face of it seems acceptable enough. But the same proposal on this particular subject would leave for later discussion the composition of this commission, and the composition of such a commission is, of course, a fundamental matter. In the light of the experience of the neutral nations Supervisory Commission in Korea, it would be folly to accept a commission which would include communist representatives who would be in a position to hamstring any effective supervision of the election. That is only one of the questions which must be answered before these latest and very general communist proposals for a settlement can be considered as even a basis for negotiation. There is no reason to believe that the answers will be satisfactory.

"This Korean Conference has been going on now for more than six weeks, and if we do not get some satisfactory answers soon from the Communists on the matter of free elections, and all that that term implies, and if the Communists are not prepared to agree to inter-

national supervision of an election by a workable commission acceptable to the United Nations and composed of genuine neutrals, the United Nations side may shortly have to consider whether it is worth while continuing this effort at Geneva to reach agreement for the peaceful unification of Korea. If the Geneva Conference fails in this task we would anticipate that the United Nations will pursue the objective of the unification of Korea by peaceful means. The Canadian Government, and I am sure this House, would continue to support those efforts.

"I should emphasize that the failure of the Geneva Conference should not mean, of course, in Korea a resumption of hostilities, nor would it impose on us any obligation, direct or indirect, to participate in any action to unify Korea by force. We should, I think, be clear on that latter point.

INDO-CHINA

"So far as the Indo-Chinese side of the Conference is concerned, the delegations who are participating in this part of the Conference have been dealing with three main problems: first, a ceasefire in Indo-China; second, a political settlement; and third, guarantees of supervisory arrangements for those first two. Discussions of the last fortnight have revealed many stumbling blocks concerning all three. The Western Powers at Geneva have agreed that a ceasefire and political settlement are necessary, but to be effective they must be accompanied by supervisory guarantees; and, provided the supervisory guarantees existed, the ceasefire need not await the political settlement which inevitably would take longer to achieve. Furthermore, as Laos and Cambodia are separate countries, where different political and military conditions prevail, they should, in the opinion of the Western side, be dealt with separately.

"Since I last reported to the House, the military representatives of the two opposing high commands have met, and indeed are now meeting in camera in Geneva, in order to discuss ceasefire arrangements; but the results of their deliberations are not known. Regarding neutral supervision the Communists, as in the case of Korea, have insisted on a commission of four with two communist states plus Pakistan and India as members, a replica in form of the neutral nations Supervisory Commission in Korea. These proposals are considered unsatisfactory by the Western Powers concerned on the ground that Czechoslovakia and Poland are not really neutrals, and that a two-sided arrangement of this kind would merely result in a stalemate. We know that from experience.

"The western side have proposed a genuinely neutral and Asian commission consisting of India, Pakistan, Burma, Ceylon and Indonesia. The Communists, however, have not accepted this proposal and have rejected any form of

United Nations supervision.

"As hon. members will see, therefore, neither on the Korean nor on the Indo-Chinese issue is the outlook such as to give much hope of a will to achieve a reasonable settlement on the communist side. On the western side the feeling seems to be growing that no useful, and indeed some harmful, purpose would be served by prolonging and continuing the Conference, once it has been made clear that the Communists are using it not to bring about an end of the fighting but to pursue their own political and propaganda aims. I do not think any reasonable person could quarrel with that view."

TROOPS IN KOREA

Mr. John G. Diefenbaker: "May I just say one word, Mr. Speaker, in reference to the latter part of my hon. friend's remarks? If negotiations can no longer be continued with any hope whatever of achieving anything other than continued propaganda in Geneva, I believe there will be general agreement amongst Canadians with that stand. I should like to ask the Minister one supplementary question arising out of his earlier remarks regarding Korea. He said that, in the event that no settlement was arrived at and measures were taken by the United Nations for the unification of Korea, there would be no accepted responsibility on the part of Canada to participate. What then has the Minister in mind, in so far as the Canadian troops who are in Korea are concerned? What would be their disposition in that event?"

Mr. Pearson: "Well, Mr. Speaker, that is a question that is difficult for me to answer. If the situation in Korea is prolonged indefinitely, and if the United Nations has made another effort to bring about a peaceful unification of the country and has failed, and there seems to be no immediate possibility of progress in that field - I am putting this forward as a hypothetical situation - then, of course, the indefinite retention of United Nations forces, including Canadian forces, in Korea would have to be reconsidered."

Mr. Howard C. Green: "May I ask the Minister a supplementary question? What is the position now with regard to the setting up of a defence pact in the Pacific?"

Mr. Pearson: "I can only answer that by saying that this matter is under consideration by the Governments particularly concerned. I take it my hon. friend is not referring to a security pact in the Pacific generally, but to the Southeast Asian security pact. There have been, as I understand it, no discussions among the countries particularly concerned with that particular issue - no formal discussions up to the present time. But I am sure that the matter is being considered by those Governments."

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There are 150 species of trees in Canada, 31 of which are conifers.

APRIL EXPORTS DOWN SLIGHTLY FROM 1953

NEWSPRINT UP: Canada's exports of wood and paper products, chemical products, and animals and animal products were higher in value in April and the first four months of this year than a year earlier, but these gains were more than offset by declines in agricultural and vegetable products, iron and products, non-ferrous metals and products, and non-metallic minerals and products, according to detailed final figures released on June 10 by the Dominion Bureau of Statistics.

Among the major commodities, there were increased values both in April and the four-month period of fish and fishery products, wood pulp, newsprint paper, nickel, and fertilizers, but declines in wheat and other grains, planks and boards, copper and products, zinc and products, asbestos, and automobiles. April's exports of farm machinery and aluminum and products were higher in value, but four-month totals were lower. Wheat flour, precious metals (except gold) declined in the month, but moved up in the January-April period.

GEOGRAPHICALLY

Geographically, there were reduced exports in April to the United States, the United Kingdom, and Europe, but increased shipments to other Commonwealth countries as a group, Latin American countries, Europe, and other foreign countries. In the January-April period, there were increased exports to the United Kingdom and Japan but smaller shipments to the United States and Latin America with little change in the total to Europe.

The volume of exports was practically unchanged in April from a year earlier, but prices declined 2.6%. In the January-April period, volume and prices declined moderately and at about the same rate. Total value of domestic and foreign exports - as reported last week - was \$298,200,000 as compared with \$304,800,000 in April last year, bringing the

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FEWER UNEMPLOYED: There were 338,374 ordinary and supplementary benefit claimants on the live unemployment insurance register at the end of April, 74,625 or 18% fewer than at the end of March, the Dominion Bureau of Statistics reported on June 10. On April 30 last year, when the labour force and the insured population were considerably smaller, the number was 215,242.

During April 158,411 initial and renewal claims for unemployment insurance benefit were filed at local offices across Canada, 90,010 or 36% fewer than in March. There were 117,171 filed in April last year. New beneficiaries numbered 108,692 this April, 43,919 or 29% fewer than in March. There were 83,659 in April last year.

January-April total to \$1,164,500,000 compared with \$1,218,700,000. Domestic exports in April totalled \$292,400,000 compared with \$301,100,000 a year earlier, and the four-month total was \$1,143,400,000 compared with \$1,201,700,000.

Domestic exports to the United States in April dropped to \$176,746,000 from \$189,276,000 in April last year, and the January-April value declined to \$703,280,000 from \$753,577,000. Main decreases in April were in agricultural and vegetable products, non-ferrous metals and products, non-metallic minerals and iron products, while wood and paper showed a moderate increase. In the four-month period, major decreases occurred in agricultural and vegetable products, non-ferrous metals and products, iron and products, and wood and paper, and major increases in animals and animal products, and miscellaneous commodities.

TO UNITED KINGDOM

The month's exports to the United Kingdom were cut to \$39,118,000 from \$45,059,000, but the cumulative total for the January-April period increased to \$173,801,000 from \$168,993,000. There were major decreases in April in agricultural and vegetable products and iron and products, and a slight decline in wood and paper, but increases in animals and animal products and non-ferrous metals. In the four months there were declines in non-ferrous metals and iron and products, but large increases in wood and paper, animals and animal products, and non-metallic minerals.

Exports to the rest of the Commonwealth rose in April to \$18,785,000 from \$16,246,000 a year earlier, but the total for January-April was off to \$56,040,000 from \$72,041,000. Exports were higher to Australia, Union of South Africa, but lower to India and Pakistan both in April and the four-month period.

CAR SALES SLUMP: The slump in new motor vehicle sales continued into April with dealers across Canada selling 47,204 during the month, 9,057 or 16% less than in April last year. Total retail value was off 13.5% to \$121,653,000 from \$140,674,000. This put January-April sales at 145,248, down 17% from 174,991, with retail value off 14% to \$374,314,000 from \$437,035,000.

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Retail store sales climbed 4% last year to a record \$12,027,600,000 from \$11,575,600,000 in 1952. Largest proportional increase of 7% was in Saskatchewan, smallest gain of 2.4% in British Columbia.

NEW EXPLORATION DATA: Defence Research Board scientist Geoffrey Hattersley-Smith, who last year recovered from North America's northernmost island important exploration records of yesteryear, repeated his achievement this spring while on a joint Canadian-U.S. expedition to the same locale.

A laconic wire received at D.R.B. headquarters in Ottawa on June 10 reported that the youthful glaciologist and geologist Robert L. Christie, of the Geological Survey of Canada, returned to their base off the Ellesmere Island coast last week with "geological and ice data and original records of Aldrich, Peary and Kruger".

The first two explorers mentioned in the wire survived Ellesmere Island expeditions in the late 1800's and early 1900's. Kruger, a German scientist who led a three-man reconnaissance party there in 1930, was lost with his European associate and Eskimo guide. Their fate is unknown but it is hoped the Hattersley-Smith discovery may provide some clue to the circumstances surrounding their disappearance.

R.C.M.P. Cpl. H.W. Stallworthy, on a routine patrol along the west coast of Ellesmere Island in 1931-32, found some Kruger records on the north tip of Axel Heiberg Island. The new find is the first to have materialized since Stallworthy's discovery.

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TRADE ARRANGEMENT WITH ITALY: Announcing a new trade arrangement with Italy, the Minister of Trade and Commerce, Mr. C.D. Howe, said in the House of Commons on June 10:

"Under this arrangement the Government of Italy has agreed to make dollars available for the purchase during the period July 1, 1954, to June 30, 1955, of Newfoundland and Labrador-type codfish, valued at \$2,500,000; Gaspé-type codfish, valued at \$600,000; and canned salmon valued at \$2,000,000. Provision for the sale of canned salmon was made possible by the lower prices for this product now being quoted in markets abroad. In addition, an initial quota for the importation of \$500,000 worth of synthetic rubber has been established. This quota is over and above the considerable quantity of synthetic rubber for which quotas have already been established.

"Codfish, canned salmon and synthetic rubber are among the most important Canadian exports to Italy. This new arrangement will place sales of these products on a firm and stable basis in the Italian market."

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Canada's Eskimos mainly dwell north of the tree-line on the northern fringe of the mainland, around the coast of Hudson Bay and on some of the islands of the Arctic Archipelago. The 1951 Census recorded an Eskimo population of 9,493, of which 6,587 were in the Northwest Territories, 1,789 in Quebec and 847 in Newfoundland (Labrador).

WORLD WHEAT SUPPLIES: Supplies of wheat remaining on or about May 1 this year in the four major exporting countries for export and carryover at the end of their respective crop years totalled 1,797,300,000 bushels, according to the latest available estimates. This total is some 34% greater than the estimated 1,337,600,000 bushels available a year earlier.

Estimated supplies in each of the four countries on May 1, with year earlier figures in brackets, were as follows: United States, 903,200,000 (592,500,000) bushels; Canada, 637,000,000 (505,100,000); Australia, 136,000,000 (95,800,000); and Argentina, 121,100,000 (144,200,000).

Total exports of wheat and wheat flour from these four countries in the first three quarters (August-April period) of the current Canadian crop year amounted to 461,000,000 bushels, down nearly 22% from 589,000,000 bushels in the corresponding period of the 1952-53 crop year, according to the May issue of The Wheat Review. Exports from Canada in the period were 186,200,000 bushels, a decrease of about 25% from 249,600,000 bushels the previous year.

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DEMAND FOR SOCIAL WORKERS: Social agencies in Canada have indicated a significant increase in demand for social workers in filling welfare positions according to the report of a survey made public by the Minister of National Health and Welfare, Mr. Martin. He said that the study, which was based on data relating to the period 1949 to 1952 and which contains projections up to the current year, was the first made in this field on a national scale in Canada.

* * * *

NATO RADIO CONFERENCE: Canada will be represented at the first NATO Conference of Radio Officials to be held later this month in Paris by Mr. Charles Jennings, Ottawa, Director of Programmes for the CBC. He left Canada June 10 by air for Paris to join 13 other member nations in discussions directed at improving methods of informing the public about the activities and accomplishments of NATO.

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A.V.M. MILLER'S APPOINTMENT: Air Vice Marshal Frank R. Miller, CBE, CD, Vice Chief of the Air Staff, has been appointed to the staff of the Supreme Headquarters Allied Powers Europe where on August 18 he will become Chief of Staff to the Air Deputy of the Supreme Commander, General Lauris Norstad, the Minister of National Defence announced in Ottawa on June 11.

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Canadian farms had one tractor for every 242 acres of improved agricultural land at the time of the last census.

TRADE DEFICIT COVERED BY NET CAPITAL INFLOW

FIRST QUARTER 1954: Canada's transactions in goods and services with other countries resulted in a reduced current account deficit of \$170,000,000 in the first quarter of 1954, compared with a deficit of \$184,000,000 in the same 1953 period. Both merchandise exports and imports were lower than in the same period one year earlier but the greater fall in imports lowered the deficit on commodity trade by \$34,000,000. Net payments for invisibles, on the other hand, were larger by \$20,000,000, the Dominion Bureau of Statistics reported on June 15.

Canada has had quarterly deficits on current account continuously since the beginning of 1950, except for the fourth quarter of 1951 and during 1952. The current deficits of \$184,000,000 and \$191,000,000 in the first and second quarters of 1953, were reduced to \$13,000,000 and \$51,000,000 in the next two quarters.

Very heavy receipts from the sale abroad of new issues of Canadian securities were virtually sufficient to cover this year's first quarter deficit, but there was a sharp decline in the import of capital for direct investment in foreign-controlled enterprises in Canada. The sum of the net capital inflows of foreign direct investment capital, portfolio security transactions and government loan repayments was, however, unchanged from the fourth quarter of the year. Total official holdings of gold and foreign exchange rose by \$4,000,000 over the quarter; holdings of gold and United States dollars were increased by \$35,000,000 in the first two months but decreased \$26,-

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COARSE GRAINS EXPORT: Exports of Canadian oats, barley, rye and flaxseed were exceptionally large in the first nine months of the current crop year, the 143,200,000-bushel total of the four grains exceeding by some 8% the 132,800,000 bushels exported in the same 1952-53 period, according to the Bureau's coarse grains quarterly. Of the four, barley was the only grain moved in smaller volume than last year, but barley exports were at record levels in the 1952-53 crop year.

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Prince Edward Island is Canada's smallest province. Only about 120 miles long, it varies in width from two to 34 miles, has an area of 2,184 square miles. Its surface is rolling lowland and its soil is rich and sandy and of a dark red colour. About 85% of the area is cultivable and is particularly suited for growing potatoes which has become an Island specialty along with dairying and lobster fishing and canning.

000,000 in March. Other outflows of capital were much smaller.

On the exchange market the noon average price of the United States dollar in Canadian funds was 97.01 cents compared with 97.77 cents over the last three months of 1953. This price fell month by month from 99.44 cents in June, 1953, to 96.65 cents in February, 1954. Through March a rising trend was in evidence and the noon average was 97.08 cents, although market transactions were recorded on the final day at as high as 98.19 cents.

In the first quarter of 1954 the value of exports fell by \$49,000,000 and imports by \$83,000,000 compared to the period one year earlier. Both export price and volume were some 3% lower. Import volume fell almost 8%, but import prices rose slightly by contrast. The terms of trade deteriorated about 3.5% compared to the first quarter of 1953.

During the first quarter of 1954 portfolio security transactions resulted in a net capital inflow of \$171,000,000, which was the largest net quarterly movement into Canada since the spectacular inflow of \$304,000,000 in the third quarter of 1950, a period ending in the withdrawal of fixed exchange rates in Canada. The inflow reflected principally receipts of \$169,000,000 from the sale abroad of new issues of Canadian securities. A sharp decline occurred in the net inflow of foreign capital for direct investment in Canadian industry, which is tentatively estimated to have totalled \$65,000,000 in contrast to the inflows of \$108,000,000 in the preceding quarter and of \$103,000,000 in the corresponding quarter of 1953.

NEW COMMANDER: Brigadier Frederick A. Clift, DSO, ED, 46-year-old veteran infantry soldier of the Second World War and fourth officer to head a Canadian army operational force in peacetime, on June 11 arrived in Korea from Japan to take over the reins of command from Brig. Jean Victor Allard, who has led the Canadians for the past 14 months.

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LIAISON VISIT: Director of Military Training of Britain's War Office, Major-General R.C. Cottrell-Hill, CB, CBE, DSO, MC, will arrive in Ottawa later this month to start a three-week liaison visit to Canadian Army training schools and units.

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More than 1,000 soldiers of the 1st Commonwealth Division in Korea on June 11 participated in a late afternoon march past ceremony to celebrate the official birthday of Her Majesty, Queen Elizabeth II.

TRADE REVIEW: Speaking on Canada's trading position in his annual trade review before the House of Commons on June 10, the Minister of Trade and Commerce, Mr. C.D. Howe, declared, "I cannot see that our basic economic strength is substantially different now from what it was two or three years ago."

"For more than a year Canada's exports have shown a slight downward trend," he said. "In 1953 the value of Canadian exports amounted to \$4,117 million compared with \$4,301 million in 1952, a decline of 4 per cent. In the first quarter of the present year exports have undergone a further moderate reduction of about 5 per cent. Since prices are a little lower, the decline in terms of physical volume is somewhat smaller."

"Any decline is of course unwelcome, but it should be borne in mind that this slight falling off in exports followed several years of substantial increases. Total sales abroad in the past year are still 15 per cent above the 1949 level in volume terms. This is about the same as the percentage rise in the national output during the same period. It considerably exceeds the increase in the volume of world trade. In other words, since 1949 Canada has continued to increase her share of sales in the international markets."

SOURCE OF SUPPLY

"The fact that other nations are relying to an increasing extent upon Canada as a source of supply, especially for basic materials, is an important factor in our present expansion. But there are other reasons for Canada's growth. While much of the new burst of expansion, which occurred after Korea, was for the production of goods to be sold abroad, a major portion of the new capacity created in recent years has had the effect of replacing imports."

"The spectacular expansion in oil, natural gas and steel will, in the course of a few years, involve hundreds of millions of dollars less expenditures for imported materials. This type of development could, over the course of time, permit a relative shift of resources toward production for the domestic market."

"This development does not, of course significantly lessen the importance of foreign trade to Canada. The nature of our resources is such that we shall always find it profitable to specialize heavily in the production of certain products and sell abroad the excess over and above our own needs."

"Nevertheless as the size and industrial structure of the economy changes, the role of foreign trade will also change to some extent. In some periods a stable or even slightly declining level of exports is not necessarily indicative of a basic weakening in the economy. The tendency to gauge our economic strength solely on the basis of the movement of exports

is, I think, a dangerous over-simplification of the forces which shape our development. I cannot see that our basic economic strength is substantially different now from what it was two or three years ago when export levels were rising at a rapid rate. . . ."

He mentioned as important factors in the current trends in export trade, "the extraordinary conditions which have affected wheat sales in recent years" and "the declining level of activity in the United States economy". The prevalent view was that the current recession had about run its course.

Earlier, he said in regard to a world trend to freer trade and United States trade policies:

"There is, of course, a great deal of interest in and concern about the increasing protectionist pressures in the United States. There is no need to dramatize these developments by assuming that a trade war is about to break out between Canada and the United States. We are the largest customer of the United States as they are ours. I do not expect a trade war, either cold or hot, as long as we continue on both sides of the border to remember the strong interest of both countries in trading on a neighbourly basis. Our trade agreements with the United States have been negotiated as business deals. Concessions have been received and concessions have been granted and the resulting balance has been of mutual benefit to both countries."

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WHEAT POLICY UPHELD: The wheat-marketing policy of the Government was approved in the House of Commons on June 16 against two Opposition motions of want-of-confidence.

A Progressive Conservative motion which would have had the House express regret "that the Government has failed to deal effectively with the problem of marketing Canada's wheat surplus," was defeated 137 votes to 58, while a C.C.F. sub-amendment which would have had the House express regret "that the Government has failed to make provision for a floor price to the wheat producers of Canada at levels not less than the Canadian Wheat Board's selling price, basis Fort William/Port Arthur, on Friday, June 4, 1954," was beaten 168 to 26.

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CANADA-JAPAN AGREEMENT: The Department of External Affairs announced on June 17 that, following the coming into force on June 7 of the Canada-Japan Agreement on Commerce, the Executive Secretary of the General Agreement on Tariffs and Trade has been notified that Canada now accepts the GATT Declaration concerning the application of the General Agreement to commercial relations between the Contracting Parties and Japan.

GOVERNMENT



OF CANADA

CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
 DEPARTMENT OF EXTERNAL AFFAIRS
 OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

CANADA AT GENEVA: In a statement at the conference on Korea and Indo-China, at Geneva, on June 11, Mr. C.A. Ronning, Acting Head of the Canadian Delegation, dealt with the resolution which had been proposed by the representative of the Soviet Union, Mr. Molotov.

After denying the allegations of the representatives of Communist states as to the "legality and moral right of United Nations intervention in Korea", he proceeded to take up Mr. Molotov's points about "free elections", the establishment of an all-Korean body to prepare and hold general elections, and proposal for an agreement on the withdrawal of forces. On each of these points basic questions remained to be solved, he said, "before we can talk about agreement in principle".

Then he proceeded to discuss the question of a supervisory commission and peaceful development of Korea, as follows:

"In the fourth place, Mr. Molotov has raised the question of a supervisory commission. As the Canadian Secretary of State for External Affairs stated recently in the House of Commons, we believe that Korean elections should be supervised by an international agency agreed on, if possible, by the Geneva Conference but acceptable to the United Nations'. Mr. Pearson went on to say, 'In order to ensure maximum objectivity - and that is going quite a long way to meet the views of the other side - we felt that this supervisory agency might consist of nations which did not belong to the

Communist bloc and which did not participate in military operations in Korea'.

"It cannot be said that our attitude on this is rigid - we are prepared to go a long way to make sure that such a commission is genuinely neutral. We believe that it is possible that countries which are accustomed to approach international problems freely and objectively can provide neutral supervision. The role played by the Indian military representatives in the Neutral Nations Repatriation Commission is a good example of the kind of assistance which can be obtained from countries of good-will. In the NNRC the Indian members were by no means always in agreement with the United Nations Command, but we did not question the honesty of their intentions or their integrity. This is what we mean when we talk of international neutral supervision.

"Unfortunately, however, Mr. Molotov has betrayed what he means by supporting the proposal that the Neutral Nations Supervisory Commission which at present exists in Korea should be duplicated for the purpose of supervising Korean elections. There is little further that need be said on the subject than has been said already by Mr. Bedell Smith and in the report of the Swiss and Swedish members of the Commission on the behaviour of their Czechoslovak and Polish colleagues. If by a neutral international commission Mr. Molotov means a commission which includes such totally unneutral nations as Poland and Czechoslovakia,

it is clear that we are not agreed in principle and should not say that we are. Furthermore, we cannot talk about agreement in principle on such a commission unless we have determined not only its composition but also its function.

"If we are to agree to the principle of such a commission, we would agree only on the establishing of a commission with real powers to make certain that freedom of choice exists for the electors in all parts of Korea. This question of function is in no sense a detail which could be put off for subsequent discussion, because it is basic to the principle itself.

"What in this connection do the Communists mean by 'supervision'? Would the Commission which they envisage merely observe the elections or would it have the power and the means to correct conditions which interfere with the proper conduct of the elections? Would it be competent to appoint scrutineers? Would it assist the all-Korean body in maintaining law and order before and during the elections? In short would it be a powerless excrescence or would it have an active and useful role to play in ensuring fair play and a free choice of representatives by the electorate?

PEACEFUL DEVELOPMENT

"In his fifth point, Mr. Molotov has mentioned the possibility of states most interested in Korea accepting obligations for its peaceful development. The Canadian Delegation has listened with an open mind and not without interest to the repeated emphasis of the Communist spokesmen on this theme. The possibility of some kind of guarantee of the peaceful development of Korea by other powers is one which certainly could be considered, and a determination on the part of interested powers to assist Korea to rehabilitate itself ought not to be rejected. We have noted, however, that on each of the many occasions when this subject has been mentioned, the spokesman has, after a promising introduction, retreated into extremely obscure language when he comes to defining the purposes of such a guarantee or statement of obligations. . . .

"If as seems likely from Mr. Molotov's proposal, there is more involved than economic assistance, we can hardly be said to agree in principle when we really don't know what Mr. Molotov is talking about. He himself has said, 'The question as to what particular states should undertake the said obligations as well as the question of the nature of such obligations should be discussed additionally.' To agree in principle on this point would therefore make about as much sense as it would for us to issue a general statement that we are in favour of treaties without any indication of what kind of treaties or who were to be our partners. Once again we must emphasize the fact that the so-called details are not ex-

traneous to the principle but essential to it. . . .

"In conclusion, I should like to say that we of the Canadian delegation should like nothing more than to be able to register the agreement of this conference on the principles of settling such important points as those referred to in Mr. Molotov's resolution. We even like the idea of trying to register at this point what limited agreements we may have achieved and then settling down seriously to solve those problems which remain, and it is a considerable temptation to do so, even on Mr. Molotov's terms.

"We have given the most careful examination to this resolution in the hope that we could find a basis of agreement, but we are led to the inescapable conclusion that to do so at the present time would be dishonest. It would mean deliberate misrepresentation to the public of the world and could lead only, to charges of bad faith at a later stage. Insofar as there are in the resolution some fundamental principles on which we are said by Mr. Molotov to agree, such as the establishment of a united independent Korea and the ultimate withdrawal of foreign forces, these were agreed upon before this conference began and can hardly be said, therefore, to represent an advance.

METHOD OF APPROACH

"Mr. Molotov wants us to talk about broad principles which sound easy and attractive and to leave the difficult details till later. This, however, is a method of approach which could have disastrous results. I am sure that if Mr. Vyshinsky were here he could supply a good Russian proverb explaining what happens to carts when they are put before horses. However attractive it might be to reach agreement at this point - and no one is more anxious to reach genuine agreement than we are - nevertheless, we believe that in the long run it will be better if we squarely face the facts of our disagreement and acknowledge them than to delude ourselves with false hopes and lead the people of the world to believe that there is agreement when there is no agreement."

* * * *

Since the war 1,504 physicians and surgeons have emigrated from Canada to the United States, according to a special tabulation supplied by the U.S. Immigration Service. Of this number, 528 or 35% left Canada in the last three years. At the time of the 1951 Census there were 14,325 physicians and surgeons in Canada.

* * * *

Manufacturing firms employ one out of every four working Canadians, the same proportion as in the United States. In the United Kingdom two out of five work in manufacturing, and in Australia one out of five.

WORLD MOVEMENT TOWARDS FREER TRADING POLICIES

MR. HOWE'S ADDRESS: "There is observable a surging movement in the world today towards freer trading policies," said the Minister of Trade and Commerce, Mr. C.D. Howe, in addressing the Eighteenth Congress of the Federation of Chambers of Commerce of the British Empire in Montreal on June 16.

"The circumstances are favourable and I hope that the momentum will be maintained and built up," he continued. "I am optimistic enough to believe that we are on the threshold of a great opportunity in large parts of the world to make significant progress during the next year or two towards the freeing up of multilateral trade and towards the increased convertibility of currencies.

TRADE CONTROLS

"While the elimination of trade controls has gone a long distance in the United Kingdom and the Commonwealth, it is our hope in Canada that it will go much farther. We all know that when import controls are imposed in any country, there is a protectionist core of vested interests developed in domestic manufacturing industries which thrive comfortably in such sheltered markets. In the process of removal of its emergency import controls, the United Kingdom has now obviously begun to approach this protectionist core. It is our earnest hope in Canada that the United Kingdom will find it possible in its national interest to go the rest of the way. I am sure that to do this would bring great and lasting rewards to all concerned, including the United Kingdom.

"There are various fields of manufacturing enterprise in which United Kingdom manufacturers are getting a free run at the Canadian market, which is open to them, while Canadian manufacturers of similar goods are still being prevented by restrictions from entering the United Kingdom market. This situation I take to be a purely temporary one. Where it exists, it is of course unsatisfactory from our point of view, even though, as I mentioned, we fully understand the pressure of circumstances which first gave rise to these policies. It must be equally unsatisfactory in the United Kingdom where the protection of import restrictions has frequently been accompanied by higher prices for consumers and users than would have to be paid if imports were permitted to enter from abroad.

"I am sure you have in mind the uncertainties with regard to international economic policies in the United States, which are beclouding the international economic picture. We in Canada have been disappointed in certain developments in the United States policy, partly because there has been some movement in the wrong direction and, even more, because our American friends have shown hesitancy for

the moment and ceased to move forward as rapidly as before in the elimination of barriers to world trade.

"The United States has made greater contributions, I suppose, to the reconstruction of world trade than any other country during the postwar period. I have no doubt that they will again resume their necessary role in this field. It would certainly be wrong to draw any drastic long-run conclusions about reversals of policy from such unfavourable developments as have taken place thus far in the United States.

"We are obviously approaching now a period in which it is not only desirable but necessary for important countries which are members of the world trading community to re-examine the basis of their respective foreign economic policies to ensure that their policies are appropriate to the world within which we live today.

LIBERAL POLICIES

"In this connection, we in Canada have always regretted the tendency which exists in some quarters to assume that liberal trading policies can only be pursued advantageously while the United States pursues such policies. It is our view that if a liberal trading policy adds strength and vigour to the economic position of your own country - as it has here in Canada - all the more important to pursue it during periods of stress and uncertainty, and modify it as little as possible.

"We all recognize the preponderant role of the United States in the world economy and there would be obvious limits to the ability of the rest of us to march forward very far if the United States were going in the other direction. I do not really believe that we shall confront any such grim necessity.

"I was myself involved recently in meeting with some of the top-level members of President Eisenhower's Cabinet. I commend to you all to study the announcements we made after those meetings, because they showed the depth and earnestness of the intentions which exist in the United States Government to fulfil its necessary role in matters of world trade and finance.

"I am sure that the lessons we have learned from experience in the past will continue to serve us well in the future. In the promotion of world trade, we look, of course, to see what is the effective area of common interest within which trade may take place. In the world of today, we find the most natural nucleus of international co-operation within the North Atlantic community of nations, within the British Commonwealth of Nations, and broadly, within the so-called western world which has also undertaken joint projects of common

interest in the fields of economic development and defence.

"The reasons which compel the further development of this community of nations are so basic to our continued successful existence in today's world that I have no doubts of the continuance of a good basis for trade relations and further growth of trade."

* * * *

OVERSEAS SCHOOLS: One hundred and nine teachers, eight principals and one superintendent have been engaged for service abroad in the Canadian schools being operated in connection with Army and Air Force establishments in Germany and France.

These teachers have been obtained with the co-operation of provincial educational authorities from 40 school boards across Canada. Of the 109 teachers, 26 are bilingual.

The superintendent will be stationed at Metz and a supervising principal will be engaged to assist, particularly in the Soest area.

Altogether, there will be three schools for children of members of the Canadian Army, one near Soest, the second near Werl and the third near Hemer.

The Air Force will have schools at Zwetbrucken and Baden-Sollingen in Germany, and Metz, Grostenquin and Marville in France.

The buildings in Germany are being constructed by German contractors for the German Government.

In France they are being constructed by French contractors under arrangements made by the Canadian Government with the co-operation of the Government of France.

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ARCTIC SUPPLY: For the first time in Canada's history, a convoy of Canadian vessels will, this summer, deliver supplies for the joint Canadian-United States Arctic weather stations in the Queen Elizabeth Islands, with the exception of the most northerly one, Alert. In referring to the all-Canadian water supply undertaking, the Minister of Transport, Mr. Lionel Chevrier, told the House of Commons on June 11, that "we hope to take in supplies for Alert Bay in 1955".

Until Canada had the necessary type of icebreakers, the United States has furnished the ships to carry out the annual water supply mission since the joint Arctic weather stations were opened.

Operation NORS I, as this summer's water re-supply undertaking is officially called, will last from five to six weeks and will consist of three Department of Transport vessels and two chartered vessels.

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Canada's 3,352,366 telephones were used for 5,609,694,000 conversations during 1952, an average of 1,673 per instrument.

AUTO SHIPMENTS OFF: Due to a marked reduction in the shipments of commercial vehicles, total factory shipments of Canadian-made motor vehicles dropped 13% in April to 45,622 units from the all-time high monthly total of 52,420 units in April last year. March shipments dropped to 45,634 units from 51,990, but there were increases in both January and February. The net result was a 4.6% decline in the January-April period to 175,834 units from 183,208 a year earlier.

* * * *

WHEAT STOCKS: Visible supplies of Canadian wheat on June 4 amounted to 340,558,000 bushels, slightly under the May 26 total of 341,564,000 bushels, but 34% above last year's 252,761,000 bushels. Prairie farmers reduced their wheat deliveries during the week to 5,561,000 bushels from 7,918,000 a year ago, oats to 511,000 bushels from 1,673,000, barley to 1,098,000 bushels from 1,952,000, rye to 124,000 bushels from 209,000, and flaxseed to 11,000 bushels from 41,000.

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TV SALES STILL RISE: Producers' sales of television sets continued to climb in March over a year earlier, rising to 37,949 units valued at \$14,265,198 compared to 26,628 at \$11,369,773 in March last year. Radio sales in the month were up from February and January but down from last year, totalling 43,730 units valued at \$3,327,067 against 57,824 at \$5,024,837.

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\$12,179,271,000 CHEQUES: Cheques cashed in clearing centres rose 4% in April and the first four months of this year as compared with a year earlier. The month's total was \$12,179,271,000 as compared with \$11,709,838,000, bringing the January-April figure to \$47,886,616,000 as compared with \$46,052,056,000.

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INDUSTRIAL EMPLOYMENT: Continuing the downward movement indicated since last October, employment in the major industrial divisions showed a further curtailment at April 1. The Bureau's index, on the 1949 base, declined to 105.5 from 106.6 a month earlier and 110.0 a year ago.

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Only one out of every four females and one out of every three males of 15 years and over were single in 1952 as compared with one out of every three women and two out of every five men a decade earlier, the Dominion Bureau of Statistics reported on June 3 in its first breakdown of population estimates by marital status, age and sex. In the 10 years the number of married Canadians increased by one-third.

FREEDOM OF MOVEMENT: "Governments should be "aware of the very real danger of whittling away in the name of security, our fundamental freedom of movement, as well as those of thought, and of speech", the Secretary of State for External Affairs, Mr. L.B. Pearson, said in a Commencement address before the University of Maine, on June 20.

He said, in part:

"My statistical friends tell me that on the average some 140,000 persons cross the Canadian-American boundary every day. Most of these people, in whatever direction they move, are hardly aware that they have crossed an international line. Surely that is as it should be. But if we are not wise and understanding, it may not remain that way.

"In recent years there has been a tendency, very marked in some parts of the world, for governments to increase the difficulties in the way of free movement between countries. We have iron curtains and bamboo curtains, and curtains of red-tape. This tendency is understandable enough, for the threat of subversion which aggressive communist totalitarianism poses to free societies, is a real one. Although their power and ubiquity is, I think, often exaggerated, there are spies and there are saboteurs. There are people who would destroy our institutions and betray our societies, if we allowed them to. The world remains a dangerous place for the weak, the weary and the unwary.

SECURITY

"In these circumstances, it is natural enough that governments should take reasonable care to prevent, if possible, the entry of subversive agents; should be anxious about security. But the problem must be viewed in proportion. We must certainly make sacrifices for security. But governments should also be aware of the very real danger of whittling away in the name of security, our fundamental freedom of movement, as well as those of thought, and of speech.

"Not only men and ideas, but also goods, cross the U.S.-Canadian border in unprecedented volume. Our mutual trade has reached a higher level than any two countries have ever enjoyed in the past: Canada is your best customer. Our 15 millions buy more from you than the whole of South America and more, unfortunately for us, than your 160 millions buy from Canada. In this field too, as one would expect, there are problems. And sometimes they seem to be increasing.

"I have heard it said, for example, that Canadian fishermen compete with American fishermen; but so do American fishermen. Some people think that competition is good, that it stimulates enterprise. Other people think that competition is bad, and that government controls, tariff quotas, etc., are better. This difference is sometimes one of principle and involves a clash of ideologies. But there

are people who appear to believe that the test whether competition is healthy or harmful is merely a question of the nationality of the competitor. Personally, I believe that competition is usually good for all of us. I believe also that if the free world is to remain united for co-operation and strong for defence, we must increase rather than restrict the exchanges between us - in goods, in men, and in ideas.

"Certainly such free world unity and strength is needed today - especially in the NATO coalition - as never before. And - in that coalition - there is a special reason, a special necessity for the closest possible Anglo-American-Canadian co-operation.

"For Canada, with the United States as a neighbour and the United Kingdom as a mother country, it is a first requirement of policy to do everything it can to promote such co-operation on the closest and most friendly basis.

"The English-speaking countries share common institutions, common traditions of freedom and law. We have also the bond of language. This last bond is, I fear, occasionally reduced to the ability to criticize, and argue, and bicker in words that cannot be softened by translation. It provides a convenience which we should not abuse. Otherwise we may reach the deplorable position described by Bernard Shaw when he said that Great Britain and the United States were two countries divided by a common language."

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NORMANDY LANDING: More than 170 members of Canada's 1st Infantry Brigade Group have taken part in ceremonies commemorating the landing of Allied troops in France, on the Normandy beaches June 5 and 6. The Brigade Force was to join veterans of the wartime 3rd Canadian Infantry Division, who stormed the beaches 10 years ago.

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SOEST CEREMONY: German officials accompanied by Canadian guests, on June 11 observed the ancient German ceremony of "Richtest", marking the erection of beams and rafters of the future married quarters for Canadian Armed Forces personnel serving in Germany.

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Quebec ranks highest in available water-power resources, having over 40% of the total recorded for all Canada. Present power installation represents more than half of the national total.

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There were 3,335 credit unions in Canada in 1951-52 with a membership of 1,250,000 and total assets of \$425,000,000. Loans made during the year to members amounted to \$155,000,000.

EMPLOYMENT RISE: Employment increased and unemployment decreased approximately in accordance with the normal seasonal trend during the two-month period ending May 22. The increase in employment during April, however, was slower than usual, largely because of bad weather which retarded the spring pick-up in farming and construction. During May, on the other hand, outdoor activities increased slightly more than is usual for the month, the Department of Labour reported on June 23.

While manufacturing employment was somewhat below last year's level, employment in trade, finance and services, as well as in some outdoor activities, made small year-to-year gains. The number of persons at work increased during the two months by approximately the same amount as last year and unemployment dropped at the same rate as last year.

Although labour requirements increased substantially during May and thus reduced labour surpluses in most labour market areas, unemployment continued to be considerably higher than last year, particularly in a number of larger urban centres.

Reduced employment in a number of manufacturing industries such as iron and steel products, textiles, clothing, aircraft and parts, motor vehicles and parts, railway rolling stock, leather and rubber products contributed largely to the higher unemployment levels.

The civilian labour force, at 5,392,000 in the week ended May 22, 1954, showed little change from 5,257,000 in the week ended April 17, 1954, and an increase of somewhat under 1 per cent from 5,321,000 recorded in the week ended May 16, 1953. These estimates are obtained from the monthly labour force survey conducted by the Dominion Bureau of Statistics.

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NURSING ASSISTANTS: A class of female nursing assistants is being enrolled for Active Force service in the Royal Canadian Army Medical Corps. After training they will be posted to various military hospitals in Canada, the Department of National Defence has announced.

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Motion pictures for theatre and television presentation, advertising, educational and other purposes were produced in Canada last year by 32 commercial firms and nine federal and provincial Government agencies.

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Railways retired 141 locomotives and put 236 new ones into service in 1952, the net gain of 95 bringing the total in operation to 4,810. Of the steam types, coal-burners decreased to 3,423 from 3,553 and oil-burners increased to 591 from 555. Diesel electrics increased to 763 from 574.

EXTEND DEFENCE PRODUCTION: The Minister of Defence Production, Mr. C.D. Howe, announced in the House of Commons on June 22 the intention of the Government to extend the life of the Department of Defence Production beyond the five year period specified in the governing act.

He said, in part:

"When the Minister of National Defence was discussing his estimates, he spoke of the long-range planning of the NATO alliance, which has been described as the 'long haul' approach. He also indicated that, although modest reductions in defence budgets were possible during the next few years, current commitments and the need to maintain our position of active and effective preparedness would require substantial defence expenditures for a number of years.

"This obviously means that there will be a continuing requirement for an efficient procurement organization. . . .

"We find that, because the life of the Department is limited to five years under the terms of the Defence Production Act, there is a tendency for some members of the staff to seek other employment that apparently provides more security. Furthermore, we have found that the temporary nature of the Department is often a deterrent to well qualified men who have considered joining us."

"Under these circumstances, I believe that it is appropriate to announce now that it is the Government's intention to seek, during the next session of Parliament, an amendment to the Defence Production Act which will put the life of the Department on a more permanent basis."

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PRODUCTION INDEX DOWN: Canada's index number of the volume of industrial production for April stood at 242.9, down 4.6% from last year's 254.5, according to advance figures. During the first four months of the year the composite index averaged about 3% below a year earlier.

The manufacturing component of April's index was down more than 6%, while the index of the electricity and gas sector declined slightly in the same comparison. By contrast, mineral production increased more than 5%.

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Water-power resources of Canada would allow an economic turbine installation of close to 66,000,000 h.p. under present hydraulic practice. Less than 22% of this potential is being utilized at present.

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Manufacturing provides nearly one-third of the national income - over twice the income from agriculture and five times the income from logging, mining and fishing combined.



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WEEK'S EVENTS IN REVIEW

SEAWAY DISCUSSIONS: The Secretary of State for External Affairs, Mr. L.B. Pearson, on June 23, tabled in the House of Commons copies of notes exchanged between the United States Ambassador and himself on June 7 and June 16, respectively, on the subject of the St. Lawrence Seaway. He said that he expected the talks suggested by the United States Ambassador would get under way in Ottawa in the very near future.

The Leader of the Opposition, Mr. George A. Drew, said that he was inclined to think that perhaps one of the most valuable features of the undertaking was "the unique evidence which will be given not merely of our verbal and very real expressions of understanding between Canada and the United States, but one of the most remarkable and practical examples of international co-operation the world has ever seen. . . ."

Agreeing with Mr. Drew on this point, the Leader of the C.C.F. Party, Mr. M.J. Coldwell, said that he hoped there would be no delay, "and if there is any disposition to delay I hope the Government will proceed to build this as a Canadian project. . . ."

The text of the discussion was as follows:

Mr. Pearson: "Hon. members will see from these notes that the United States Government, in transmitting copies of the Wiley Act recently adopted by Congress, stated that it was anxious to undertake discussions with the Canadian Government on the subject of the

seaway. Canada is prepared to do so at the earliest date convenient to both Governments.

"Because it may not be very clear why discussions between the two Governments should be held at this time, it might be useful for me to add a few words of explanation. In 1951, the Canadian Parliament enacted the St. Lawrence Seaway Authority Act which allows a Canadian corporation to build the seaway from Lake Erie to the port of Montreal in Canadian territory. By exchange of notes dated June 30, 1952, and tabled in Parliament on July 1, 1952, Canada and the United States agreed that the power project in the international rapids section should be built jointly by Canada and the United States and that this project should be separated, as far as is possible, from the seaway project.

"As for the seaway project, the exchange of notes of June 30, 1952, between Canada and the United States embodied an arrangement whereby Canada would build the seaway between Lake Erie and the port of Montreal on its side of the boundary. This was, of course, before the passage of the Wiley Act which provided for United States participation.

"With the passage of the Wiley Act, the situation could be summed up as follows: Canada is fully empowered by its own legislation to build the seaway from Lake Erie to Montreal; an international agreement or arrangement between Canada and the United States has recorded the agreement of both countries to this

course of action. However, hon. members will recall that as far back as January 9, 1953, and as late as May 6, 1954, the Prime Minister (Mr. St. Laurent) declared that the Canadian Government was prepared to discuss any specific proposal which the United States Government might wish to make, the sense of which would be to vary that portion of the arrangements of June 30, 1952, dealing with the seaway, provided no delay would be caused in the construction of the seaway or power projects, as a result of the consideration of such proposal.

"Finally, the Congress of the United States decided, in May 1954, to build a segment of this seaway entirely within United States territory. Clearly, then, if the object of the Wiley Act is to be achieved, it becomes necessary to hold discussions between Canada and the United States in order to modify the existing arrangements between the Governments as contained in the notes of June 30, 1952.

IN OTTAWA

"Because of the nature of the arrangements of June 30, 1952, and of undertakings given by Canada, talks must be undertaken soon if they are not to delay the seaway or power projects. Canada accordingly suggested on June 16 that discussions between officials of both Governments be held in Ottawa in the week of June 28, for the purpose of preparing specific topics which might form the basis for subsequent inter-Governmental discussions. I have not heard yet from the United States Ambassador what exact date would be agreeable to his Government, but I expect that the talks will get under way in Ottawa in the very near future."

Mr. Drew: "I wish to say only a few words about this but with particular reference to one source of satisfaction which I feel should be in the mind of every hon. member and every Canadian, that we have reached the point when talks of this kind can take place. Very naturally there has been great emphasis upon the opportunity for larger ships to pass up and down the St. Lawrence to the upper waters of our great inland waterways. Naturally also great emphasis has been placed upon the much needed and immense resources of electric energy which will become available.

"I am inclined to think, however, that perhaps one of the most valuable features of the undertaking which is contemplated by this conference is the unique evidence which will be given not merely of our verbal and very real expressions of understanding between Canada and the United States, but of one of the most remarkable and practical examples of international co-operation the world has ever seen, and I am not aware of any similar undertaking along the boundary of any other two nations. As we see that waterway go ahead, as we see the power development take place and the great-

ly needed horsepower become available for industry and for the farms and homes of this Province as well as New York State, let us thank God that two nations can live together, work together, and understand each other as these two nations do."

Mr. Coldwell: "I would just like to say that up to a certain point I agree with what the Leader of the Opposition has said. As I have said in this House before, I think that under certain foreseeable circumstances it might be better if one or the other of the two countries undertook this project on its own volition. I believe that would prevent any complications in the future. However, discussions are to take place with regard to a joint undertaking. I hope the Prime Minister (Mr. St. Laurent) and the Government will carry out the pledge given that this co-operation and the preparation for it must involve no unnecessary delay. We have had so many years of discussion about this project that if there is any disposition to delay I think the matter should be proceeded with by Canada. We have the legislation and the Government has the authority, and I think the project should be proceeded with by Canada alone if necessary.

JOINT PROJECT

"I agree with the Leader of the Opposition, however, that the demonstration of the undertaking of a power project on a joint basis is sufficient evidence to the world that two nations can live together side by side with a contiguous boundary and be able to undertake a joint project of this description. However, I hope there will be no delay, and if there is any disposition to delay I hope the Government will proceed to build this as a Canadian project; because, as I have already said and I would like to emphasize this, I think that for the future it would be better if one or other of the two Governments undertook this project of its own volition, and I would have liked to have seen Canada undertake this project in that way."

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The climate of Canada, in all its varied aspects, is featured in a new Atlas which has just been released jointly by the Meteorological Division of the Federal Department of Transport and the Division of Building Research of the National Research Council.

* * * *

Inventory investment of Canadian manufacturers at the end of April was estimated at \$3,497,800,000, 3% below March but 1% above April last year, according to advance figures.

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1,184,000 foreign vehicles crossed the border into Canada in the first quarter this year, 4% fewer than a year earlier.

1ST QUARTER NATIONAL ACCOUNTS: Canada's gross national produce in the first three months of this year is estimated at \$5,400,000,000, about the same as in the corresponding quarter of 1953, indicating a continuation of the trend toward levelling off which was shown in estimates for the fourth quarter of 1953, according to an advance release of estimates for the period by the Bureau of Statistics. Estimated personal expenditure on con-

sumer goods and services was slightly higher than a year earlier, and government expenditure on goods and services slightly lower.

The following tables show gross national product, gross national expenditure, personal income, and disposition of personal income and selected components, in billions of dollars, for the first quarters of 1953 and 1954. Percentage changes, computed from unrounded data, are shown for selected items.

NATIONAL INCOME, GROSS NATIONAL PRODUCT AND SELECTED COMPONENTS

	First Quarter		Change Per Cent
	1953	1954	
	Billions of Dollars		
Wages, Salaries and Supplementary Labour Income	2.8	2.8	+2
Military Pay and Allowances	0.1	0.1	+20
Investment Income	0.9	0.8	-5
Net Income of Unincorporated Business	<u>0.4</u>	<u>0.4</u>	<u>+7</u>
NET NATIONAL INCOME AT FACTOR COST	4.1	4.1	+1
Indirect Taxes less Subsidies	0.7	0.7	+3
Depreciation Allowances and Similar Business Costs	<u>0.5</u>	<u>0.6</u>	<u>+6</u>
GROSS NATIONAL PRODUCT AT MARKET PRICES	<u>5.3</u>	<u>5.4</u>	<u>+1</u>
(Gross National Product at Market Prices excluding Accrued Net Income of Farm Operators)	(5.3)	(5.3)	+1

GROSS NATIONAL EXPENDITURE AND SELECTED COMPONENTS

	First Quarter		Change Per Cent
	1953	1954	
	Billions of Dollars		
Personal Expenditure on Consumer Goods and Services	3.5	3.6	+3
Government Expenditure on Goods and Services	1.2	1.1	-4
Gross Domestic Investment (including change in inventories) ..	0.9	0.8	-3
Exports of Goods and Services	1.2	1.1	-6
Deduct: Imports of Goods and Services	<u>-1.3</u>	<u>-1.3</u>	<u>-6</u>
GROSS NATIONAL EXPENDITURE AT MARKET PRICES	<u>5.3</u>	<u>5.4</u>	<u>+1</u>

PERSONAL INCOME AND SELECTED COMPONENTS

	First Quarter		Change Per Cent
	1953	1954	
	Billions of Dollars		
Wages, Salaries and Supplementary Labour Income	2.8	2.8	+2
Net Income of Unincorporated Business	0.3	0.4	+19
Interest, Dividends and Net Rental Income of Persons	0.4	0.4	+9
Transfer Payments to Persons From Government (excluding interest)	<u>0.4</u>	<u>0.5</u>	<u>+9</u>
PERSONAL INCOME	<u>3.9</u>	<u>4.1</u>	<u>+5</u>

DISPOSITION OF PERSONAL INCOME

	First Quarter		Change Per Cent
	1953	1954	
	Billions of Dollars		
PERSONAL DIRECT TAXES	0.4	0.3	-4
PERSONAL EXPENDITURE ON CONSUMER GOODS AND SERVICES			
Non-Durable Goods	1.9	2.0	+3
Durable Goods	0.4	0.4	-7
Services	<u>1.1</u>	<u>1.2</u>	<u>+7</u>
Total	<u>3.5</u>	<u>3.6</u>	<u>+3</u>
PERSONAL SAVING	0.1	0.2	
Farm Inventory Change	-0.3	-0.2	
Personal Saving Excluding Farm Inventory Change	<u>0.4</u>	<u>0.4</u>	<u>+4</u>
PERSONAL INCOME	3.9	4.1	+5

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APRIL SURPLUS: The Minister of Finance, Mr. Douglas C. Abbott, released on June 19 the regular monthly statement of the Government of Canada's financial operations covering April, 1954, the first month of the current fiscal year.

For April, budgetary revenues amounted to \$245.4 million while budgetary expenditures were \$215.8 million. For April, 1953, budgetary revenues were \$268.8 million and expenditures \$189.3 million. The budgetary surplus of \$29.6 million for April, 1954 was \$49.8 million less than the surplus of \$79.4 million for April a year ago.

Pension payments out of the old age security fund, which are not included in budgetary expenditures, totalled \$29.1 million for April 1954, and tax receipts credited to the fund amounted to \$21.6 million, resulting in a deficit of \$7.5 million for the month. This was covered by a temporary loan to the fund by the Minister of Finance in accordance with the terms of the Old Age Security Act. For April, 1953, pension payments out of the fund amounted to \$27.9 million and tax receipts credited to the fund to \$19.9 million resulting in a deficit of \$8 million for the month.

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FEWER STRIKES: There were fewer work stoppages arising from industrial disputes in Canada during May than in the preceding month although there was a slight increase in the amount of time lost, according to a preliminary summary of strikes and lockouts released on June 22 by the Minister of Labour, Mr. Gregg.

Preliminary figures for May showed 20 strikes and lockouts in existence, involving 3,341 workers with a time loss of 31,040 man-working days, as compared with 33 stoppages in April 1954, with 2,268 workers involved and a time loss of 24,661 days. In May 1953, there were 4,752 workers involved in 30 strikes and lockouts with a time loss of 36,097 days.

FISHERIES COMMISSION: The International North Pacific Fisheries Commission on June 22 made public a report outlining the roles to be played by Canada, the United States and Japan in dealing with fisheries conservation problems in the North Pacific Ocean.

The report covers the first meeting of the Commission, which was held in Washington, D.C., last February. Chairman of the Commission is Dr. Stewart Bates, Deputy Minister of Fisheries of Canada.

The report states that the concept of the freedom of the high seas, as far as fisheries is concerned, is to be maintained, but the tripartite agreement supports the principle that where a fishery has been developed and is under conservation by one or more parties, other countries which have not contributed to its development might be asked to abstain from exercising their customary international rights to fish these resources as long as they continue to be fully utilized and under scientific study and regulation.

One of the chief responsibilities of the Commission will be to make scientific investigations into the fishery resources of the North Pacific for the above purposes. The Scientific Committee of the Commission met in Tokyo last month to work out a definite programme of joint study, and will report to the next meeting of the Commission, which will be held in British Columbia in October.

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Canada's per capita consumption of most canned foods increased spectacularly from 1939 to 1952. Canned fruits showed a 59% gain in per capita consumption in the 13 years from 9.0 lbs. to 14.3 lbs.

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Sugar beets are grown commercially in Quebec, Ontario, Manitoba and Alberta, and seven beet-sugar factories are located in these provinces.

FOREIGN TRADE DOWN: Canada's foreign commodity trade was lower in value in May and the first five months of this year than a year earlier, according to preliminary figures released June 23 by the Dominion Bureau of Statistics. Both exports and imports declined in value but the drop in imports was sharper than that for exports. The result was a reduced import surplus both in May and the January-May period.

Total exports in May were valued at \$363, -600,000 as compared with \$385,000,000 in the same month last year, and commodity imports had an estimated value of \$365,900,000 as compared with \$420,500,000. The greater drop in imports reduced the import surplus to \$2,300, -000 as compared with \$35,500,000 in May last year.

In the January-May period exports had an aggregate value of \$1,528,000,000 as compared with \$1,603,700,000 last year, and estimated imports were worth \$1,649,700,000 as compared with \$1,810,300,000. The January-May import surplus was thus cut to \$121,700,000 from \$206,600,000 in the like 1953 period.

TRADE WITH U.S.

Trade with the United States was at a lower level both in May and the January-May period. Exports in the month declined to \$213,000,000 from \$224,200,000, and estimated imports dropped to \$262,300,000 from \$312,300,000. The estimated import surplus was reduced to \$49, -300,000 from \$88,100,000. Aggregate January-May exports declined to \$932,100,000 from \$991,400,000, estimated imports to \$1,217, -700,000 from \$1,372,600,000, and the cumulative import surplus to \$285,600,000 from \$381, -000,000.

Exports to the United Kingdom in May were down to \$62,500,000 from \$68,500,000 a year earlier, and estimated imports declined to \$36,000,000 from \$43,600,000. The resulting export surplus rose to \$26,500,000 from \$24, -900,000 a year earlier. In the January-May period exports were slightly lower at \$237, -800,000 as compared with \$238,500,000, and estimated imports were down to \$160,500,000 from \$176,800,000, the cumulative export surplus rising to \$77,300,000 from \$61,700,000.

May's exports to the rest of the Commonwealth were moderately lower in value at \$19, -800,000 as compared with \$21,100,000, and estimated imports were down a shade to \$17, -000,000 from \$17,600,000. Cumulative exports in the January-May period dropped to \$76,400, -000 from \$94,200,000 a year earlier, but estimated imports were slightly higher at \$60, -900,000 compared with \$59,300,000.

Exports to all other countries in May sloped off to \$68,300,000 from \$71,200,000 a year ago, but estimated imports climbed to \$50,600,000 from \$47,000,000. In the cumulative period total exports advanced to \$281,700,000 from \$279,600,000, and estimated imports increased to \$210,600,000 from \$201,600,000.

MEETING IN OTTAWA: The Department of External Affairs announced on June 24 that the annual meeting of the Colombo Plan Consultative Committee will be held in Ottawa from October 4 to October 9. This meeting, which will be attended by Cabinet Ministers or other representatives from fourteen Colombo Plan countries, will be preceded by a meeting of officials from these countries which will commence on September 20.

The Ottawa meeting of the Consultative Committee will be the first to take place in North America. Previous meetings were held in Australia, United Kingdom, Ceylon, Pakistan and India.

Both the official and the ministerial sessions will be held in the Parliament Buildings. The opening ministerial session, which will probably take place in the House of Commons Chamber, will be open to the public. It will be addressed by Prime Minister St. Laurent and by leaders of some of the visiting delegations.

CONSULTATIVE COMMITTEE

The members of the Consultative Committee are Australia, Burma, Canada, Cambodia, Ceylon, India, Indonesia, Laos, Nepal, New Zealand, Pakistan, the United Kingdom, the United States and Viet-Nam. Dependent territories of the United Kingdom in South-East Asia, viz., the Federation of Malaya, Singapore, Brunei, North Borneo and Sarawak also fall within the scope of the Colombo Plan. Thailand and the Philippines have sent observers to previous meetings of the Consultative Committee and have been invited to be represented at the Ottawa meetings.

Two agencies of the United Nations, the International Bank for Reconstruction and Development and the Economic Commission for Asia and the Far-East, which have been closely associated with many Colombo Plan countries in the field of economic development, have sent observers to previous meetings of the Consultative Committee, and it is expected that they will be represented at the Ottawa meetings.

The Director of the Council for Technical Co-Operation, which is concerned with the technical assistance as distinct from the capital development aspect of the Colombo Plan, and the head of the Colombo Plan Information Unit, a new office which will shortly commence operation, are also expected to attend the Ottawa meetings.

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Co-operatives marketed close to 36% of the farm products sold during the crop year ended July 31, 1952. Total sales value was \$927, -600,000, some \$158,000,000 or more than one-fifth greater than in the preceding year. Co-operative sales per farm averaged \$1,340, over four and one-half times the 1941 average of \$293 per farm.

PARLIAMENT PROROGUED: The First Session of the Twenty-Second Parliament was prorogued on June 26 after a modern record of 139 sitting days. Eighty-one bills were passed and August 5 set as the provisional date for reassembling Parliament.

The Speech from the Throne, read by Mr. Justice Patrick Kerwin, Deputy Governor-General, read, in part, as follows:

"As I bring the present session to a close, the political tension throughout the world is a grim reminder that the first concern of the Government must be the maintenance of the necessary strength to deter aggression while we continue to strive for the establishment of peace in the world.

"Our country is meeting every commitment we have made for our national defence and for international projects for relief, rehabilitation, technical assistance and the economic advancement of other peoples materially less fortunate than our own.

"Our external trade continues at a high level. Although there is still in western Canada a huge volume of wheat resulting from three successive record crops, our grain exports continue to exceed the ten year average.

"You have approved a trade agreement with Japan designed to assist in developing our growing trade with that country. Trade agreements have also been concluded, for the first time, with Spain and Portugal which, with improved arrangements with Italy and Brazil, should assist us in the recovery of historic markets in those countries.

"In recognition of the growing importance of our northern territories, you enacted legislation establishing the Department of Northern Affairs and National Resources.

"We all rejoiced at the recent decision of the Supreme Court of the United States which removed the last serious legal obstacle to the development of the St. Lawrence project and which now clears the way for actual construction of both the navigation facilities and the power installations. . . ."

It then went on to list many of the measures which were passed, and cite their importance.

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HONOURED BY U.S.: The President of the United States has approved the award of the United States Air Medal to four Canadian airmen for their meritorious achievements against the enemy while flying F86 Sabre-jet aircraft with the U.S. Fifth Air Force during the Korean conflict.

Citations show that Squadron Leader W.W. (Bill) Fox, Squadron Leader John MacKay, DFC, Flight Lieutenant William H.E. Bliss and Flight Lieutenant Robert D. Carew, "through their personal courage, outstanding airmanship and exemplary devotion to duty have reflected great credit upon themselves, the Far East Air Forces, and the Royal Canadian Air Force".

AMBASSADOR TO JAPAN: The Secretary of State for External Affairs on June 28 announced the following appointments:

Mr. T.C. Davis, who until recently was Canadian Ambassador to the Federal Republic of Germany and Head of the Canadian Military Mission, Berlin, is appointed Canadian Ambassador to Japan. He will take up his new post in September, succeeding Mr. R.W. Mayhew who will be retiring from the diplomatic service.

Mr. George L. Magann is appointed Canadian Minister to Austria. He will act in that capacity jointly with his present duties as Canadian Ambassador to Switzerland. Mr. Magann succeeds the late Dr. Victor Doré, C.M.G.; who had retired from his posts in Berne and Vienna in October 1953.

The post of Legal Adviser to the Department has been re-established and Mr. Max H. Wershof is appointed to it, with the rank of Assistant Under-Secretary of State for External Affairs. He has been serving as Acting Assistant Under-Secretary since the beginning of the year.

Mr. Jean Fournier, who is now Counsellor of the Canadian Embassy in Paris, is appointed Canadian Consul General in Boston. He succeeds the late Dr. George S. Patterson, who died on November 8, 1953.

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AMBASSADOR OF DOMINICAN REPUBLIC: His Excellency Rafael Paino Pichardo on June 29 presented to the Honourable Mr. Justice Patrick Kerwin, Deputy Governor-General, his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of the Dominican Republic to Canada.

Mr. Pichardo, who was born in 1889, has held a number of important posts in his country's Government. Since his entry into the foreign service of the Dominican Republic, he has served as Inspector of Legations and Consulates; Special Envoy to Great Britain, the French West Indies and Haiti; Minister to Chile and to Peru. He has also represented his country at various international conferences. Prior to his appointment to Canada, he was a member of his country's Congress.

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Federal civil servants in March this year numbered 137,270, up from 135,884 the previous month and 131,161 in March last year. Their earnings in the month totalled \$35,075,058 compared to \$34,819,104 in February and \$30,871,304 a year earlier.

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Since the war 2,170 teachers have emigrated from Canada to the United States, according to figures supplied to the Bureau by the U.S. Immigration Service. Of these, 787 left the country in the last three years. At the time of the 1951 Census there were 102,578 teachers in Canada.



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WEEK'S EVENTS IN REVIEW

COLOMBO PLAN AID: The Department of External Affairs announced on July 2 that an exchange of notes has taken place in Colombo between the Prime Minister of Ceylon and the Canadian High Commissioner providing for Canadian aid under the Colombo Plan for the economic development of Ceylon.

From the funds which the Canadian Parliament has voted for use in the Colombo Plan in 1954-55, it was agreed that slightly more than \$2 million would be provided to assist in the development of a variety of projects agreed upon by the two Governments. These projects, all of which have a high priority in the Ceylonese plan for economic development, include the fisheries harbour in which Canada is already participating, the improvement of the chief Ceylonese port at Colombo and of the airport at Ratmalana on which the transport system of the island is so largely dependent, and the agricultural development project in the Gal Oya region where people from congested centres are being resettled.

Canada will also provide three more diesel locomotives and a substantial quantity of railway ties for use by the Ceylonese railways which in recent years (and particularly during the war) have been seriously overstrained.

The assistance to the fisheries harbour will take the form of flour which will in turn be sold by the Ceylonese Government and the proceeds will be used for local expenditure connected with this project. For the remainder of the projects, capital assistance takes the

form of equipment available from Canadian sources.

Out of funds which had been voted by the Canadian Parliament prior to the present fiscal year, it was agreed that Canadian aid to the pilot fisheries project should be continued. Beyond the \$1 million approved in 1952, an additional \$407,000 will be available in the form of equipment and services for the construction of a cold storage and fish reduction plant and the supply of additional fishing equipment.

It was also agreed in the exchange of notes that there should be a diversion of funds from a project approved in 1953-54. At that time, the Canadian Government undertook to contribute towards the cost of equipping a school of practical technology in Ceylon. It is now evident that this equipment will not be required until at least 1955-56. It has therefore been agreed that \$200,000 of the amount set aside in 1953-54 for use at the school should be used in the 1954-55 fiscal year for the provision of flour to be sold for local currency in Ceylon which in turn would be applied to the costs of culverts and other materials needed in Ceylon's rural road building programme.

This assistance is being provided on the understanding that the cost of the equipment for the school of practical technology will be included by agreement between the two Governments as a part of the Colombo Plan aid to Ceylon in 1955-56, subject to the appropriation of funds by the Canadian Parliament in that fiscal year.

FAIR EMPLOYMENT PROGRAMME: The Minister of Labour, Mr. Milton F. Gregg, announced on June 29 that the Department of Labour was presenting a series of eight radio programmes which would be carried by 76 independent radio stations all across Canada with the aim of eliminating discrimination in employment because of race, religion, colour, or national origin.

Mr. Gregg pointed out that the series was organized in connection with the administration of the Canada Fair Employment Practices Act which went into effect last year. The Act forbids discrimination in employment and in regard to membership in trade unions under federal jurisdiction. He said that the series was part of an educational programme directed toward attacking the attitudes of mind which lie at the root of discrimination in employment.

The speakers and their subjects are:

Week of June 27: Introduction To The Series - by Hon. Walter Harris, the new Minister of Finance.

Week of July 4: Discrimination And Democracy In Canada - by Ralph Allen, Editor of Maclean's Magazine.

Week of July 11: Discrimination: What It Does To Man - by Dr. J.D.M. Griffin, General Director, Canadian Mental Health Association.

Week of July 18: Ignorance: Discrimination Cannot Live Without It - by Lister Sinclair.

Week of July 25: The Churches Look At Discrimination - by the Rev. Richard D. Jones, National Director, Canadian Council of Christians and Jews.

Week of August 1: Discrimination: What It Does To Business - by E.P. Taylor.

Week of August 8: Discrimination: What It Does To Trade Unions - by Claude Jodoin of the Trades and Labour Congress of Canada.

Week of August 15: Law As An Anti-Discrimination Weapon - by Hon. M.F. Gregg, Minister of Labour.

Mr. Gregg said that the arrangements that were made for airing these programmes were a good illustration of the willingness of public-spirited individuals and organizations to join hands in an effort to reduce prejudice and discrimination of all kinds.

FARM WAGES: Farm wages of male hired help at mid-May this year were moderately lower than at the same time last year. With board provided the national daily average for male help was \$4.80 as compared with \$5.00, and without board it was \$6.00 compared with \$6.20. On a monthly basis the average with board worked out at \$102.00 compared with \$105.00, and without board it was \$133.00 compared with \$138.00.

With board daily wage rates were lower than in 1953 in all provinces and without board they were down in all provinces except Saskatchewan where no change occurred.

CABINET CHANGES: The Prime Minister, Mr. St. Laurent, announced three important Cabinet changes on July 1.

The Minister of Finance, Mr. D.C. Abbott, has retired from public life to become a judge of the Supreme Court of Canada.

The Minister of National Defence, Mr. Brooke Claxton, has also retired from public life to become Vice President of the Metropolitan Life Insurance Co., in charge of the company's Canadian operations, effective August 1.

The Minister of Transport, Mr. Lionel Chevrier, has retired from the Cabinet to become President of the St. Lawrence Seaway Authority.

The Minister of Citizenship and Immigration, Mr. Walter Harris, has relinquished that portfolio to become Minister of Finance.

Associate Defence Minister Ralph Campney has been appointed to succeed Mr. Claxton as Minister of National Defence.

The Secretary of State, Mr. J.W. Pickersgill, has been appointed Minister of Citizenship and Immigration.

Mr. Roch Pinard, Parliamentary Assistant to the Secretary of State for External Affairs has entered the Cabinet as Secretary of State.

Mr. George Marler has resigned as a Liberal member of the Quebec Legislature to enter the Cabinet as Minister of Transport.

Mr. Justice Patrick Kerwin has been appointed the new Chief Justice of the Supreme Court of Canada, succeeding the retired former Chief Justice Thibeaudeau Rinfret.

The Prime Minister also announced the appointment of two Deputy Ministers as members of the Seaway Authority. They are, Mr. Charles Gavsie, Deputy Revenue Minister, and Mr. Charles W. West, Deputy Transport Minister.

The appointment of Mr. Jules Léger, Canadian Ambassador to Mexico, as Under-Secretary of State for External Affairs, was also announced, as was that of Dr. R.A. Mackay to be Associate Under-Secretary.

IMMIGRATION INCREASE: The Department of Citizenship and Immigration reported this week that immigration arrivals increased 15 per cent in the first four months of the year compared with a similar period last year. Arrivals totalled 44,877 compared with 39,055 in the respective periods.

Increases were shown in all categories except arrivals from the United States, which decreased six per cent. Arrivals of English, Irish, Scottish and Welsh increased 8 per cent to 13,245 from 12,216 while U.S. arrivals were down to 2,972 from 3,057.

Immigration by North Europeans rose to 15,541 from 15,492, while the biggest increase was a 59 per cent increase in arrivals from other countries to 13,219 from 8,290. The main factor in this was an increase to 7,962 from 3,892 in arrivals of Italians.

GROSS NATIONAL PRODUCT DOWN FROM LAST QUARTER

ANNUAL \$24,200,000,000: After allowing for seasonal factors, Canada's gross national product was at an estimated annual rate of \$24,200,000,000 in the first quarter this year, about the same as a year earlier but down from \$24,500,000,000 in the fourth quarter last year. It should be noted, however, that the seasonally adjusted data for the first quarter includes a lower value of crop production, computed for the coming year on the basis of ten-year average yields and distributed evenly across the four quarters. The amount of this downward step from fourth to first quarters is presently estimated at \$200,000,000, but this will be revised in September when the actual yield is first determined.

FARM OPERATORS

At present, the best indicator of aggregate activity, after allowance for seasonal factors, is provided by the gross national product excluding accrued net income of farm operators, which shows a figure of \$22,500,000,000 for the first quarter as compared with \$22,700,000,000 for the fourth quarter last year. Computed from unrounded figures, the change from the fourth to the first quarter amounts to closer to \$100,000,000. While the national output was not greatly different from a year earlier in the first quarter, there were changes in the components, an expansion in the output of most service industries offsetting declines in many of the goods-producing industries.

Total final purchases of goods and services, exclusive of inventories, also remained at about last year's level in the first quarter of 1954, although there were moderate shifts among the major spending groups. Consumer expenditures were 3% higher than in the first three months last year, with services taking the greater share of the gain. Non-durable goods purchases increased but durable goods purchases showed a sharp decline. Gov-

ernment expenditure on goods and services was 5% lower this year, reflecting reduced outlays for defence. There was very little change in total investment in durable assets, although machinery and equipment purchases were off by 9%.

Exports of goods and services were down 6%, reflecting mainly declines in exports of wheat, automobiles and base metals. Imports of goods and services were also down 6% in the first quarter comparison, with the drops concentrated in the fibres and textile group and the iron and steel group. Overall, there was a decline of less than one half of 1% in total final purchases of goods and services, exclusive of inventories. Business inventories showed a smaller accumulation than a year ago, and the build-up was more than accounted for by an increase in stocks of new automobiles, the total of other inventories reflecting some liquidation.

CONSTRUCTION

The drop in non-farm output from the fourth quarter of 1953 appears to be attributable mainly to a drop in the rate of construction activity. Fourth-quarter construction activity was unusually high due to an open fall, while activity in the first quarter was adversely affected by the severe winter. Other components in which declines occurred were exports and the rate of business inventory accumulation, but these reductions were more than offset by gains in other sectors.

National income in the first quarter this year was at an estimated annual rate of \$18,900,000,000, after allowing for seasonal factors, down from \$19,300,000,000 in the fourth quarter of 1953 and at approximately the same level as a year earlier. Wages and salaries showed a small drop of 1% from the fourth quarter after levelling off in the last half of 1953. This drop was the first after a long period of successive gains.

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HOUSING: Units financed under federal housing legislation in 1954 will exceed the number financed in 1953, Central Mortgage and Housing Corporation indicated in reporting on activity under the National Housing Act, 1954.

During the period April 1 to June 18, inclusive, applications for undertakings to insure were received for 10,456 units as compared with 9,600 units under the old joint loan arrangements for the same period of 1953.

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Much smaller wheat marketings and somewhat lower average prices reduced farm receipts to \$49,700,000 in the first quarter this year, less than half the \$112,800,000 wheat income of the first three months of 1953.

RAILWAY OPERATIONS: Operating revenues of Canada's two major and 14 other larger railways were down 6.7% in March this year from March, 1953, and operating expenses 6.8% lower, resulting in a reduced operating income.

Operating revenues for the month were down to \$94,241,516, compared to \$101,045,189 a year earlier, and operating expenses to \$84,415,972 against \$90,545,897, net operating revenues declining to \$9,825,544 compared to \$10,499,292.

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Five fields in Alberta produced more than a million barrels of crude oil each in the first quarter this year as compared with three last year, only two in 1952.

SEAWAY NEGOTIATIONS: Officials of the Canadian and United States Governments met on Monday and Tuesday, July 5-6, in Ottawa, to discuss the St. Lawrence Seaway. The meeting was held at the request of the United States Government in a Note dated June 7, 1954, following the passage by Congress of legislation authorizing the United States to participate in the Seaway project by the construction of canals on the United States side of the international section of the St. Lawrence River.

The meeting explored in a friendly and constructive manner the more important changes which might have to be made in the existing arrangements for the development of the St. Lawrence Seaway and fixed a tentative agenda of the subjects which may require to be negotiated or decided subsequently by the two Governments.

It is expected that a meeting for this purpose between representatives of the two Governments will be held later this month after both Governments have had an opportunity to consider these subjects in the light of the current discussions.

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HIGHER CASH SALES: Canadian consumers bought more for cash and less on credit in the first quarter of this year than in the first three months of 1953, the Dominion Bureau of Statistics, has reported. Cash sales accounted for 68.8 cents of the average retail consumer dollar this year as compared with 67.2 cents last year, and credit sales accounted for 31.2 cents as against 32.8.

Cash sales of the nation's retailers totalled \$1,704,600,000 in January-March this year, up 1.3% from \$1,682,400,000 a year earlier. Instalment sales - sales made under a conditional sales agreement with a recovery clause - aggregated \$260,400,000, down 9.4% from \$287,500,000 last year.

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WHOLESALE PRICES UP: Wholesale prices were slightly higher in May and the Bureau's general index rose 0.1% to 218.2 between April and May. While the change was small it marked the first 1954 increase in the total index. Five of the eight major groups were firmer, led by an increase of 1.5% in animal products.

Higher quotations for live stock, fresh and cured meats, raw furs, hides and leather more than offset decreases in milk and its products, fishery products, lard and tallow, footwear, fowl and eggs, and the animal products index advanced to 244.5 from 240.9. The vegetable products index moved up 0.3% to 196.5 as advances for bananas, potatoes, cocoa beans, onions, barley and unmanufactured leaf tobacco among others, outweighed decreases for feeds, vegetable oils, raw sugar, flour, oats, rye and flax.

SIR WINSTON IN OTTAWA: "Good, continuous, intimate, trusting relations between Britain, and Canada and the U.S. are the foundations, the security for world peace," said Sir Winston Churchill in a press conference in Ottawa on June 30 during his brief visit to the Canadian capital.

"Nothing," he continued, "will deter the aggressor more than the fact that he knows he's got to face the whole of the British Commonwealth and the United States of America."

Asked if he could tell the conference anything of his discussions with the Canadian Government, he replied: "Yes, I certainly will. They have been very jolly."

Question: "Was there any serious part, apart from the jollity, Sir?"

Sir Winston: "Yes. The jollity consisted in the mood of friendship. The serious part consisted in the very solemn, formidable and complicated issues which we discussed among ourselves as friends and brothers."

Of his Washington visit, he said, in part: "I must say I never had a more fruitful visit or more pleasant visit."

In response to questions, Sir Winston touched on Canada's future as follows:

54 YEARS AGO

"When I came here fifty-four years ago, for the first time, your population was just over five million; now it's just under fifteen million. All that's happened in my lifetime - extraordinary - wonderful - but if I were coming back, I don't think I ought to lay down any limit to what your population should be. I daresay, by the end of the century, it may be thirty or forty million, or more.

"What a wonderful thing, what a marvellous thing, what a work you are all engaged in, building up rapidly the life of this fast community so free and so buoyant in this wonderful country with its hitherto unmeasured possibilities. Far beyond what you've already discovered, a wonderful range, lies before you in the future, playing your part, and serving world causes and never forgetting the Old Country to which you owe so much of the civilization that you enjoy and are spreading throughout the world.

"We have rough times behind us, and many difficulties to face in our small island with our vast population, but nothing encourages us more to face these difficulties than the increasingly friendly and loving relations which are growing up between you and us, and between the other great Commonwealth states like Australia and New Zealand, it really enables us to face every problem with a feeling of confidence."

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Gold output was down 12% in the first quarter this year to 973,015 fine ounces from 1,013,384 a year earlier.

FARM CASH INCOME DOWN IN FIRST QUARTER

WHEAT DECLINE: Smaller returns from the sale of wheat, barley, ruy, potatoes, cattle and calves contributed largely to a 6% decrease in Canadian farmers' cash receipts from the sale of farm products in the first quarter of this year. There were declines in all provinces except Quebec, Manitoba and British Columbia. The largest decrease occurred in Saskatchewan.

Cash receipts in the quarter were estimated at \$504,311,000 as compared with \$536,150,000 a year earlier and the all-time first-quarter high of \$555,700,000 established in 1952. Supplementary payments made to western farmers under the provisions of the Prairie Farm Assistance Act amounted to \$2,100,000 in this year's first quarter as compared with \$1,800,000 a year earlier and \$900,000 in 1952.

By far the largest decline in income for any one commodity occurred in wheat which totalled \$49,700,000 this year as compared with \$112,800,000 in the first 1953 quarter. To a large extent this substantial decline can be attributed to much smaller marketings and to a lesser extent to somewhat lower than average prices. As a result of congested country elevators, wheat deliveries by western producers during this period were reduced to about 40% of last year's first-quarter total. Lower wheat prices during the quarter were due largely to a lack of increase in initial

prices such as took place during the same period a year ago.

Offsetting to some extent the significant decrease in wheat receipts was the distribution of part of the final payment on the 1952-53 western wheat crop during the first quarter of this year. Amounting to \$27,700,000, it compares with payments of about \$3,000,000 made in the corresponding 1953 period.

During the first quarter of this year, cash income from the sale of barley was estimated at \$11,800,000, down nearly 40% from 1953's estimate as a result of much smaller marketings. Larger marketings of potatoes were far more than offset by a drop in prices and cash receipts fell to \$5,800,000, 50% below a year earlier.

Income from the sale of cattle and calves amounted to an estimated \$81,000,000, down nearly 9% from the preceding year's \$88,700,000. Lower prices more than offset an increase in marketings. On the other hand a very substantial increase in hog prices far outweighed smaller marketings to boost income from this source 21% to \$82,000,000. Receipts from the sale of poultry meat at \$26,800,000 were also substantially higher than in the same 1953 period.

Cash receipts from the sale of eggs at \$32,900,000 for this year's January-March period were 11.8% above those for the same period of 1953.

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WOMEN'S BUREAU: Miss Marion V. Royce, M.A., has been selected for the position of Director of the Women's Bureau it was announced on June 30 by the Civil Service Commission and the Department of Labour. Miss Royce is a graduate of McMaster University and the Ontario College of Education.

The Women's Bureau has been established to promote a wider understanding of problems peculiar to women workers and to the employment of women. The Bureau will be a focal point for the preparation, distribution and continuing interchange of information concerning women in employment. It is expected that regular channels of communication will be developed between the Bureau and women's groups, employer and labour organizations as well as with various interested government agencies.

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There are more than 2,000 Indian reserves in Canada and they vary in size from a few acres to 500 square miles. Most of this land is community property but an Indian may be allotted possession of land within a reserve by the Council of the Band.

IMPLEMENT SALES DOWN: Sales of new farm implements and equipment declined in value in 1953 for the first time in more than a decade but sales of repair parts continued to climb, according to advance figures released by the Bureau. The drop in sales of new equipment was limited to 5%, and the parts sales advance was 2%.

Valued at wholesale prices, new implement and equipment sales in 1953 totalled \$238,050,000 as compared with \$250,277,000 in 1952, and sales of parts were valued at \$31,819,000 as compared with \$31,232,000. Implement and equipment sales were lower in value in all provinces except Newfoundland and Saskatchewan, while sales of parts were higher in all provinces except Newfoundland, Ontario and British Columbia.

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Canal traffic last year was the heaviest since the construction of the American Davis and Sabine locks at Sault Ste. Marie during the First World War. All told, 33,373,064 tons of freight were locked through the 10 systems, 2,018,925 tons or over 6% more than in the preceding year.

MAY EXPORTS DOWN: Sharply reduced shipments of wheat and other grains and substantial increases in farm machinery, nickel, aluminum and copper and their products as compared with last year are revealed in the final detailed figures on Canada's domestic exports in May released today by the Bureau. Exports were lower in value in the month to the United States, the United Kingdom and other Commonwealth countries and to Europe, but showed marked gains to Latin America and other foreign countries as a whole.

Total value of domestic exports in May was \$358,335,000, down about 5.8% from \$380,368,000 in May last year. Exports of foreign produce, on the other hand, were up slightly to \$5,261,000 from \$4,749,000. Average prices of exports in May this year were about 2.3% under a year ago, and volume about 3.6% less.

In the five months ending May domestic exports were 5% lower in value at \$1,501,700,000 against \$1,581,900,000. As in May, foreign exports in the five months were higher at \$26,342,000 compared to \$21,750,000. The decrease in the cumulative period was due mainly to lower shipments to the United States, Commonwealth countries and Europe, exports to the United Kingdom and Latin America showing smaller declines and those to other foreign countries a substantial rise.

WHEAT EXPORTS

Exports of wheat in May declined in value to \$32,465,000 as compared to \$60,697,000, exceeding the decrease in total value of domestic exports. In the five months wheat was down to \$132,535,000 as against \$182,618,000, equal to more than three-fifths of the total drop.

Contrasting with these decreases were a jump in aluminum and products in May to \$24,664,000 from \$14,766,000 and smaller increases in copper, lead and nickel that outweighed decreases for zinc and electrical apparatus to raise the non-ferrous metals group to \$73,126,000 from \$64,844,000. The wood and paper group also advanced to \$114,348,000 from \$109,898,000.

Domestic exports to the United States in May declined to \$208,827,000 from \$220,255,000 in May last year, and the January-May value dropped to \$912,107,000 from \$973,832,000.

Shipments to the United Kingdom in May were down in value to \$61,881,000 from \$68,216,000, and five-month exports to \$235,682,000 from \$237,208,000.

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WHEAT STOCKS. Stocks of Canadian wheat in store or in transit in North America on June 16 totalled 337,512,000 bushels, moderately below the 340,289,000-bushel total of a week earlier, but 35% above last year's stocks of 247,817,000 bushels.

WHOOPIING CRANE MYSTERY: The long-standing mystery of where the almost-extinct whooping crane nests may be solved at last officials of the Department of Northern Affairs and National Resources said recently. A report from the Department's resident mammalogist in Wood Buffalo Park, says that as many as six whooping cranes, including young, were seen from a helicopter being used to survey the buffalo population in the park. Wood Buffalo National Park is partly in Alberta and partly in the Northwest Territories.

With a world population of only 24, the whereabouts of the whooping crane is always of interest to wildlife observers. It is known that they winter in Texas and they are reported frequently en route to and from their summer nesting grounds somewhere in the Canadian North. Even when wildlife officials attempted to follow them north from Texas by airplane, the cranes managed to give them the slip in the vicinity of the 60th parallel.

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AMENDED DRUG ACT: Revised federal regulations relating to the safety, purity and quality, as well as the labelling and advertising, of all foods, drugs, therapeutic devices and cosmetics, came into effect on July 1, by virtue of proclamation of Amendments to the Food and Drugs Act, Canada, it was announced on July 6 by the Minister of National Health and Welfare, Mr. Paul Martin.

He said that the new Regulations are designed to clarify interpretation of the Act and to arrange it in more logical and rational order, to confer additional powers on Food and Drug authorities in their work of protecting public health and to ensure safe conditions of processing and recording of sale of foods and drugs.

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AIR TRANSPORT BOARD: The Minister of Transport, Mr. George G. Marler, has announced the appointment of Mr. Wilbert Jamieson Matthews, Q.C., Director of Administration and Legal Services of the Department, to the position of Chairman of the Air Transport Board. Mr. Matthews succeeds Mr. John R. Baldwin who has been appointed Deputy Minister of Transport. The two other members of the Air Transport Board are Mr. J.P.R. Vachon and Mr. A.D. McLean.

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PIPED OIL RISE: Net deliveries of oil through Canadian pipe lines increased 7% in April as compared with a year earlier, and followed gains of 17% in March, 26% in February, and 43% in January. This resulted in an overall increase of 25% in the January-April period. The net for April was 12,171,000 barrels as compared with 11,330,000 a year ago, bringing January-April deliveries to 54,022,000 barrels as compared with 43,132,000.



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WEEK'S EVENTS IN REVIEW

BUDGETARY SURPLUS: The Minister of Finance, Mr. Walter Harris, on July 10 released the regular monthly statement of the Government of Canada's financial operations for the month of May and the first two months of the current fiscal year.

For May, budgetary revenues were \$390.1 million or \$19.7 million less than last year and budgetary expenditures were \$245.6 million or \$43.4 million less than a year ago. The budgetary surplus for May was \$144.5 million, or \$23.7 million more than in May, 1953.

For the first two months of the current fiscal year, budgetary revenues amounted to \$635.6 million or \$43 million less than for the corresponding period last year. Budgetary expenditures totalled \$461.4 million, a decrease of \$17 million from the same period a year ago. The budgetary surplus of \$174.2 million for April and May 1954, was \$26 million less than that for the corresponding period in 1953.

During May, pension payments out of the Old Age Security Fund, which are not included in budgetary expenditures, totalled \$29.1 million and tax receipts credited to the Fund amounted to \$30.2 million resulting in an excess of tax receipts of \$1.1 million for the month. For the first two months of the current fiscal year, pension payments amounted to \$58.2 mil-

lion and tax receipts credited to the Fund to \$51.8 million.

As pension payments exceeded tax receipts by \$6.4 million, a temporary loan in that amount was made to the Fund by the Minister of Finance in accordance with the terms of the Old Age Security Act. For the corresponding period last year, the operations of the Fund resulted in a deficit of \$10.7 million.

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UNEMPLOYMENT DROP: There were 247,755 ordinary claimants on the live unemployment register at the end of May, 88,928 or 26% fewer than at the close of April, the Dominion Bureau of Statistics disclosed in its monthly report on the operation of the Unemployment Insurance Act. On May 31 last year, when the labour force and the insured population were considerably smaller, there were 143,083 on the live unemployment register.

The May drop in unemployment was common to all provinces, the largest percentage decline occurring in Saskatchewan where the number on the live unemployment register was reduced by 3,581 or almost half to 3,592. The percentage decline was under the national average in only two provinces: British Columbia, where the number was cut by 6,637 or 21% to 24,466, and Ontario, where the reduction amounted to 19,593 or 20% to 79,682.

IMPORTS DOWN 8%: Mainly a result of smaller purchases from the United Kingdom, the United States, and Europe, Canada's commodity imports declined 11% in April from last year's high level, according to final figures on April's imports released by the Bureau. Imports were higher in value from the Latin American countries as a group, other Commonwealth countries, and other foreign countries. In the January-April period there was an overall decrease of 8%.

There were lower values in April for all of the nine main commodity classifications except the agricultural and vegetable group. The sharpest decreases were in the fibre and textiles, iron and miscellaneous commodities groups. Wood and paper and agricultural and vegetable products were higher in value in the January-April period but the other seven groups declined.

The total value of commodity imports in April was \$348,500,000 as compared with \$391,800,000 a year earlier. Prices were slightly higher this April, but volume declined almost 13%. With decreases in each month from the beginning of this year, total imports in the January-April period dropped to \$1,274,300,000 from \$1,389,700,000.

IMPORTS FROM U.S.

April's imports from the United States were reduced to \$255,980,000 from \$297,246,000, and the four-month total fell to \$946,084,000 from \$1,060,300,000. Among the commodities, agricultural products were higher in April and the four months, and wood and paper in the cumulative period. Other groups were lower in both periods.

Purchases from the United Kingdom dropped in April to \$35,289,000 from \$37,947,000 a year ago, and in the four-month period were down to \$123,508,000 from \$133,226,000.

Imports from other Commonwealth countries were moderately higher in value in April at \$14,799,000 as compared with \$12,476,000 a year ago, and the four-month value was up to \$43,708,000 from \$41,705,000. Imports were higher from Jamaica both in April and the January-April period, higher in April but lower in the four months from British Guiana, India, and New Zealand, and lower in the month but up in the four months from Australia.

Imports from Latin American countries declined in April to \$21,449,000 from \$22,725,000, but rose in the four-month period to \$91,646,000 from \$86,826,000. There were smaller purchases in April from Argentina, Columbia, Dominican Republic and Mexico, but larger imports from Brazil and Venezuela. In the four months there were smaller purchases from Argentina and Dominican Republic but increases from other larger sources.

Imports from European countries as a group were cut in April to \$15,474,000 from \$18,086,000, and were down in the January-April period to \$47,426,000 from \$49,208,000. Imports were higher both in April and the four-month period from France and the Federal Republic of Germany but lower from Belgium and Luxembourg, Italy, the Netherlands, and Switzerland. Purchases from other foreign countries advanced in April to \$4,268,000 from \$2,680,000, and in the four months increased to \$18,813,000 from \$16,208,000.

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13% IMMIGRATION RISE: Immigration rose 13 per cent to 67,955 in the five-month period ending May 31, 1954 from 59,960 in the same period last year, the Department of Citizenship and Immigration has just announced.

Arrivals from Italy and Portugal - countries with which Canada has just concluded trade treaties - contributed 5,536 of the 7,995 increase in total arrivals.

Italian immigration jumped 4,646 to 10,839 from 6,193, while Portuguese arrivals rose to 1,058 from 168, an increase of 890.

This increased total arrivals in the category which includes all countries except Britain, the United States and Northern Europe to 18,563 in the five-month period from 12,895, an increase of 44 per cent.

In the five-month period, arrivals of English, Irish, Scottish and Welsh rose to 20,571 from 18,745, while arrivals from the U.S. dropped to 3,644 from 3,956. Arrivals of North Europeans rose to 25,177 from 24,364.

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FOREIGN SHIPPING: Cargoes loaded at Canadian customs ports for foreign countries during 1953 totalled 32,202,205 tons, 362,710 or slightly more than 1% less than in 1952, and cargoes unloaded from foreign countries totalled 38,691,877 tons, 64,329 or less than 1% less, according to the first section of the Bureau's shipping report for last year. Loadings were up at Great Lakes and Pacific ports but down at Atlantic and Lower St. Lawrence River ports, while unloadings were higher at Atlantic and Lower St. Lawrence River ports but lower at Great Lakes and Pacific ports.

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Canada ranked third among trading nations in both exports and imports last year, accounting for about 6.3% of the trade of the non-Soviet world. The United States ranked first, followed by the United Kingdom, and the Federal Republic of Germany ranked fourth, followed by France.

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Railways had 18,170 cars in company service at the end of 1952, of which 14,960 were work cars, 3,209 caboose cars, and one a motor car.

CANADA CHIEF TRADING PARTNER OF U.S.

IMPORT BALANCE: The change of nearly \$536,000,000 in Canada's commodity trade balance from an export surplus of \$325,500,000 in 1952 to an import balance of \$210,200,000 last year was greater than occurred between any two previous peacetime years, according to the Review of Foreign Trade for 1953 released by the Bureau. This change resulted from a large increase in the volume of imports during the year, while exports and relative prices remained almost unchanged.

In financing the import balance, the continued inflow of investment capital to Canada from the United States and other countries played an important part. Also important was the sharp reduction in the outflow of short-term funds. New gold production available for export was slightly lower than in 1952, but still totalled \$144,000,000. These factors had a large part in preventing the trade deficit from significantly depressing the exchange value of the Canadian dollar, which remained at a premium over the United States dollar throughout the year.

PRONOUNCED CHANGES

Changes in the direction of Canada's trade were quite pronounced in 1953. The share of Canada's exports directed to the United States increased substantially. Overseas demand for several forest products and metals was reduced, but greater sales to the United States offset most of these declines. Controls in overseas countries reduced market for many Canadian manufactured goods as well.

Imports from most principal trading areas increased, except in the case of the Commonwealth where lower average prices reduced the value of Canadian purchases. The size of Canada's imports balance on trade with the United States increased, but trade balances with a majority of Canada's other chief trading partners were reduced.

Canada retained third place - behind the United States and United Kingdom and ahead of the Federal Republic of Germany - among the world's trading nations in 1953, and accounted

for 6.3% of the trade of the non-communist countries. Canada also appears to have passed New Zealand in trade per capita in 1953, ranking first in this respect for the first time in the postwar period. In spite of these developments, the long-term rate of increase in Canada's foreign trade is apparently less than that in domestic production. Exports of goods and services in 1926-29 accounted for 29% of gross national expenditure and in 1936-39 for about 28%, but in 1950-53 the proportion was only about 23%.

Canada was the chief trading partner of the United States in 1953, the Review states, and also accounted for a major part of the trade of the United Kingdom. United States exports to Canada were more than four times as great as those to that country's second ranking export market, and United States imports from Canada more than three times those taken from the second ranking supplier. Canada took some 6% of the United Kingdom's exports in 1953, and was the United Kingdom's leading supplier, providing 9% of that country's imports.

INCREASED U.S. SHARE

The United States increased its share of Canadian exports in 1953 to 59% and supplied more than 73% of imports. The United Kingdom took 16% of Canada's exports and supplied more than 10% of imports. Together these two countries accounted for 79.5% of Canada's 1953 trade, an increase from 76.7% in 1952.

Grains have played a major part in the growth of exports since 1950, and investment goods in the growth of imports. About two-thirds of the increase in exports in 1951 and 1952 over the 1950 level resulted from the concurrence of strong foreign demand for grains with large Canadian crops. Slightly smaller exports of grains accounted for about two-thirds of the decline in exports in 1953. Imports of most types of goods have risen in the last few years, but the increase in imports of industrial equipment and consumers' durable goods has been especially marked.

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25TH BRIGADE VISITOR: Britain's top diplomat in Korea has paid a brief visit to elements of the 25th Canadian Infantry Brigade as guest of the formation's commander, Brigadier F.A. Clift.

The Chargé d'Affaires of the British Legation in Seoul, A.S. Halford, on a liaison tour of the 1st Commonwealth Division, got a firsthand view of Canadian activities along the 25th Brigade sector when he looked in on the Canadian-adopted village of Chinmokchong.

SECURITY PRICES: After moving to higher levels in the opening week of June, common stock prices dropped sharply in the second week while fluctuations during the remainder of the month were narrow. The investors' index number of 99 common stocks advanced from 182.0 for the week of May 27 to 184.0 for the week of June 3 but reacted to 178.7 in the following week, while the closing weekly index for the month of 179.9 registered a net loss of 2.1 points.

THREAT OF POVERTY: The serious lag in social, health, educational and economic development throughout large areas of the world, "stands as a serious threat to the well-being of the entire world community," said the Secretary of State for External Affairs, Mr. L.B. Pearson, in addressing the International Conference of Social Work in Toronto on June 27. The maintenance of peace in the world today, he said, is closely related to the work of social and economic development.

Touching on the work of the United Nations in the economic, social and humanitarian fields, he said such programmes were not simply acts of charity. They were "investments in prosperity and progress in which all will share".

He concluded:

DANGEROUS FACTS

"The favoured nations of the world cannot afford to ignore the fact that one half of the world's inhabitants live in areas where hunger, disease, poverty and human misery are the daily lot of all the people. They cannot continue to live comfortably, in the knowledge that one out of every two persons alive today is simply not getting enough to eat; that one person in eight suffers from malaria; that infant death rates in some sections of some countries rise as high as 400 for every thousand children born.

"These are ugly, dangerous facts about the Twentieth Century which so often has been heralded as an age of social progress. They have all too obvious implications.

"The consciences of millions of men and women have in recent years been aroused to work towards creating a happier, more prosperous, and better world for all. As modern science and technology have drawn the different parts of the globe more closely together, a far-reaching change in outlook has been taking place. To an extent which might have seemed inconceivable even fifty years ago, there has now come increasing recognition that the hundreds of millions of people throughout the world today must somehow contrive to share among themselves less unevenly the ability to use the resources of the earth; that the general impoverishment of any area is a matter of concern to all areas; and that the technical experience and knowledge acquired in rapidly changing industrialized societies have somehow, through our collective efforts, to be made available to those communities that are less advanced and less well equipped.

"Arnold Toynbee has suggested that 'the Twentieth Century will be chiefly remembered by future generations not as an era of political conflicts or technical inventions, but as an age in which human society dared to think of the welfare of the whole human race as a practical objective'. This is an exciting idea. If governments and peoples can accept

this possibility, this challenge; if they can recognize in time the interests not merely of their own communities but of the world in which these communities exist; if they can pool their common efforts through self-help and co-operative action to further the advance of all peoples everywhere, then truly the authors of the Charter of the United Nations will not have laboured in vain.

"For in such accomplishment, in such achievement, in such recognition of the mutual interdependence of our world society, in such fulfilment of our obligations of self-help and co-operative action to promote our common betterment, we will give new life and meaning to those inspiring words which are enshrined in the Charter of the United Nations, and will demonstrate our firm resolve 'to promote social progress and better standards of life in larger freedom'."

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GRAIN DELIVERY: The Minister of Trade and Commerce, Mr. C.D. Howe, announced on July 12 that provision is being made for the full delivery of the general quota of 7 bushels per specified acre at all delivery points in the Prairie Provinces by July 31.

Mr. Howe pointed out that producers' marketings of all grains during the crop year 1953-54 have now exceeded 525 million bushels, and that before the crop year ends on July 31 these marketings could range from 575 to 600 million bushels.

As far as producers' marketings are concerned, the crop year 1953-54 will be one of the larger years in history, although smaller than the record year of 1952-53.

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PRICE INDEX RISE: The consumer price index advanced 0.5% from 115.5 to 116.1 between May 1 and June 1. This is a slightly larger rise than was recorded between the same dates in 1953. The latest change was almost entirely attributable to an advance of 1.6% in the food index. Among other groups, shelter was the only one to advance.

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Canada imported 30,151 gallons of sparkling and 1,080,116 gallons of non-sparkling wines in the 12 months ended March 31 last year. Almost 93% of the sparkling wines came from France, and the balance from seven other countries. Australia supplied about 26% of the non-sparkling wines, France 17%, Portugal 14%, the Union of South Africa 14%, the United Kingdom 8% and Italy 8%.

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Productive forests extend over some 764,000 square miles or 22% of the total land area of Canada. About two-thirds of this is accessible for economic exploitation.

CZECHOSLOVAKIAN DELEGATION: The Department of Trade and Commerce announced on July 6 that a delegation from Czechoslovakia had recently visited Ottawa for discussions on trade and related matters. These talks were held at the request of the Government of Czechoslovakia, which had expressed its concern at the special valuation procedures which Canadian customs authorities have been applying to certain imports from Czechoslovakia.

These procedures were instituted with respect to certain Czech imports in the absence of adequate information to verify values in accordance with the requirements of Canadian customs law. In requesting these consultations, the Government of Czechoslovakia referred to Article XXII of the General Agreement of Tariffs and Trade, which provides that "each Contracting Party shall accord sympathetic consideration to and shall afford adequate opportunity for consultation regarding such representations as may be made by any other Contracting Party with respect to the operation of Customs regulations and formalities . . . and generally all matters affecting the operation of this Agreement".

AGREED TO PROPOSAL

As a Contracting Party to the GATT, Canada agreed to the proposal of the Government of Czechoslovakia. It was felt that, in addition to the problems relating to the valuation of Czech imports, the proposed talks might also provide a useful opportunity to discuss other matters of interest, particularly the settlement of the loan extended to Czechoslovakia under the Export Credit Agreement of 1945.

During these consultations, arrangements were worked out with the delegation from Czechoslovakia which it is hoped will permit satisfactory verification of values of goods from Czechoslovakia within the requirements of Canadian customs law.

With respect to the loan extended to Czechoslovakia under the Export Credit Agreement of 1945, arrangements were made which, it is expected, will result in the repayment of the capital and interest outstanding, amounting to approximately \$10.6 million.

During the discussions on general trade matters, Canadian officials made it clear that importers in Czechoslovakia are free to purchase those Canadian goods which are not subject to restrictions on security grounds. During their stay in Canada the Czechoslovak delegation investigated the possibility of importing into Czechoslovakia a wide range of non-strategic goods and commodities, including lard, butter, feed grains, wheat, hides, skins, glycerine and pharmaceuticals of Canadian manufacture. Similarly, it was recognized that opportunities exist for Canadian importers to purchase a considerable range of goods from Czechoslovakia.

DECLINE IN WHEAT EXPORTS: Supplies of wheat remaining on or about June 1 in the four major wheat export countries for export and for carryover at the end of their respective crop years amounted to 1,725,100,000 bushels, some 40% greater than the 1,232,100,000 a year ago.

Estimated supplies in each of the four countries on June 1, with year earlier figures in brackets, were as follows: United States, 878,300,000 bushels (574,300,000); Canada, 614,500,000 (457,200,000); Australia, 132,500,000 (79,000,000); and the Argentine, 99,800,000 (121,600,000).

Total exports of wheat and wheat flour from these four countries in the first 10 months (August-May) of the current Canadian crop year amounted to 525,000,000 bushels, down 23% from last season's shipments of 681,500,000 bushels. Exports from Canada declined to 208,700,000 bushels from 297,500,000, the United States to 169,900,000 from 279,900,000, and Australia to 52,300,000 bushels from 84,800,000, but Argentina's exports rose to 94,100,000 bushels from 19,200,000.

While Canadian exports have declined about 30% from a year earlier, exports from the United States and Australia have dropped by some 39% and 38%, respectively. Reduced shipments from these three countries have been only partially offset by the sharp increase (390%) in Argentine exports from the extremely low level of shipments from that country in August-May, 1952-53.

Canada's share of the total exports from the four countries has remained relatively constant between the two periods, shipments during the first ten months of the 1952-53 crop year having accounted for 43.7% of the total as compared with 39.8%. The United States' share dropped to 32.4% from 41.1%, while Australia's share declined to 10% from 12.4%. Following a near crop failure in 1951-52 the Argentine harvested larger crops in 1952-53 and 1953-54. Reflecting the improved supply position, Argentina's share of the four countries' exports during August-May, 1953-54 amounted to 17.9% as against 2.8%.

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CROP DEVELOPMENT: A wide variation in crop development is evident throughout the Prairie Provinces due, in part, to the extended period of seeding and retarded growth resulting from excessive moisture and cool weather. Wheat varies from 24 inches in height in some areas to just emerging in others. With few exceptions, all spring crops are very much later than normal. However, winter wheat, fall rye and hay and pastures are generally in good condition, the Dominion Bureau of Statistics reported on July 8.

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Merchandise exports equalled about 22% of Canada's national income last year.

WORKERS' INCOME UP: Canadian labour income in April totalled \$954,000,000, slightly larger than the preceding month's \$943,000,000, and moderately above last year's \$946,000,000 which included retroactive wage payments to railway employees. The cumulative total for the January-April period was \$3,792,000,000, 1.5% above last year's \$3,727,000,000.

Advances in total wages and salaries were recorded during April in construction (\$5,000,000) and in the distributive industries (\$6,000,000), accompanying the seasonal revival of activity in building, water transportation and trade; there was also an increase of \$3,000,000 in the finance and services group.

The totals for the primary industries and for manufacturing decreased \$3,000,000 and \$1,000,000, respectively. The loss in the primary group reflected further reductions in logging operations which outweighed a modest upturn in agriculture. Leather products, clothing, iron and steel products, and transportation equipment were some of the groups within the manufacturing industry whose total wages and salaries declined in Ontario and Quebec.

The index of employment (1949=100) for manufacturing stood at 107.3 at the end of April as compared with 113.1 a year earlier. Average hours worked per week declined to 40.9 hours from 42.1. On the other hand, hourly wage rates increased roughly 3% over the year to April this year.

MAY CHEQUES \$12,611,000,000: Cheques cashed in clearing centres in May rose 8% as compared with a year earlier and the advance in the January-May period was almost 5%. The month's total was \$12,611,000,000 as compared with \$11,630,000,000, bringing the cumulative figure to \$60,497,000,000 as compared with \$57,682,000,000.

"CANADA GROWS": The 23rd annual Couchiching Conference being held at Geneva Park, Lake Couchiching, from August 7 to 13 will be broadcast again this year by the C.B.C.

Arranged jointly by the Canadian Institute of Public Affairs and the Canadian Broadcasting Corporation, the conference will have for its theme "Canada Grows".

MANUFACTURERS' SHIPMENTS: Canadian manufacturers' shipments in the first 1954 quarter were valued at \$4,111,797,000, down 3.5% from the preceding year's \$4,260,202,000, according to estimates contained in the second issue of a new quarterly publication released by the Bureau of Statistics.

PROVINCIAL DEBT. Four provinces reduced their per capita net direct and indirect debt last year, but increases in the other provinces raised the 10-province average \$10.24 or 5% to \$228.57 per Canadian, the Dominion Bureau of Statistics disclosed July 12 in its annual report on this aspect of provincial finances. Provincial net direct and indirect debt totalled \$3,372,766,000 at March 31 last year, \$277,722,000 or 9% more than on the same date in 1952.

The decreases in per capita net direct and indirect debt ranged from a drop of \$19.63 to \$214.33 in British Columbia to a slight decline of one cent to \$158.27 in Quebec. A reduction of \$8.34 to \$105.92 gave Alberta the lowest per capita figure, and in Prince Edward Island the average was cut by \$3.90 to \$169.48.

Sharpest increases were \$30.76 to \$319.60 in Ontario and \$27.75 to \$126 in Newfoundland, which in 1952 had the lowest per capita figure. In Manitoba the average rose by \$15.71 to \$191.91, and in Saskatchewan by \$7.25 to \$202.72. New Brunswick continued to have the highest per capita figure with an increase of \$2.92 to \$338.04. Smallest advance was \$2.80 to \$279.09 in Nova Scotia.

Total net direct and indirect debt was reduced 6% in British Columbia and 4% in Alberta last year. Increases in the other provinces ranged from less than 1% in Prince Edward Island to 31% in Newfoundland.

BONDED DEBT: For the second year in a row the total bonded debt of the 10 provinces increased in 1953 while the proportion payable only in Canadian funds decreased, the Dominion Bureau of Statistics reported July 12. Provincial bonded debt totalled \$2,371,033,000 at March 31 last year, \$161,714,000 or 7% more than on the same date in 1952, and 64% as compared with 66% was payable only in Canada. As in the preceding fiscal year, the proportion payable only in New York rose, increasing to 15% from 12%.

Prior to 1952, the proportion of the bonded provincial debt payable only in Canadian funds had been on the increase for many years, reaching a peak of 73% in 1951. The reverse had been true for the proportion payable only in New York, which had dwindled to nothing by 1949, was still nil in 1950, and amounted to less than 1% in 1951.

Last year the total amount payable only in Canada increased by \$72,463,000 or 5% to \$1,522,623,000, while the total amount payable only in New York rose by \$93,230,000 or 35% to \$358,255,000. The amount payable in New York and Canada showed a slight advance to \$297,243,000 from \$296,047,000. The amount payable only in London was unchanged at \$16,643,000, as was the amount payable in London and Canada at \$3,499,000, but the amount payable in London, New York and Canada declined to \$172,770,000 from \$177,945,000 at March 31, 1952.

GOVERNMENT



CANADA

CANADIAN WEEKLY BULLETIN

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 DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

SABREJETS FOR TURKEY: The Department of External Affairs announced on July 18 that the first six of 82 Canadian F.86E Sabrejets have been handed over by the Canadian Ambassador, Mr. H.O. Moran at Eskisehir Airport, near Ankara, to the Deputy Prime Minister Fatin Zorlu and to the Turkish Minister of National Defence Ethem Menderes.

These six jet fighters, flown to Turkey by pilots of the R.C.A.F., are part of Canada's contribution to Turkey under the Canadian Mutual Aid Programme. The balance of the 82 Sabrejets will be delivered to Turkey in forthcoming months.

In addition to these aircraft, Canada has contributed to Turkey 195 spare jet engines and other military equipment to the value of approximately \$70 million.

During the ceremony, in which senior Turkish and NATO officials participated, Mr. Moran read a brief message from Prime Minister St. Laurent. "In giving these fighter aircraft to the Turkish Air Force," Mr. St. Laurent said, "Canada will feel an even greater confidence - which will be shared by your other NATO partners - in your ability to continue to contribute to the defence of peace and the promotion of security."

The Prime Minister also noted that some of the Canadian jet aircraft for Turkey would undoubtedly be flown by Turkish aircrew who have been or are in training with the R.C.A.F. in Canada under the NATO Air Training Programme.

A message from the Secretary General of NATO, Lord Ismay, stated that all the members of the North Atlantic Alliance would be gratified by the contribution of these aircraft which could "strengthen our means to defend ourselves against aggression," and that he was pleased that these aircraft were now to be turned over "to the capable hands of the Turkish Air Force for assignment in a new country, but always for the same cause, the preservation of peace".

Among the officials at the ceremony were General Ucaner, Commander-in-Chief of the Turkish Air Force, General Ucar, Chief of the Turkish Air Staff, General Eaton, U.S.A.F., Commander of the Sixth NATO Tactical Air Force, and General Webster, Chief of the Turkish-U.S. Air Group. Squadron Leader M.W. Dickinson of Lachine, Que., has been temporarily stationed in Turkey to assist the Turkish Air Force in adapting their facilities to handle the new aircraft.

GRAIN PRICES: There will be no change in the level of initial prices to be paid western producers by the Canadian Wheat Board for basic grades of wheat, oats and barley during the crop year commencing on August 1, 1954. The Minister of Trade and Commerce announced on July 16.

Initial prices for western wheat, oats and barley, as approved by the Government under authority of the Canadian Wheat Board Act and effective for the crop year 1954-55, are as follows:

- Wheat (No. 1 Northern wheat basis in store Fort William/Port Arthur or Vancouver) \$1.40 per bushel
- Oats (No. 2 Canada Western oats basis in store Fort William/Port Arthur) 65 cents per bushel
- Barley (No. 3 C.W. 6-Row barley basis in store Fort William/Port Arthur) 96 cents per bushel

Initial payments for other grades of wheat, oats and barley will be announced by the Canadian Wheat Board after the start of the new crop year.

OIL OUTPUT: This April Canada's output of crude petroleum fell below the year earlier level for the first time since July, 1948, the Dominion Bureau of Statistics reported July 16. Production amounted to 5,375,127 barrels as compared with 5,393,970 in April last year. Output in the first four months of 1954, however, was up to 27,199,175 barrels from 20,448,830 in the first four months of 1953.

April output in Alberta, the major producing area, dropped to 4,836,941 barrels this year from 5,144,219 last year, and production in New Brunswick declined to 1,017 barrels from 1,129. Saskatchewan output jumped to 319,668 barrels from 158,642, and production in Manitoba to 132,936 barrels from 29,430. Output in the Northwest Territories advanced to 51,522 barrels from 41,562, and Ontario production to 33,043 barrels from 18,988.

January-April production was higher this year in all producing areas except New Brunswick, where the output fell to 4,570 barrels from 5,129. Alberta production rose to 25,119,961 barrels from 19,351,298, and Saskatchewan output increased to 1,299,790 barrels from 772,640. Four-month production in Manitoba advanced 492,196 barrels from 140,260, in the Northwest Territories to 155,591 barrels from 113,344, and in Ontario to 127,067 barrels from 66,159.

20,327 new dwelling units were built in the first quarter this year, 1,935 or 10% more than in 1953.

U.S. OFFICERS VISITORS: Approximately 15 United States Army Officers are paying a one-week visit to Canada for the purpose of acquainting themselves with Canadians, Canadian methods and the Canadian Army. They are selected from officers dealing with Canadian matters.

Arriving July 18 at RCAF Station, Rockcliffe, the US officers were to tour Ottawa and the following day meet their "opposite numbers" at Canadian Army Headquarters and be briefed on their tour. They were to visit the Royal Canadian School of Signals, the Royal Canadian Electrical and Mechanical Engineering Corps School, the Canadian Army Staff College, the Royal Military College, the Aluminum Company of Canada and cruise with the Royal Canadian Navy on the St. Lawrence River.

In the afternoon of the 21st they were to fly to Camp Borden, Ont., to visit the RCAF station, the Royal Canadian Armoured Corps School, the Royal Canadian School of Infantry, the Canadian School of Military Intelligence, the REAMC School, the RCASC School, and Camp Headquarters.

After visiting Toronto and Montreal they are to leave for Washington, July 25.

VANIER VISITS "VAN DOOS": Major-General Georges P. Vanier, DSO, MC, Honorary Colonel of Le Royal 22e Regiment and one of Canada's top diplomats and career soldiers, has completed a two-day visit to Canada's 1st Canadian Infantry Brigade in Germany.

A highlight of his visit was a formal inspection of his "own" unit, the 2nd Battalion le Royal 22e Regiment. He was appointed Honorary Colonel of the "Van Doos" in February, 1952.

As a member of the Royal 22nds in the war of 1914-18, Maj-Gen. Vanier was awarded the Distinguished Service Order and the Military Cross and Bar. He lost a leg as a result of wounds received in action.

FAR NORTH ELECTION: Mackenzie District's 6,000-odd Indians, Eskimos and white voters are being asked to choose the four candidates who will represent them for the next three years on the Northwest Territories nine-man council.

By radio, newspaper, and mocassin telegraph the news is being spread to every part of Mackenzie District's half million square miles. Nominations will be received on August 9 and polling booths will be set up in the settlements and at whatever outlying points electors may be concentrated early in September.

Motor vehicles account for about 7% of all wholesale sales as compared with only 3% a decade ago.

U.S. INVESTMENTS IN CANADA \$8,600,000,000

LARGEST RECORDED: United States investments in Canada rose by more than \$600,000,000 in 1953, raising the total United States capital investments in this country from \$7,976,000,000 at the end of 1952 to \$8,600,000,000 at the close of last year, according to the Bureau's annual report on the Canadian balance of international payments released on July 15.

The 1953 total is the largest ever recorded and compares with just under \$5,000,000,000 at the end of 1945; making an increase of 72% for the post-war period. Some three-quarters of this increase was in direct investments in concerns controlled in the United States; which amounted to approximately \$5,000,000,000 in 1953 against \$2,304,000,000 in 1945. Investment in government and municipal bonds at \$1,855,000,000 and portfolio investments in corporation stocks and bonds at \$1,500,000,000 at the end of 1953 were also higher than in 1945.

U. S. INVESTMENTS

The increase in United States direct investments in 1953 amounted to some \$500,000,000. Inflows of capital for direct investment made up \$330,000,000 of this increase, most of the remainder being from the retention of profits in Canadian subsidiaries. Inflows of capital for direct investment in petroleum exploration, development and refining of \$155,000,000 and into mining of \$104,000,000 were the highest on record and made up about three-fourths of the net capital inflow for direct investment. Inflows into transportation, including pipelines, were less in 1953 than in the previous year, while inflows into other commercial and industrial establishments were about the same as in 1952 but less than in 1951.

Corresponding estimates of the value of British capital invested in Canada at the end of 1953 are not yet available, but at the end of 1952 the value of such investments amounted to \$1,886,000,000; up from \$1,776,000,000 a year earlier. The 1952 total was higher than in any earlier post-war year and compares with \$1,715,000,000 in 1949 when investments in Newfoundland were first included in the Canadian total.

British investments are chiefly portfolio investments in public issues of Canadian securities, but direct investments in Canadian business had risen to a high of \$542,000,000 at the end of 1952. A further substantial increase appears to have occurred in 1953 as inflows of capital for direct investment amounted to \$42,000,000. Important British investment in 1953 took place in Canadian companies engaged in the manufacture of aircraft, electrical cables, chemicals and other products, and

in petroleum and financial enterprises. There was also an increase in British holdings of outstanding Canadian securities indicated by the net sales to the United Kingdom amounting to \$27,000,000; and probably also a further increase in the value of British investments through the retention of earnings in Canada.

Long-term investments owned by residents of all other countries amounted to some \$490,000,000 at the end of 1952. These have shown an increase also in recent years, the 1952 total comparing with \$340,000,000 in 1949.

Although there has been a substantial increase in the amount of non-resident capital invested in Canada, much the largest part of the heavy investment in all forms of capital expenditure in Canada in recent years has been financed from Canadian savings. While employment of non-resident capital has been heavy in some fields like petroleum and mineral development, there are other areas of investment of which farm property and residential real estate are examples, in which most of the capital is of Canadian origin. Consequently the proportion of total Canadian investments which is owned by non-residents is less than before the war.

FUNDED DEBT

In 1953 only 15% of the funded debt of Canadian Governments and corporations, estimated at \$24,500,000,000, was owned abroad as compared with over one-third of the amount outstanding in 1939. Likewise the percentage of the broad field of Canadian industry owned by non-residents is less than before the war, being about 32% in 1951 compared with 38% in 1939.

As might be expected from the growth in the value of non-resident investments, there has been a rise in the balance of Canada's indebtedness to other countries. This has risen to \$5,700,000,000 in 1953 from \$3,700,000,000 in 1949, and compares with \$5,500,000,000 in 1939. Gross liabilities to other countries aggregated some \$12,300,000,000, while the gross external assets of Canadians totalled \$6,600,000,000 in 1953. Included in the latter are holdings abroad owned by the Canadian public in direct and portfolio investments of \$2,200,000,000. Most of the remainder is made up of Canadian Government loans to other countries and government holdings of gold and foreign exchange.

In the light of the great development in Canada's productive capacity in recent years and of increases which have occurred in price levels, the burden of this liability to other countries must be regarded as relatively much lighter than in the pre-war period.

FLOATING LABORATORY: New vistas in a wide variety of northern research fields opened up for Canadian scientists with the July 8 commissioning of HMCS Labrador, the Royal Canadian Navy's new, 6,500-ton Arctic patrol vessel. In addition to her operational characteristics as a naval vessel especially designed for Arctic waters, the Labrador is also Canada's newest and largest floating laboratory.

The importance of detailed ice research will be demonstrated during the ship's first operational cruise by the presence of Dr. Terence E. Armstrong, an outstanding authority on Arctic ice conditions. He has been engaged by the Defence Research Board for an eight-month ice study in the Arctic Archipelago.

On loan from the Scott Polar Institute, Cambridge, England, Dr. Armstrong will review also current methods of sea ice reporting preparatory to recommending a system for general use.

Senior scientist during the summer cruise will be Dr. D.C. Rose, National Research Council, who will investigate the major causes of variations in cosmic ray intensity in and about Canada's northern islands.

Hydrographers will concentrate on preparing standard charts for navigational purposes. Those now in use are reconnaissance charts only and Canada's increasing activities in the north necessitate more detailed navigational aids.

A specialist in magnetic compasses, will join the ship to undertake investigations concerning a new navigational aid designed for use in high latitudes.

On a long-term basis, marine observations concerning plankton, bottom organisms, fish and other biological data will be investigated.

The Labrador's two helicopters, each capable of 30-mile sweeps, will play important roles in assisting the various research projects planned for summer.

The first operational cruise, scheduled to begin about July 21 from Halifax, is expected to last approximately three months.

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FOOD AND DRUG CONTROLS: Tightening of controls "at the source" to ensure safe food and drugs, is one of the main aims of the new Food and Drugs Act proclaimed in Canada, with effect from July 1, 1954, according to officials of the Food and Drug Divisions, Department of National Health and Welfare, administering the Act and Regulations made under it. Greater emphasis will now be directed by Government authorities to inspection of food and drugs at the factory.

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Advances ranging from 0.2 to 0.6% were registered for each of the ten regional consumer price indexes between May 1 and June 1, due mainly to increases in foods and rents.

MEDICAL CARE PLANS: A study of the operations of the 14 major non-profit medical care insurance plans across Canada has been completed.

This study was conducted by the Research Division of the Department of National Health and Welfare with the assistance of the managers of 14 prepaid medical care plans, Trans-Canada Medical Plans and the Canadian Council of Blue Cross Plans.

The Minister, Mr. Martin, pointed out that 2.4 million Canadians, or 16 per cent of our total population, were found to be covered for some form of prepaid physicians' services under these fourteen plans at the end of 1953, compared to fewer than 200,000 in 1946. Of these, more than one million persons were entitled to a fairly comprehensive range of benefits, including the cost of medical, surgical, and obstetrical care in the home, doctor's office, and hospital.

The study showed that non-profit medical insurance plans paid out \$27 million in 1953 on behalf of their membership. About 44 cents out of every dollar spent on benefits goes directly to physicians for attendances or consultations; another 30 cents is paid to surgeons, 11 cents goes for X-ray and laboratory services, and the remainder is paid for confinements and other miscellaneous services. Annually, an average of from three to four medical services are received by members enrolled under these plans.

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AID FOR ALLIES: Further quantities of Canadian military supplies are being shipped to Italy, Portugal, Denmark, Norway, France and The Netherlands this week by the Canadian Army under terms of the mutual aid programme of the North Atlantic Treaty Organization, Army Headquarters announced on July 16.

The shipments represent another step in fulfilling Canada's offer to provide defence armament, equipment and supplies to NATO countries. The offer was originally made in 1950 and a steady stream of ships carrying Canadian military supplies to Europe has since crossed the Atlantic.

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WHEAT SUPPLIES: Visible supplies of Canadian wheat in store or in transit in North America totalled 349,451,000 bushels at June 30, some 6,809,000 or 2% more than a week earlier and 108,206,000 or 45% more than on July 2 last year. During the week ended June 30 prairie farmers marketed 11,074,000 bushels, twice as much as the 5,524,000 bushels marketed in the week ending July 2, 1953.

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Highway and rural road mileage at the end of 1952 totalled 513,000 miles, of which 181,000 was surfaced and 332,000 was earth.

AMBASSADOR OF URUGUAY: The Department of External Affairs announced on July 21 that His Excellency Dr. Cyro Giambruno has presented to the Honourable Justice J.W. Estey, Deputy Governor General, his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Uruguay to Canada. The ceremony of presentation took place on July 21.

Dr. Giambruno, who was born in 1898, is a Doctor of Medicine. He was elected to the Uruguayan Parliament in 1934 and has, since then, had a very active and successful political career, both as a Member of Parliament and later as a Senator.

He has held several portfolios, including those of public education and social welfare and has served as Speaker of the Senate and Chairman of the International Affairs Committee. Dr. Giambruno has also represented his country at a number of international conferences and prior to his appointment to Canada was Ambassador of Uruguay to Italy.

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GOOD RELATIONS RECEPTION: Thirty-five high ranking Japanese officials from the cities of Kure, Hiroshima and Hiro were entertained in Kure, Japan on July 14 at a Canadian-Japanese good relations reception.

The reception was given by Colonel J.B. Allan of Saint John, N.B., Commander Canadian Base Units Far East, as part of a programme designed to foster friendly relations between Japanese nationals and the Canadian Army.

Guests included the chief procurators for the three areas, officials of the Japanese Maritime Self-Defence Force stationed in Kure Harbour, prefectural police chiefs and the mayors of the three cities in which Canadians spend a good deal of their recreational time.

Acting as official hostesses were nursing sisters of the Royal Canadian Army Medical Corps and ladies of the Canadian Red Cross.

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WREN TO PARIS: Sub-Lieutenant (W) Claire Marie Gagnon, 23, of Causapscal, Matapedia County, Que., will be the first member of the Royal Canadian Navy to serve at the Supreme Headquarters, Allied Powers, Europe, when she joins the European Communications Security Agency at Paris later this month. It is also the first postwar appointment overseas for a Canadian Wren officer.

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Dr. Tyrone Guthrie, internationally known director, is to return to Stratford, Ont. next summer for his third year with the Stratford Shakespearian Festival, it has been announced.

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Foreign tourist purchases in Canada were valued at \$73,840,000 last year, \$7,158,000 or 11% more than in 1952 and \$26,769,000 or 57% more than in 1951.

EMPLOYMENT INCREASE: There was a sharp increase in employment in outdoor activities during the four weeks ending June 19, the Department of Labour reported on July 21. It is estimated that the number of persons at work increased by about 99,000, compared with about 64,000 during the same period in 1953, the statement said.

Unemployment fell during the month, although proportionately slightly less than last year. While all labour-market areas felt the effects of the seasonal increase in employment, the areas in the Prairie region showed the greatest change largely because of high levels of construction activity.

For Canada as a whole, 41 areas were in the balanced labour market category, compared to 79 last year; 62 were in the moderate labour surplus category; 21 a year ago; five areas were in the substantial labour surplus category; none last year; one was in the shortage category compared to nine a year ago.

Manufacturing employment showed no marked change over the month apart from substantial lay-offs of short and indefinite duration in the motor vehicles and parts industries.

The civilian labour force totalled 5,462,000 in the week ended June 19, 1954, compared with 5,392,000 in the week ended May 22, 1954. These estimates are obtained from the monthly labour force survey conducted by the Dominion Bureau of Statistics.

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STORE SALES DOWN: Dollar sales of Canada's retail stores totalled \$1,063,112,000 this May, \$34,788,000 or 3.2% less than in May last year, the Dominion Bureau of Statistics has estimated. This put January-May sales at \$4,637,736,000 versus \$4,717,178,000 last year, a decline of 1.7%. Only sales increase so far this year was a slight gain of 0.4% in March.

The reduction in May sales was felt in all regions except the Atlantic Provinces and Ontario. Sales in the Atlantic Provinces were 1.4% higher this year at \$94,400,000, while Ontario sales, at \$410,292,000, were unchanged. Sharpest dip was a 12% drop to \$68,461,000 in Saskatchewan, Alberta following with a 10.2% cut to \$77,962,000. Sales fell 6.8% to \$57,221,000 in Manitoba, 3.7% to \$251,677,000 in Quebec and 3.7% to \$103,101,000 in British Columbia.

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Receipts of crude petroleum at Canadian refineries rose 21% in March as compared with the same month of 1953, and output of refined products advanced 4%. Month-end inventories of refined products climbed 8%.

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Marble production in Canada in 1952 amounted to 58,000 tons, two-thirds of which came from quarries in Ontario, and the balance from Quebec and British Columbia.

INDOCHINA COMMISSIONS: The following is the text of the formal invitation to Canada from the Geneva Conference to serve on the International Supervisory Commissions for Vietnam, Laos and Cambodia:

"July 21, 1954

"We have the honour to address you as co-Chairmen of the Geneva Conference on Indochina which concluded its work on July 20th 1954. The Conference took note of agreements ending hostilities in Vietnam, Laos, and Cambodia, and organizing international control, and the supervision of the execution of the provisions of these agreements. In particular it was agreed that an international commission should be set up in each of the three countries for control and supervision of the application of the provisions of the agreement on the cessation of hostilities in Indochina. It was further proposed that these commissions should be composed of an equal number of representatives of Canada, India and Poland, presided over by the representative of India.

"On behalf of the Conference, we accordingly have the honour to invite the Canadian Government in consultation with the Governments of India and Poland to designate representatives to form the International Supervisory Commissions for Vietnam, Laos and Cambodia as envisaged in the agreements on the cessation of hostilities, and on supervision in those three countries.

"It is hoped that the three International Supervisory Commissions can be established on the spot as soon as possible from the date on which the cease-fire comes into force.

"The text of the final declaration adopted by the Conference, and of all other agreements and declarations concerning the cessation of hostilities, and the organization of supervision in the three countries of Indochina will be transmitted to you as soon as possible.

"We have the honour to request an early reply which we shall at once transmit to the members of the Conference.

Signed: Anthony Eden
V. Molotov"

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The bulk of Canada's waterborne commerce is with the United States and the United Kingdom. Last year they accounted for 67% of the cargoes loaded at Canadian customs ports for foreign countries and 81% of the foreign cargoes unloaded.

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ADOPTED KOREAN VILLAGE: Canadian soldiers in Korea have contributed more than 3,000 dollars in a voluntary fund-raising campaign to support their recently adopted village of Chinmokchong. The tiny community is located within the Canadian sector of the demilitarized zone.

Lt.-Col. W.M. Sinclair of Halifax, chairman of the campaign committee, said that already 600 live chickens have been bought and distributed among the inhabitants of the village. Next step, he said, is to buy other farm stock, such as pigs and oxen, to assist the destitute villagers in their rehabilitation.

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FEWER VEHICLE ENTRIES: Fewer foreign vehicles entered Canada on traveller's vehicle permits in June and the first six months this year, the Dominion Bureau of Statistics reported today. Entries totalled 274,154 in June, 23,462 or 8% less than in June last year, and 751,432 in the half-year, 12,859 or 2% less than in 1953.

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POWER OUTPUT: Production of electric power by central electric stations amounted to 5,928,640,000 kilowatt hours this May as compared with 5,757,213,000 last year, but the five-month output showed a slight reduction to 28,133,279,000 kilowatt hours from 28,189,737,000. May production was higher in all provinces, and in the five months was lower only in Quebec.

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Ontario provided 34.6% of the \$1,331,000,000 worth of minerals produced last year, Quebec 19%, Alberta 18.5%, British Columbia 12.1%, Nova Scotia 5%, Saskatchewan 3.6%, Newfoundland 2.5%, Manitoba 1.9%, the Yukon 1.1%, New Brunswick 0.9% and the Northwest Territories 0.8%.

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Refineries received 12,339,000 barrels of crude oil in the first quarter this year, 2,158,000 or 21% more than last year. Canadian wells supplied over 53% of the 1954 total, while almost 67% of the 1953 total was imported.

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April production of natural gas increased to 10,480,963,000 cubic feet this year from 8,521,119,000 last year, bringing the total output in the first four months to 49,143,893,000 cubic feet from 39,288,545,000 a year earlier.

CANADIAN WEEKLY BULLETIN



INFORMATION DIVISION
 DEPARTMENT OF EXTERNAL AFFAIRS
 OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

INDOCHINA TRUCE COMMISSIONS: The following is the text of the statement on Canadian membership in the International Commissions for Vietnam, Laos and Cambodia, issued by the Department of External Affairs on July 28:

The Canadian Government has today transmitted to Mr. Anthony Eden, co-chairman, with Mr. Molotov, of the Geneva Conference on Indochina, its acceptance of the invitation forwarded by him on July 21 to designate representatives to form, with India and Poland, the International Supervisory Commissions for Vietnam, Laos and Cambodia. Officials are being sent to New Delhi this week to take part in preliminary organizational discussions, prior to the actual establishment of the Commissions in Indochina. The Canadian representatives on the Commissions will be named shortly.

The Government has decided to accept this invitation only after detailed study of the cease-fire and armistice agreements which are to be supervised by the International Commissions, and with full knowledge and appreciation of the responsibilities and difficulties that will go with membership. There are no illusions about the magnitude and complexity of the task.

Canada is geographically remote from Indochina and her collective security responsibilities in Southeast Asia are limited to those that arise from membership in the United Na-

tions. We know from experience, however, that just as local conflicts can become general war, so conditions of security and stability in any part of the world serve the cause of peace everywhere. If, therefore, by participating in the work of these Indochinese Commissions, Canada can assist in establishing such security and stability in Southeast Asia, we will be serving our own country, as well as the cause of peace.

While it is a matter of regret to us that the settlement in Indochina and the supervision of that settlement are not directly under the aegis of the United Nations, the Government is satisfied that Canadian participation will be fully in harmony with our responsibilities as a member of the world organization.

It should be emphasized that acceptance of membership on these Commissions does not mean that we have been called upon to guarantee or enforce the Indochina cease-fire. Nor does it involve any new military or collective security commitments for Canada.

The actual execution of the cease-fire agreements is the responsibility of the two sides directly concerned, functioning through Joint Commissions established by the Armistice Agreements. The International Commissions themselves have no enforcement obligation or responsibility. Their function will be solely supervisory, judicial and mediatory. Under

(Continued on P. 5)

INTERNATIONAL TRANSACTIONS: Canada's international transactions on current account resulted in a deficit of \$439,000,000 last year, according to the Bureau's annual report on the Canadian balance of international payments. The 1953 deficit is in sharp contrast to the current surplus of \$164,000,000 in 1952. The latter, however, followed current deficits of \$517,000,000 in 1951 and of \$334,000,000 in 1950.

The re-appearance of a current account deficit was accompanied, of course, by net capital imports, being more than balanced by heavy flows of long-term capital into Canada for direct and portfolio investment, which have been a feature of Canada's balance of payments in recent years. In 1952 the current account surplus and long-term inflows were balanced by large outward movements of short-term capital; but in 1953 short-term movements, while still outwards, were sharply lower. These changes took place without any great change in the external value of the Canadian dollar.

IMPORT VOLUME

Commodity transactions were mainly responsible for the abrupt swing from surplus to deficit in 1953. For 1953 as a whole, the trade balance shown in the balance of payments deteriorated by \$546,000,000 from a 1952 surplus of \$489,000,000 to a 1953 deficit of \$57,000,000. The major factor in this change was the continued sharp rise in import volume, which increased by 9% and was about 50% over the levels of 1948 and 1949. A slight decrease in exports volume and some deterioration in the terms of trade also contributed to the change to a trade deficit.

Non-merchandise transactions also had a part in the change to a current account deficit, the usual large deficit on these items increasing to \$382,000,000 from \$325,000,000 in 1952. Among these items, the deficit on travel account was slightly lower at \$63,000,000 against \$66,000,000 and on interest and dividends decreased to \$246,000,000 from \$268,000,000, while gold production available for export declined moderately to \$144,000,000 from \$150,000,000, freight account yielded a deficit of \$45,000,000 against a surplus of \$8,000,000, and the deficit on all other current transactions increased to \$173,000,000 from \$140,000,000. The full extent of the increase in the last-named item occurred in Government transactions, payments abroad by the Government of Canada rising sharply and more than offsetting increased spending in Canada by foreign Governments.

Substantial changes occurred last year in the bilateral distributions of Canada's current transactions. Both receipts and payments rose in transactions with the United States, but the rise in the latter exceeded the former to raise the deficit with the United States to \$924,000,000 from \$849,000,000. On the other

hand, there were larger payments and lower receipts in transactions with overseas countries generally, the surplus with all overseas countries declining to \$485,000,000 from \$1,013,000,000 in 1952. In the case of the United Kingdom, the surplus fell to \$142,000,000 from \$388,000,000, and with other sterling countries to \$87,000,000 from \$114,000,000.

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TRADE VISITORS: The Minister of Trade and Commerce, Mr. C.D. Howe, has announced that the Canadian Wheat Board, in the promotion of overseas sale of Canadian grain, is making arrangements to bring trade visitors from grain importing countries to Canada so that they may make first-hand studies of the production, grading, milling, storage and merchandising of Canadian wheat and other grains.

The small groups which are to be brought to Canada, in turn from a number of countries, will include men engaged in the technical side of the wheat and flour business as well as those actually interested in purchasing and merchandising. By gaining first-hand experience of Canadian grading methods, the visitors will be able to assure themselves of the high quality of our export grains. They will take their new knowledge back to their own countries.

Arrangements are going forward to invite small numbers from those countries which are present and prospective markets for Canadian grain whether they are in Europe, the Far East or Latin America.

The first group is coming from Brazil and includes Mr. I. Barcante, Mr. M. Araujo and Mr. E. Carvalho. They are spending two days in Ottawa in discussions with Government officials and paying a visit to the Dominion Experimental Farm. Mr. Howe plans to meet with them.

Subsequently they will proceed to Fort William, Winnipeg, Regina and Calgary as well as Vancouver and Montreal where they will study the Canadian grain trade, how grain is handled and how flour is milled.

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CROP DEVELOPMENT: Despite the lateness of the season, crops in most areas of the Prairie Provinces are developing rapidly. In Manitoba, however, there are substantial areas suffering from excessive moisture and flooding, while in southern Alberta, west-central and north-western Saskatchewan crops are beginning to deteriorate due to excessive heat coupled with depletion of moisture reserves. Crops are particularly late in central and northern Alberta, excluding the Peace River Block, but are now coming along rapidly. Over much of Saskatchewan and western Manitoba crop prospects are good.

* * * *

There were an estimated 5,141,000 hogs on Canadian farms at June 1 this year, 694,000 or 16% more than on the same date in 1953.

PROVINCES' REVENUES AND EXPENDITURES UP

ONTARIO AN EXCEPTION: Both total net general revenue and total net general expenditure of Canada's 10 provincial governments increased in the fiscal years ending nearest to December 31, 1954, over the previous 12 months with the former showing a greater increase than the latter, according to a preliminary analysis of provincial government finances for the year. All provinces had larger net general revenues than the year before, and all except Ontario had larger net general expenditures.

Net general revenue of the 10 governments aggregated an estimated \$1,311,200,000, up 9.4% from the preceding year's \$1,197,800,000. Net general expenditure (exclusive of debt retirement) totalled \$1,352,800,000, an increase of 5.9% over \$1,277,000,000 for 1953.

The estimated total tax yield for all provincial governments was boosted to \$534,000,000 from \$475,000,000 the year before, the sales tax on motor fuel and fuel oil - largest single source - accounting for \$226,000,000 as compared with \$207,000,000. The general sales tax yielded \$128,000,000 compared with \$102,000,000, and income taxes \$73,000,000 compared with \$53,000,000.

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ORE SHIPMENTS: Continuing the decreases posted in previous months this year, shipments of iron ore from Canadian mines dropped 27% in May to 552,589 tons from last year's 757,846 tons. This brought cumulative shipments for the January-May period to 1,101,873 tons, nearly 35% below last year's 1,690,073 tons. End-of-May stocks were sharply higher at 1,843,352 tons as compared with 761,334.

Ore shipped for export was reduced in May to 420,337 tons from 555,412, and five-month shipments were down to 802,313 tons from 1,157,150. Shipments to Canadian consumers in May were cut to 132,252 tons from 202,434, and January-May shipments were down to 299,560 tons from 532,923.

* * * *

CHEMICALS RECORD: Canada's chemical and allied industries had another record year in 1953 when the factory value of production climbed 6.4% to \$847,850,000 from the preceding year's \$796,562,000. The industry's output value has more than doubled in the post-war period and last year was more than five times the value for the best pre-war year. In 1939 production was valued at \$160,000,000 and in 1946 it stood at \$376,000,000.

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About 22% of the total amount spent on Canadian-produced goods and services last year was spent by other countries, and of this amount more than 75% was accounted for by commodity trade.

Provincial receipts from the federal tax rental agreements increased to \$328,000,000 from \$298,000,000, and privileges, licences and permits yielded \$262,000,000, up from \$242,000,000. Liquor profits rose to \$117,000,000 from \$115,000,000.

Expenditures on transportation and communications bulked the largest item among the expenditures at \$370,000,000, slightly under the preceding year's \$374,000,000. Outlays on health and social welfare climbed to \$335,000,000 from \$306,000,000, expenditures on health increasing to \$223,000,000 from \$206,000,000, and on social welfare to \$112,000,000 from \$100,000,000. Expenditures on education increased to \$247,000,000 from \$228,000,000, and on natural resources and primary industries to \$108,000,000 from \$100,000,000. Contributions to municipalities were raised to \$42,000,000 from \$29,000,000.

Debt charges were up to \$120,000,000 from \$115,000,000, debt retirement (from current account) increasing to \$61,000,000 against \$58,000,000, and interest and other charges to \$59,000,000 compared with \$57,000,000.

WHEAT MARKETINGS: Visible supplies of Canadian wheat in North American positions on July 7 totalled 352,864,000 bushels, slightly above June 30 stocks of 349,451,000 bushels but sharply above last year's 239,145,000 bushels.

Prairie farmers reduced their wheat deliveries during the week ending July 7 to 9,393,000 bushels from 9,508,000 a year earlier, oats to 1,901,000 bushels from 2,794,000, barley to 2,549,000 bushels from 3,416,000, rye to 322,000 bushels from 344,000, and flaxseed to 53,000 bushels from 97,000.

Overseas export clearances of wheat in the week ending July 7 were cut to 4,063,000 bushels from 9,931,000 a year ago, barley to 683,000 bushels from 3,251,000, rye to 20,000 bushels from 182,000, but clearances of oats rose to 109,000 bushels from 108,000, and flaxseed to 37,000 bushels from 20,000.

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Over 79% of the imported crude oil received in the first quarter this year came from Venezuela as compared with less than 65% last year. Arabia supplied 9.5% of the total in 1954 as against 11% in 1953 and the United States provided 9% as compared with 24%. About 3% of this year's first-quarter imports came from Trinidad.

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Total value of inventory investment in manufacturing industries at the end of May was \$3,503,200,000.

UNIVERSITY REVENUES: With federal Government payments more than quadrupled to \$7,235,571 from \$1,706,589, the revenues of institutions accounting for about 80% of the full-time enrolment of Canada's universities and colleges reached \$48,221,429 in 1952 to top the expenditures of \$47,194,937 by more than 2%, the Dominion Bureau of Statistics reported on July 22. In 1951 expenditures totalled \$40,791,521, almost 1% more than the revenues of \$40,532,426.

The increased federal aid to higher education was the result of the adoption of a system of grants to institutions as recommended by the Royal Commission on National Development in the Arts, Letters and Sciences. The grants are paid on the basis of 50¢ per head of population in each province, with eligible institutions receiving their share of the total provincial grant in proportion to the number of full-time students at university level attending in courses leading to a degree. In 1952 a total of \$6,991,949.75 was paid to 83 institutions in the 10 provinces.

GOVERNMENT GRANTS

Provincial Government grants increased to \$17,780,425 in 1952 from \$16,764,907 in 1951 and municipal Government grants to \$268,165 from \$261,893, with the result that 52.4% of the income of the universities was obtained from Government grants in 1952 as compared with 46.2% in 1951. The Government grants averaged \$498 per full-time student as compared with \$343 in 1951.

Student fees contributed \$14,544,269 or 30.2% of the revenues in 1952 as against \$14,025,040 or 34.6% in 1951, and averaged \$286 per full-time student as against \$256. Endowments and investments netted \$3,185,488 or 6.6% as against \$3,127,201 or 7.7%, averaging \$63 per full-time student as against \$57. Other sources provided \$5,207,511 or 10.8% of the total as compared with \$4,646,796 or 11.5% and averaged \$102 per full-time student as compared with \$85. Total revenues averaged \$949 per full-time student in 1952 versus \$741 in 1951.

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ADVERTISING SERVICES: Canadian advertising agencies handled advertising and provided other services to the extent of \$144,339,000 in 1953, an increase of 18.6% over the preceding year's \$121,667,000. There were 88 agencies (unchanged from 1952) and seven against five in 1952 had billings of \$5,000,000 and over, accounting for about 48% as against 39% of the total business of all agencies.

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110,374 TV sets were sold in the first quarter this year, 34,295 or 45% more than in the first three months last year.

UNIVERSITIES SURVEY: Canada's universities and colleges had fewer students and graduates but more staff in 1952 than 1951, according to the biennial survey of higher education by the Dominion Bureau of Statistics. Total enrolment, including pre-matriculation students, declined to 156,246 from 157,028. The number of degrees and diplomas, including honorary doctorates, decreased to 18,650 from 21,327. The total teaching staff increased to 12,458 from 11,128.

Full-time undergraduate enrolment continued to decline from the 1948 peak of 79,346 and totalled 59,849 in 1952, a drop of 4,187 or 6.5% from 1951. Excluding students in receipt of grants from the Department of Veterans' Affairs, however, undergraduate enrolment maintained a steady increase during the post-war years until 1952 when non-veteran enrolment showed a slight decline to 57,383 from 57,910 in 1951. Full and part-time post-graduate enrolment fell to 4,316 in 1952 from 4,559 in 1951, but the non-veteran total rose to 3,967 from 3,716.

Women students represented 22.1% of the undergraduate total in 1952 as compared with 21.7% in 1951, and 15.7% of the post-graduate total as compared with 15.4%. In 1946, 20.8% of the undergraduates and 22% of the post-graduate students were women. Back in 1921 women accounted for 16.3% of the undergraduates and 25.5% of the post-graduates.

Full-time undergraduate and post-graduate enrolment declined to 63,499 in 1952 from 68,306 in 1951, with decreases reported in all provinces.

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CANADA IN NATO EXERCISE: A NATO exercise, Morning Mist, will take place from September 23 to October 3. Officers and men from six nations will take part in army units, ships and aircraft of almost every type, and in manoeuvres ashore. Forces from Canada, Denmark, France, the Netherlands, Norway and the United Kingdom will be exercised in various phases of sea-power. Land forces of Norway and Denmark will also be exercised.

This exercise will be sponsored jointly by the Supreme Allied Commander Europe, the Supreme Allied Commander Atlantic, the Commander-in-Chief Channel and the Commander-in-Chief Maritime Air Channel.

The exercise will take place in the North-east Atlantic, the Norwegian Sea, the south-western approaches to the English Channel and the Biscay area, as well as in land areas of Norway and Denmark.

The first Canadian escort squadron will sail from Halifax in mid-September to take part in Morning Mist.

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Over 56% of the national output of glass is produced in Ontario, 34% in Quebec and less than 10% in other provinces.

(Continued from P. 1)

INDOCHINA TRUCE COMMISSIONS

Indian chairmanship, the Commissions will be responsible for supervising the proper execution of the provisions of the agreements by the parties directly concerned; will assist these parties with the interpretation of those provisions; will be available to settle disputes; and, in cases where disputes cannot be settled, will report the matter to the members of the Geneva Conference. India, Poland and Canada are also expected to assume responsibility at a later stage for supervising elections.

In carrying out their tasks the International Supervisory Commissions should be able to function more effectively than the Neutral Nations Supervisory Commission in Korea which, because of equal Communist and non-Communist representation, very often had effective action blocked, and which could report only to the two military commands.

The Indochina Commissions will each consist of three members - Indian, Polish and Canadian - and in most cases will be able to take decisions by majority vote. In those special and designated cases where unanimity is required by the cease-fire agreements but cannot be obtained, the commissions will submit majority and minority reports to the Geneva Conference powers. It will then be the responsibility of those powers to deal with the matter.

MILITARY OFFICERS

In addition to providing representatives for each of the three Supervisory Commissions, India, Poland and Canada will supply a number of military officers for the fixed and mobile inspection teams which will supervise the execution of the cease-fire agreements in the field, under the direction of the Supervisory Commissioners.

A study of the information available has led us to the conclusion that the Commissions have a reasonable chance of operating effectively and of making a constructive contribution to the successful implementation of the cease-fire agreements, and hence to peace in Southeast Asia. If our expectations unfortunately prove ill-founded, and the Commissions are frustrated by obstruction, then, of course, no useful purpose would be served by continuing their existence.

The exchange of views which we have had with those powers with whom we are especially closely associated in efforts to maintain peace and strengthen security, has confirmed our conviction that we ought to accept this onerous but honourable assignment.

Finally, we have been conscious of the serious consequences which might follow if we were to decline the invitation, since this could delay and complicate the implementation of the cease-fire agreements with unhappy, and

possibly even serious results. We have no illusions that the task we are undertaking will be either easy or of short duration, but we take satisfaction from the fact that in performing it Canada will be playing a worthy and responsible part in an effort to strengthen peace.

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AMBASSADOR TO ISRAEL: The Department of External Affairs announced on July 28 that the Governments of Canada and Israel have agreed to an early exchange of Ambassadors.

When the Legation of Israel was established in Ottawa on September 1, 1953, it was understood that because of a shortage of personnel and prior commitments elsewhere Canada would not be able to reciprocate immediately. Now, however, the Canadian Government finds it possible to establish an Embassy in Tel Aviv and to send an experienced officer of the Department of External Affairs to serve as Chargé d'Affaires ad interim during periods when the Ambassador is resident in another state to which he will also be accredited.

These appointments will be announced later. Israel's Legation in Ottawa will be raised to Embassy rank.

It is confidently expected that these arrangements will help to promote trade and the many other interests which Canada and Israel have in common as well as to facilitate a two-way exchange of views in the field of international co-operation and on other matters of concern to both countries.

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AMBASSADOR TO EGYPT: The Department of External Affairs announced on July 28 that the Governments of Canada and Egypt have agreed to an early exchange of diplomatic representatives. A Canadian Embassy will be established in Cairo during the coming autumn and the Egyptian Government has intimated that before the end of the present year it will open an Embassy in Ottawa. Since 1949 Egypt has been represented in Ottawa by a Consul General.

As Canada has had no previous diplomatic representation in the Arab world, the decision to exchange ambassadors with Egypt helps to fill a need long felt by the Canadian Government and is expected to have the effect of strengthening the friendly relations existing between the Governments and peoples of Canada and Egypt which have already been promoted through common membership in the United Nations and the specialized agencies.

It is anticipated that this step will result in increased trade between Canada and Egypt. In accordance with the usual practice, upon the opening of the new diplomatic mission the Canadian Government Trade Commissioner in Cairo will become Commercial Secretary of the Embassy.

TO NEW DELHI: Mr. R.M. Macdonnell, Assistant Under-Secretary of State for External Affairs, and Air Commodore H.H.C. Rutledge, O.B.E., C.D., Coordinator Joint Staff, Department of National Defence, left Ottawa on July 28 by air for New Delhi to take part with Mr. Escott Reid, the Canadian High Commissioner to India, in preliminary negotiations to consider arrangements for the International Supervisory Commissions in Vietnam, Laos and Cambodia.

This conference has been arranged by India as Chairman of the Supervisory Commissions. The participants in the Commissions, India, Poland and Canada, are expected to take part in the discussions along with representatives of France, Vietnam, Laos, Cambodia and the Democratic Republic of Vietnam (Vietminh). Mr. Macdonnell and Air Commodore Rutledge will return to Ottawa after making arrangements for Canadian participation in the Supervisory Commissions.

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WORKERS' INSURANCE SURVEY: Some form of sickness and accident benefit plan, or insurance policies providing cash compensation for wage loss, appeared to be fairly common practice in Canadian manufacturing industries, the Minister of Labour, Mr. Milton F. Gregg, has announced.

The Minister based his statement on the results of a survey of working conditions made last year. The survey covered 6,476 manufacturing establishments in Canada employing 802,805 plant workers and 183,183 office workers. Of this total, in almost 79 per cent there was some form of group employee sickness and accident insurance in effect. The 5,112 plants which reported having sickness and accident benefits in effect employed about 94 per cent of all plant workers covered by the survey and 96 per cent of the office workers.

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PETROLEUM RISE: April production of refined petroleum products advanced to 10,089,882 barrels this year from 9,730,757 last year, increases in Ontario, British Columbia, Manitoba, Alberta and the Northwest Territories outweighing decreases in Saskatchewan, the Maritimes and Quebec. May 1 refinery inventories were up to 20,430,282 barrels from 19,185,460 last year.

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"BRITANNIA" TO CANADA: The Royal Yacht, HMY Britannia will visit Canada next month to provide return passage to the United Kingdom for His Royal Highness the Duke of Edinburgh on completion of his tour of northern Canada.

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The addition of an extra week to the Shakespearean Festival season was announced at Stratford, Ont.; on July 27. This will extend the Festival to August 28

EMPLOYMENT RISE: Industrial employment in Canada showed considerable expansion at the beginning of June and the Bureau's composite index read 108.9 or 2.5% higher than the May 1 reading of 106.2 to register a greater increase than at the start of June last year. However, the index - on the base of 1949 equals 100 - was 3.1% under last year's June 1 level of 112.4.

The index of industry's payrolls rose 1.3% during the latest month to 148.7 from 146.8 at May 1, but was 1.8% below last year's June 1 position of 151.5. The May 24 holiday occasioned some losses and was partly responsible for a decline of 71¢ in average weekly wages and salaries from the May 1 figure of \$59.15. However, the latest per capita figure of \$58.44 was the maximum on record for the time of year and was 1.2% above last year's June 1 average of \$57.72.

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NEW D.B.S. INDEX: The 1954 list of current publications of the Dominion Bureau of Statistics, now ready for distribution, features for the first time an index designed to show which Bureau publications provide information on specific commodities and subjects. Compiled to facilitate the selection and ordering of Bureau publications, the new index will also help those who maintain files on Bureau publications to locate all available information on a particular item. Statistics on some commodities and subjects appear in as many as a dozen or more publications.

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INDUSTRIAL PRODUCTION: Canadian industry continued to produce less than last year in May, according to advance figures released by the Dominion Bureau of Statistics. The Bureau's composite index of industrial production for May registered 246.0, a drop of 3.5% from 254.8 in May last year. This compared with a decline of 4.8% in April. During the first five months of 1954 the composite index averaged 3% lower than in January-May last year.

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UN MILITARY OBSERVERS: Two Canadian Militia officers have been selected for duty with the Department of External Affairs and employment with the United Nations Military Observer Group in India and Pakistan, Canadian Army Headquarters announced on July 27. Lt.-Col. H.S.W. Alexander, 40, of Windsor, Ont., and Maj. C.A. Murphy, 34, of Drummondville, Que., will leave Canada shortly for a year's tour of duty.

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A series of parks, selected for their scenic beauty, recreational possibilities and convenient location to municipalities along the river, are planned as part of St. Lawrence River development.



CANADIAN WEEKLY BULLETIN

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 DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

EXPORTS DOWN: Canada's domestic exports declined 16.8% in June from last year's June value which was an all-time monthly peak. This was mainly due to reduced shipments of grains since exports of all other commodities were only slightly lower in value than last year.

Except for a small increase in March there were declines from 1953 levels in all earlier months of the year and the cumulative value for the first half of 1954 fell 7.5%. There was a decrease of 15.1% in volume of exports in June and a decline of 5.4% in the half-year period. Prices were down 1.9% in June, and 2.5% in the January-June period.

Exports were lower in value than a year ago both in June and the January-June period to the United States, the United Kingdom, other Commonwealth countries as a group, Latin American countries, and Europe. Half-year exports to all other foreign countries were higher than last year, but June values were lower.

Domestic exports to all countries in June were valued at \$342,600,000 as compared with \$358,300,000 in May and \$411,700,000 in June last year. The January-June value was \$1,844,400,000 as compared with \$1,993,600,000.

Exports to the United States in June were valued at \$208,432,000, slightly below last year's \$214,588,000, and the January-June total declined to \$1,120,539,000 from \$1,188,420,000. In June there were moderate declines in all main commodity groups except agricultural and vegetable products which moved high-

er. The animals and animal products group was the exception to the general decline in the half-year period. Largest decreases in the six months were in wood and paper products, iron and products, and non-ferrous metals and products.

Shipments to the United Kingdom in June dropped to \$52,537,000 from \$77,026,000 a year ago, and the half-year value fell to \$288,219,000 from \$314,234,000. Largest decline among the main commodity groups occurred in agricultural and vegetable products. Apart from the drop in agricultural and vegetable products there were smaller decreases in the half-year period in the animals and animal products section and in iron and products, but increases in the other groups.

Domestic exports to the rest of the Commonwealth in June dropped to \$17,222,000 from \$26,521,000 a year ago, and in the half-year period declined to \$92,919,000 from \$119,695,000. Export values were lower both in June and the six months to the Union of South Africa and India, but higher for New Zealand. Exports to Pakistan in June were larger than last year but were off sharply in the half-year period, and to Australia were down in June but up in the six months.

The month's exports to Latin American countries as a group fell to \$16,773,000 from \$20,817,000 a year ago, and the half-year value declined to \$94,358,000 from \$99,528,000. Shipments were lower both in June and the

(Continued on P. 5)

13,540 NEW CITIZENS: Canadian citizenship was granted 13,540 persons in the year 1953, of whom 10,089 were non-British and 3,451 were British subjects, according to the second annual report of the Dominion Bureau of Statistics on Canadian citizenship based on information furnished by the Department of Citizenship and Immigration. In 1952 Canadian citizenship certificates were granted 9,061 non-British subjects, but 1952 totals for the number granted British subjects are not available.

Classified by country of former allegiance, Polish formed the largest non-British group granted certificates in 1953, numbering 2,328 or about 23% of the total. Persons of Chinese nationality - 2,044 in all - were the second largest group, and United States citizens, numbering 640, constituted the next largest national group. Some 1,468 of the Polish nationals came to Canada between 1946 and 1950, while 1,030 of the Chinese were older residents of Canada, having immigrated to this country prior to 1921. There were also 524 stateless persons, 488 of whom had come to Canada between 1946 and 1950. Almost one-half (4,784) of the non-British subjects granted Canadian citizenship in 1953 had come to Canada since the end of the war and 1,826 arrived before 1921.

SEX DISTRIBUTION

The sex distribution of British subjects becoming Canadian citizens during 1953 was very similar to that of the Canadian population as a whole, 51.4% of them being males and 48.6% females as compared with 50.6% males and 49.4% females for the total population. The percentage distribution by age group was 0-14 years, 6.5%; 15-24, 7.9%; 25-44, 64.7%; 45-64, 18.6%; and 65 years and over, 2.3%.

Of the non-British subjects, 63% were males and 37% were females. The percentage of males under 20 years of age was 9 but only 5% of the females were under that age. In the age group 20-44 years, there were 2,944 males and 1,900 females granted Canadian citizenship in 1953, accounting for 46% of the males and 51% of the females. The age group 45 years and over comprised 2,851 or 45% of the males and 1,648 or 44% of the females.

Persons granted certificates of Canadian citizenship during 1953 showed a decided preference for urban areas. Only 14.4% of the British subjects (497 persons) lived in rural parts of Canada, while 85.6% (2,954 persons) lived in urban areas, mainly the largest cities, for 2,306 lived in centres of 100,000 population or over. Of the non-British subjects, 8,301 or 82% lived in urban areas, and among these, 6,189 resided in the metropolitan centres of 100,000 population and over. The 1951 census showed that only 61.6% of the Canadian population lived in urban areas.

The main occupation groups among the male British subjects in the labour force who obtained certificates of Canadian citizenship during 1953 were the professional group, represented by 359 persons or 23.6%, the manufacturing group with 289 or 19%, the proprietary or managerial occupations with 169 or 11%, and the service group with 150 persons or 10%. Among the females, 1,041 or 62% were homemakers, and 457 were in the labour force. The clerical occupation group accounted for 210 or 46% of the females in the labour force. There were 81 or 18% in the professional group, and 75 or 16% in the service occupations.

Of the total number of non-British nationals granted citizenship certificates in 1953, some 6,119 reported a gainful occupation. Among the total of 5,408 males reporting gainful occupations 1,179 or 22% were engaged in manufacturing occupations; 788 or 15% in service occupations; 719 or 13% in agricultural occupations; 702 or 13% as general labourers; 623 or 12% in proprietary or managerial occupations; and a balance of 1,397 in other occupation fields. Only 711 females were employed in gainful occupations, the principal fields of employment being manufacturing, service and clerical occupations. In addition, there were 2,743 homemakers, among the non-British females.

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APPOINTMENT OF MAJ.-GEN. BURNS: The Department of External Affairs announced on August 3 that the Secretary-General of the United Nations has appointed Major-General E.L.M. Burns, DSO, OBE, MC, of Canada Chief-of-Staff of the United Nations Truce Supervision Organization in Palestine, to succeed Major-General Vagn Bennike of Denmark.

For the duration of his service with the United Nations General Burns will be on leave of absence from his position as Deputy Minister of the Department of Veterans Affairs.

When General Bennike's appointment expired on June 17, 1954, the Secretary-General requested him to continue in office until a successor was appointed and had arrived in Jerusalem. General Burns will reach Jerusalem shortly.

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VISITORS: A group of students and directing staff from Britain's Imperial Defence College are arriving in Ottawa this week to begin a month-long tour of Canada and the United States, National Defence Headquarters announced on July 28.

Leading the party is Air Chief Marshal Sir Arthur Sanders, KCB, KBE, RAF, Commandant of the College, together with I.T.M. Pink, CMG, of the Foreign Service, and Commander I.G. Steel, MVO, RN, both members of the College directing staff.

CROP ACREAGES ESTIMATES: Preliminary estimates of the 1954 acreages of Canadian field crops and summerfallow indicate that acreages seeded to wheat, barley and rye were reduced from 1953 levels while increased areas were sown to oats, flaxseed and mixed grains. Increased acreages are also indicated for tame hay, corn for grain, soybeans, sugar beets and dry beans while decreases from 1953 occurred for potatoes, buckwheat, fodder corn, dry peas and field roots. In the Prairie Provinces, where unusually adverse seeding conditions prevailed over large areas, the acreage in summerfallow is the highest on record.

The area seeded to spring wheat this year is currently estimated at 23,600,000 acres, a decrease of about 5% from the 1953 area of 24,800,000. Most of the decrease from last year occurred in the Prairie Provinces although acreages seeded in British Columbia and Ontario were also lower than in 1953. In the Prairie Provinces the decreases from 1953 ranged in size from 3.5% in Saskatchewan to about 8% in both Manitoba and Alberta. The Saskatchewan wheat acreage is estimated at 15,500,000 acres as against 16,100,000 in 1953 while in Alberta and Manitoba the acreages are placed at 5,900,000 and 2,000,000, respectively, compared with 6,300,000 and 2,200,000 in 1953. The area of winter wheat in Ontario, the principal producing area for that crop, is estimated at 710,000 acres, down slightly from last year's 732,000 acres.

OATS ACREAGE

The acreage seeded to oats, historically next largest to wheat in area, is placed at 10,200,000 acres. Although this represents an increase of 3% over last year's unusually low level of 9,800,000 acres, it is still the second smallest area seeded to oats in 40 years.

Breaking the continuous upward trend in barley acreage since 1949, this year's seeded area is estimated at 7,900,000 acres, down 12% from the 1953 total of 8,900,000, and back to approximately the same level as 1951.

Much more pronounced than the drop in barley acreage is the proportional decline in area seeded to both fall and spring rye. The area seeded to fall rye is now estimated at 672,500 acres, a decline of 35% from last year's level while the area seeded to spring rye is placed at 178,000 acres, 43% below the 1953 area.

In contrast to barley and rye, acreages seeded to both flaxseed and mixed grains show increases over 1953. The 1954 area seeded to flaxseed, currently estimated at 1,200,000 acres, is 24% above last year's level. The area seeded to mixed grains in Canada in 1954 is placed at 1,600,000 acres, of which 1,100,000 is in Ontario.

ARCTIC SEA-SUPPLY: The most extensive sea-supply operation ever attempted by Canada in peace-time goes into effect this week when a ship convoy leaves Quebec City for Canada's far northern Queen Elizabeth Islands to deliver over four thousand tons of equipment and supplies to the Joint Canada-U.S. Arctic Weather Stations.

Five ships will be involved in the operations, each carrying special landing craft for delivering cargo to the beaches at Resolute, Eureka and Padloping. Some 50 stevedores from Montreal will proceed north aboard the convoy ships and will handle the cargo from the beaches to warehouses at the northern outposts.

The whole operation is being carried out by the Department of Transport which has, over the past few years, also assumed responsibilities for the annual delivery of supplies, personnel and equipment to the various Canadian outposts in the eastern and western Arctic. The new sea supply operation has been officially named "Nors I".

There are five joint Canada-U.S. Arctic weather Stations located in the Queen Elizabeth Islands, namely, Resolute, Eureka, Alert, Mould Bay and Isachsen. Stations which are not readily accessible by sea will be re-supplied by airlift during the coming year.

The importance of the Arctic Weather Stations to the economy of Canada and the U.S. is immeasurable. Most of the high altitude winds emanate from the north and advance knowledge has permitted the development of weather forecasting systems in each country which has added considerably to the safe operation of aviation and has made possible the introduction of high altitude flying by jet aircraft.

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"EXERCISE CONFUSION": More than 800 men, women and children from Ottawa, Arnprior and Renfrew converged on the Canadian Civil Defence College at Arnprior on July 29 to take part in the first large-scale registration and inquiry test ever conducted on this continent.

Transported to the Civil Defence College by a fleet of 12 motor busses and scores of private cars, the volunteers were presented with "identities" and "families" and asked to register with civil defence welfare services as homeless, injured, hungry or lost. Purpose of the exercise was to sort out the mass of humanity and restore scattered families as quickly and efficiently as possible.

Unofficially dubbed by civil defence workers "Exercise Confusion", the test was complicated by the inclusion of a number of "unidentified dead" and "unidentified injured" who helped make the job of the registration workers harder.

BUDGETARY SURPLUS: The Government's budgetary surplus for the first three months of this fiscal year was \$109,000,000 at July 31, the Minister of Finance, Mr. Walter Harris, announced on that date.

For June, his statement said, budgetary revenues were \$319.6 million, a decrease of \$52.3 million from June 1953, while budgetary expenditures were \$384.7 million or \$2.4 million less than expenditures in June a year ago. For June 1954, the budgetary deficit was \$65.2 million compared with a deficit of \$15.2 million for June last year.

For the first three months of this fiscal year, budgetary revenues have totalled \$955.1 million and expenditures \$846.1 million and the budgetary surplus was \$109 million. For the first three months of the previous fiscal year, budgetary revenues were \$1,050.5 million, budgetary expenditures \$865.5 million and the surplus \$185 million.

During June, pension payments out of the old age security fund, which are not included in budgetary expenditures, amounted to \$29.1 million, while tax receipts credited to the fund were \$23.3 million, resulting in a deficit of \$5.8 million for the month.

For the first quarter of the current fiscal year pension payments were \$87.3 million and tax receipts credited to the fund were \$75.1 million. For the first quarter of the previous fiscal year pension payments exceeded tax receipts by \$16.2 million.

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SEAWAY APPOINTMENTS: In his first official announcement since assuming the post of President of the St. Lawrence Seaway Authority, Mr. Lionel Chevrier, on August 3, listed the appointment of three senior officials to the staff of the newly created Authority. All three appointments are effective August 1.

The three senior posts filled provide for the supervision of engineering and financial undertakings and that of Secretary.

Mr. A. Gordon Murphy, Port Manager of the Harbour of Montreal, has been appointed Chief Engineer of the Authority.

Mr. David W.G. Oliver of the Department of Finance and Treasury Officer with the Montreal Harbour has been named Comptroller.

Mr. Raymond Beriault, of the Canadian Broadcasting Corporation, International Service, to be Secretary of the Authority.

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ARMY TRUCKS FOR ITALY: The Canadian Army will ship 150 trucks to the Italian Army in August under terms of the Mutual Aid programme of the North Atlantic Treaty Organization.

A large quantity of spare parts for the vehicles will accompany the shipment. The vehicles and spare parts will be shipped from Hamilton, Ont., to Naples in three separate shipments during the first two weeks of August.

SECURITIES TRANSACTIONS: Security transactions between Canada and other countries in May led to a net capital inflow of \$2,800,000, down somewhat from the preceding month when a sales balance of \$7,500,000 was recorded. Trading with residents of the United Kingdom resulted in a small purchase balance for the first time since January, 1953 and was the principal factor accounting for the decreased sales balance with all countries. While the net movements were not large, the volume of trading continued to be high and for the third consecutive month exceeded \$100,000,000.

In the January-May period trade with all countries produced a sales balance of \$30,600,000 in contrast to a small purchase balance of \$800,000 in the same 1953 period.

Transactions with the United States in May led to a sales balance of \$2,000,000 reflecting mainly net sales of Canadian stocks amounting to \$3,100,000. During the first five months of 1954 a sales balance of \$13,000,000 was recorded as compared to a purchase balance of \$18,700,000 in the same period of 1953. Contributing to this capital inflow was a decrease of over \$17,000,000 in net repatriation of Government of Canada direct and guaranteed issues.

Trade with the United Kingdom in May led to a purchase balance of \$200,000 compared with a sales balance of \$1,200,000 a year earlier, and in the five-month period there was a sales balance of \$11,800,000 as compared with \$9,400,000 last year.

With all other countries the May sales balance amounted to \$1,000,000 against \$5,100,000 a year ago, bringing the five-month total to \$5,900,000 as compared with \$10,600,000.

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WHEAT SUPPLIES: Visible supplies of Canadian wheat on July 14 totalled 359,761,000 bushels, moderately above a week earlier stocks of 352,864,000 bushels, but sharply above last year's 237,813,000 bushels. Prairie farmers reduced their wheat deliveries during the week ending July 14 to 10,952,000 bushels from 12,871,000 a year ago, and cumulative deliveries for the crop year to date were down to 356,974,000 bushels from 465,573,000.

Overseas export clearances of wheat during the week were steeply lower at 2,238,000 bushels as compared with 11,427,000 a year ago, and cumulative clearances were off to 188,965,000 bushels from 288,796,000.

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Retailers sold more for cash, less on credit in the first three months this year than in the first quarter of 1953. Cash sales were 1.3% higher at \$1,704,600,000 versus \$1,682,400,000, while instalment sales were down 9.4% to \$260,400,000 from \$287,500,000 and charge sales 3.8% to \$512,500,000 from \$533,000,000.

(Continued from P. 1)

EXPORTS DOWN

six months to Argentina, Cuba, Mexico and Venezuela, but higher to Brazil and Colombia.

Reduced shipments in both periods to Belgium and Luxembourg, Federal Republic of Germany, Italy, the Netherlands, and Switzerland more than counterbalanced increases for France and Norway, and total exports to European countries fell in June to \$33,283,000 from \$52,559,000, and in the six months to \$145,075,000 from \$174,887,000.

Mainly as a result of decreased exports to Japan, Korea and the Philippines, shipments to the remaining group of foreign countries fell in June to \$13,496,000 from \$18,993,000 a year ago. Half-year exports to Japan and the Philippines were higher than in 1953 and cumulative exports rose to \$97,185,000 from \$88,815,000.

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NATIONAL GROUP OF CANADA: The Department of External Affairs announced on July 30 that the National Group of Canada met in Ottawa on July 29 to nominate candidates for the elections to replace five retiring judges on the International Court of Justice which will take place during the Ninth Session of the General Assembly this autumn.

Under the Statute of the Court candidates for election to the Court must be nominated by national groups appointed for this purpose by states which are parties to the Statute. In June of this year the Canadian Government appointed the following persons to constitute the National Group of Canada:

The Honourable Mr. Justice Rand, Judge of the Supreme Court of Canada; Cecil A. Wright, Esq., Q.C., LL.D.; Dean of the School of Law, University of Toronto; F. Philippe Brais, Esq., Q.C., M.L.C., Barrister and Solicitor, Montreal; M.H. Wershof, Esq., Legal Adviser of the Department of External Affairs.

National Groups are authorized to nominate only four candidates for election to the Court whose names are communicated to the Secretary General of the United Nations. The Secretary General notifies member governments of the United Nations of all nominations prior to the actual elections which are conducted by the general Assembly and the Security Council. Candidates who obtain an absolute majority of votes in the Assembly and in the Security Council are considered as elected.

The Statute of the Court provides that the Court shall consist of fifteen members, no two of whom may be nationals of the same state. A Canadian at present sits on the Court in the person of Mr. Justice John E. Read, whose present term of office expires in 1958.

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Advertising agencies handled \$144,339,000 worth of business last year, a gain of 19% over 1952 volume of \$121,667,000.

THE DUKE'S VISIT: Canadians from the Atlantic to the Pacific Oceans and in the mammoth mineral developments of the far north were greeting the Duke of Edinburgh this week and last as he flew west and north on the first half of his intended three-week Canadian visit.

Welcomed at Ottawa on July 29 by the Governor General, Mr. Massey, and the Prime Minister, Mr. St. Laurent, the Duke rested for the most part on his first day and spent most of the second day on a visit to Canada's atomic energy plant at Chalk River, 120 miles north of Ottawa. Later the same day he gave a press conference back in Ottawa and met the Speakers of the House of Commons and Senate.

His third day was spent in Ottawa with National Research Council and R.C.M.P. officers and scientists and on Sunday he flew westward for Rivers, Man., and then on to the West Coast, where, among numerous other functions, he reviewed men of the Royal Canadian Navy.

By sea and air he travelled to northern British Columbia for a tour of the giant new aluminum smelter and power project at Kitimat and watched the pouring of the first aluminum ingot. He was presented with a miniature ingot. After a busy half day there he flew back to Vancouver to attend the British Empire Games and was scheduled to leave Sunday, August 8 for Whitehorse, Y.T.

Canadian armament secrets, known to but a few, will be revealed in their entirety to the Duke on August 13 when he visits the Canadian Armament Research and Development Establishment at Valcartier, 15 miles northwest of Quebec City. Because of the Royal visitor's intense interest in science, his nearly three-hour tour of the Defence Research Board's largest research and development unit promises to be a highlight of his Canadian visit.

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AIR ATTACHES: Group Captain Richard O. Shaw, Senior Air Staff Officer at 12 Air Defence Group headquarters, Vancouver, B.C., has been appointed Air Attaché, Belgrade, Yugoslavia, and Group Captain Arthur G. Kenyon, Commanding Officer of R.C.A.F. Station, Summerside, as Air Attaché, Prague, Czechoslovakia, Air Force Headquarters has announced.

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The first cargo of iron ore mined in the rich Ungava region was shipped last week from Seven Islands, Que., to Philadelphia, U.S.A. The S.S. Hawaiian, with a cargo of 20,000 tons, sailed July 31 after a dockside ceremony formally inaugurating the \$250,000,000 Iron Ore Company of Canada developments.

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Furniture factories shipped a record \$204,265,922 worth of products in 1952, an increase of 7% over the 1951 output value of \$190,907,429.

INTERNATIONAL WEATHER CODE: When the Department of Transport's icebreaker, C.G.S. "d'Iberville", sailed from Quebec on July 31 she had a strange assortment of cargo aboard. Safely tucked away in one corner of the hold were packages of new weather code books. These will be distributed to the Arctic weather stations as soon as possible, although they will not be used until next January.

The new code marks the culmination of two international conferences of weathermen held last year, the first in Washington and the second in Geneva. Under the leadership of the World Meteorological Organization, all countries have agreed to use a standardized code.

At present Russia and her satellite states use one form of basic code for exchanging weather observations; the rest of the world uses a different form, last revised at an international meeting in Toronto in 1947.

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JET CAVALCADE: The largest jet cavalcade ever to visit Western Canada is to carry out a three-week tour during August, it was announced August 2.

A force of 15 RCAF jets, made up of equal numbers of CF-100 Canuck and F-86 Sabre fighters and T-33 Silver Star trainers, is to assemble in Winnipeg from bases in Eastern Canada on August 13. From there they will embark on a tour of Western cities that will give residents in more than 50 Prairie and West Coast centres their first view of the RCAF's jet fighters and trainers in massed flight, and in air displays at larger cities.

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University deans' salaries averaged \$7,625 in central Canada in 1952 as compared with \$7,375 in the western provinces and \$5,000 in the Maritimes. Compared with 1938 this was an increase of almost 50% from \$5,090 in central Canada, 45% from \$5,090 in the western provinces, and 45% from \$3,450 in the Maritimes.

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Last year Canada ranked first in trade per capita for the first time since the war. Domestic exports were valued at \$278.56 and imports at \$296.52 for a total of \$575.08 per Canadian.

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WAGES UP, HOURS DOWN: Weekly earnings of wage-earners employed in Canadian manufacturing establishments during the week ending October 31, 1953 averaged 2.9% higher than in the corresponding week of 1952, and the average for salaried employees rose 4.4%. At the same time the hours of work of wage-earners declined 2.1% and for salaried employees the decrease was 0.8%.

Average earnings of wage-earners during the survey week rose \$1.58 to \$56.75, and the average for salaried employees advanced \$3.12 to \$73.87. Earnings of male wage-earners rose \$1.86 to \$62.71, and that for women increased 90¢ to \$35.07. Male salaried employees earned an average \$86.43, up \$3.83; while the average for women rose \$1.87 to \$43.13.

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WHOLESALE PRICES DOWN: Wholesale prices were slightly lower in June and the Bureau's general index fell 0.2% to 217.8 from 218.2 in May. Recessions in vegetable products were mainly responsible for the decline, although non-metallic minerals and textile products also moved lower.

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CAR SALES SLUMP: With dealer sales running well behind last year's record turnover, motor vehicle manufacturers slashed factory shipments by more than one-quarter this May. The Dominion Bureau of Statistics reported on August 2 that the industry shipped only 37,284 vehicles to dealers, 13,306 or over 26% less than in May last year.

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Musical instrument industry comprises 23 firms with a total production valued at about \$8,500,000. This is many times the \$536,000 output of 15 concerns in the record low year of 1935, but is considerably below several pre-depression years - in 1929 the output of 42 establishments was worth over \$13,500,000.

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Farm cash income from the sale of farm products is estimated at \$504,311,000 for the first three months of this year, 6% less than last year's \$536,150,000 and 9% under 1952's first-quarter peak of \$555,690,000.



CANADIAN WEEKLY BULLETIN

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WEEK'S EVENTS IN REVIEW

ST. LAWRENCE POWER CEREMONIES: A North American half-century dream came true on August 10 when the Prime Minister of Canada, Mr. L.S. St. Laurent, and the Governor of the State of New York, Mr. Thomas Dewey, were leading principals in ground-breaking ceremonies for the international harnessing for power purposes of the mighty St. Lawrence River.

At Massena, in New York State, and Cornwall, in the Province of Ontario, the two statesmen led officials of both nations in launching construction of a power development that eventually will turn out 2,200,000 horse power of electricity. The estimated cost of the power development is \$600,000,000 and first power is expected to be available in about five years.

The power project is an integral part of a further great international undertaking, the development of the St. Lawrence Seaway, which will open the Great Lakes to ocean going ships by providing a 1,200-mile channel, 27 feet deep from Montreal to the head of the Great Lakes.

Governor Dewey first touched a button at the U.S. ceremony which set off three blasts of dynamite lifting great lumps of earth from the river bank. He also aided the Canadian Prime Minister and Mr. Robert Saunders, Chairman of the Ontario Hydro Electric Power Commission, in turning the first sod on the Canadian side of the river at the site where the international power house will span the river.

In addressing his Canadian audience, the Prime Minister said, in part:

"Rivers, together with mountains and deserts, have been long considered as natural barriers which make excellent national frontiers because they divide peoples from one another.

"While this may still be true to a certain extent, it is no longer the case as far as the St. Lawrence River is concerned. More and more this great waterway has become a bond rather than a barrier between Americans and Canadians. Every day thousands of residents of each country cross the river here at Cornwall and at the other border-points to visit their neighbours on and beyond the other shore and it is not difficult to sense a strong community of interests binding together all of the residents of the St. Lawrence Valley.

"This power project will bring the peoples of Canada and the United States together even more closely than before. The benefits the residents of New York and Ontario will derive from this vast undertaking will be very considerable indeed. For the residents of Ontario it will mean that over one million horsepower of low cost hydro-electric energy will be available.

"The power project is an integral part of another great international undertaking, the development of the St. Lawrence Seaway for the direct and indirect benefit of the citizens on both sides of the border.

"The realization of that project, which has

been dear to the hearts of many of us on this continent for many years, will open the Great Lakes to ocean-going ships by providing a 1,200 mile channel, 27 feet in depth from Montreal to the head of the Great Lakes. And since Montreal is 1,000 miles from the sea, this would create an inland waterway 2,200 miles in length right into the heart of this continent.

"These projects also represent a strengthening of the forces of the Western world for it is in keeping with the policy of the North Atlantic Treaty Organization to build up and maintain the strength of the member states in order to discourage and deter aggression. It is for that reason that we can all feel that this power project and the seaway which will follow will be making a contribution to world peace.

"In taking part in this history-making ceremony that will begin the St. Lawrence Power Project, I would like to repeat the expression of my own satisfaction that this long-sought after development is about to be realized. In it we have another of the accomplishments which friendship and co-operation between Canada and the United States have made possible. Important though it is, I am confident that it will be but one of the many monuments which will bear witness to the good relations between our two nations and to our desire to work with all peoples as well as with each other for peace and prosperity in the world."

The President of Canada's St. Lawrence Seaway Authority, and former Minister of Transport, Mr. Lionel Chevrier, said, in part:

"Our two countries have witnessed many historic events but none which compare in importance and significance with this one. It is important because it marks the end of talks, negotiations, reports, agreements, delays, frustrations and the beginning of action. Significant because it shows the determination of two great nations to join together in the development of the natural resources of this Continent. Soon two agencies will be found side by side vying with each other towards the same glorious goal.

"The Great Lakes St. Lawrence project is a great international undertaking. It is not the result of any one individual.

"The benefits of this project are manifold. The opening up of the Continent to the markets of the world, the reduction in transportation costs, the industrial development which must follow, the defence of the Continent are but a few of these. We have modern railways, airways and highways, why not modern waterways?"

"We are a great people. We speak the same language. We have a common ideal and a common trust in each other. On many problems we think alike and frequently we act together. Such was the case on the Alaska Highway - on the installations in the far north operated

jointly by our two countries for defence, in the air by means of our trans-border services. Such is the case at the Long Sault. By means of this development the Canadian and American peoples will for their own safety and the good of all, walk together in majesty, in justice and in peace."

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LIVING COSTS RISE: The consumer price index moved from 116.1 to 116.2 between June 1 and July 2 as four of the five main groups registered small increases. The change in the food index from 112.0 to 112.1, was the result of mixed price movements as increases were reported for eggs, beef, lamb, fresh and canned fruits, and potatoes, while decreases occurred for pork, lard, sugar and some fresh vegetables.

Advances in both rents and home-ownership were reflected in the change in the shelter index from 126.4 to 126.6. Household operation moved from 117.1 to 117.2.

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TRANSIT FARES DWINDLE: Every year since 1946 more Canadians have driven their own cars and fewer have travelled on the nation's street car, motor bus and trolley coach lines. By 1952, transit passengers numbered less than 1,109,300,000, the smallest total in a decade. This was a drop of 55,821,000 or almost 5% from the preceding year and a loss of 235,617,000 or 17.5% since 1946, according to the latest detailed report on electric railways by the Dominion Bureau of Statistics.

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DUCHESS OF KENT TO OPEN C.N.E.: Her Majesty the Queen has approved the appointment of Her Royal Highness the Duchess of Kent as Colonel-in-Chief of the Essex and Kent Scottish (Millitia), it was announced on August 5. Her husband, the late Duke of Kent, was Colonel-in-Chief of the Kent Regiment.

The Duchess of Kent will visit her new regiment for the first time during her forthcoming visit to Canada. She and her daughter, Princess Alexandra, will officiate at the opening of the Canadian National Exhibition August 28, then visit other Western Ontario centres including Windsor, headquarters for the Essex and Kent Scottish.

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Railway passengers travelled an average of 105 miles each last year, the same distance as in 1952, and the average fare was \$3.02, about one-tenth of a cent more.

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751,432 foreign vehicles entered Canada on traveller's vehicle permits in the first half of this year, 12,859 or 2% less than in the first six months of 1953.

25,000 BUSINESSMEN AT INTERNATIONAL TRADE FAIR

26 COUNTRIES REPRESENTED: This year at the Canadian International Trade Fair in Toronto the tracks of over 25,000 businessmen, all potential buyers, proved again that if you build the better mousetrap the world will beat a pathway to your factory. Symbolically the Fair came into being with the jet era and there is little doubt that if anything new is made in machines or consumer goods - or even jets - before Spring, the 1955 CITF will be a likely place to look for it.

Nearly a quarter-million square feet of space was rented to the 1,431 exhibitors from 26 countries: 505 Canadian, 192 from the United Kingdom and 117 from the United States, with the other 23 countries sending 617 (some exhibitors represented several firms). In order of space the leading countries were Canada (128,435 square feet), followed by the United Kingdom, the United States, Germany, Italy, Sweden, Belgium, Austria, India, France, Netherlands, Japan and Ireland. Indonesia, with 960 square feet, made its first appearance to sell the products of its 80 million people.

Nearly 23,000 of the business visitors were Canadians with another 1,839 visitors coming from the United States and 613 from the other 48 visiting countries. On the three public days, 33,765 persons visited the show.

CANADIAN PROVINCES

The Canadian provinces, with extremely well-designed displays, were prominent. The St. Lawrence Seaway project was also there, in miniature, for freight-conscious shippers to ponder on.

The Aircraft Section, an innovation at the CITF this year, was part of the programme for a better balanced fair. One result of this was the publicity given participating Canadian and other aircraft in the world's press.

Here are some CITF successes chosen at random. The late arrival of the South Korean

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AID FOR ALLIES: Canadian military supplies are being shipped to Italy, Portugal and Belgium by the Canadian Army this week under terms of the Mutual Aid Programme of the North Atlantic Treaty Organization.

The shipment will include artillery equipment for the Italian Army, vehicle spare parts and artillery equipment for the Portuguese Army, and ammunition for the Royal Belgian Army.

The supplies will be shipped by boat from the ports of Hamilton, Montreal and Quebec City.

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Canada's apple crop is expected to be about 4% larger this year than in 1953, according to the Dominion Bureau of Statistics.

exhibit at the Fair merited a special television interview, which led, amongst other things, to the sale of 3,000 brass candy bowls.

One exhibitor of a new type of portable incinerator said his firm was completely delighted by results. The unusually good calibre of visitor, and the results obtained at minimum cost, decided him to show again in 1955.

A Canadian agent for English bicycles said that in three days at the Fair he "made contacts that would otherwise have taken six months", deciding him on a return appearance in 1955. A Galt manufacturer of a new type of copying lathe was unable to cope with all the foreign orders taken at the Fair. A Toronto exhibitor of micrometer gauges, making an average of 30 excellent contacts per day, sold \$4,000 worth the first day, while a Canadian agent for Belgian punch presses reported, amongst other transactions, the sale of two presses to a British exhibitor, and a harvest of 80 other serious prospects. A further example of this type of international trading was that of a French machine tool maker who reported selling an \$85,000 machine to an American buyer.

AMONG GREAT FAIRS

The tempo of post-war trade has already affirmed itself around the world. Where certain economists in 1945 were gloomy in their crystal-gazing, the optimistic initiative of Canada in launching the only North American international trade fair has justified itself. Moreover, it has made its mark among the great historic world fairs, many of whom have spontaneously offered the CITF a reciprocal exchange of courtesies and information.

The Trade Fair this year attracted 729 news correspondents of whom 30 were from outside Canada. It was also widely publicized on television programmes and through the CBC on the home and overseas services.

SEA-FISH CATCH JUMPS: The Atlantic and the Pacific yielded Canadian fishermen a whopping 645,325,000 pounds of fish in the first six months of this year, nearly 23% more than the 525,263,000 pounds taken in the first half of last year, when west-coast operations were hampered by a strike in the herring industry.

This year's bumper catch topped the 1952 half-year landings by more than 5% and the 1951 half-year take by over 21%. It was worth \$28,357,000 to the fishermen, 4.5% more than last year's landed value of \$27,144,000.

This year's June catch weighed in at 184,331,000 pounds, over 3% more than last year's 178,391,000 pounds, but the landed value was a slight 0.5% lower at \$9,746,000 versus \$9,793,000.

HALF-YEAR TRADE DOWN: Canada's foreign commodity trade was lower in value in June and the first six months of this year than a year earlier, according to the Dominion Bureau of Statistics. Total exports in June declined 16.4% in value but imports rose 2.7%. Significant parts of the increase in the values of imports in June arise from a non-recurring change in compilation practice introduced in the month. In the half-year total exports fell 7.2% and imports were down 7.5%. Lower prices accounted for about one-third of the decline in export values in the half-year, but import prices showed little change from a year earlier.

Total exports in June were valued at \$347,600,000 as compared with \$416,000,000 a year earlier, and commodity imports had an estimated value of \$417,500,000 as compared with \$406,300,000. The fall in exports and the rise in imports resulted in a debit balance of \$69,900,000 on the month's trade as compared with a credit balance of \$9,700,000 last year.

EXPORTS \$1,875,700,000

In the first half of 1954 exports had an aggregate value of \$1,875,700,000 as compared with \$2,019,700,000, and estimated imports were worth \$2,051,600,000 as compared with \$2,216,600,000. The import surplus for the period worked out at \$175,900,000, down from \$196,900,000 a year ago.

Exports to the United States in June were slightly lower at \$212,600,000 as compared with \$218,200,000 a year ago and estimated imports were virtually unchanged at \$299,500,000 as compared with \$299,800,000. The estimated import surplus was moderately higher at \$86,900,000 as compared with \$81,600,000. January-June exports aggregated \$1,144,800,000, down from \$1,209,600,000, and estimated imports were off to \$1,505,300,000 from \$1,672,400,000. The estimated import surplus for the period was cut to \$360,500,000 from \$462,800,000.

Exports to the United Kingdom in June dropped to \$52,800,000 from \$77,300,000, but estimated imports rose to \$44,300,000 from \$42,800,000. The resulting export surplus was cut to \$8,500,000 from \$34,500,000. In this year's half-year period exports fell to \$290,700,000 from \$315,800,000, and estimated imports to \$203,900,000 from \$219,600,000. The period's export surplus was moderately lower at \$86,800,000 as compared with \$96,200,000.

June's exports to the rest of the Commonwealth dropped to \$17,400,000 from \$26,700,000, and estimated imports rose to \$20,100,000, from \$17,100,000. Cumulative exports for the half-year period were down to \$93,700,000 from \$120,800,000, and imports were up to \$80,800,000 from \$76,500,000.

Exports to all other countries in June fell to \$64,800,000 from \$93,800,000, but imports were up to \$53,600,000 from \$46,600,000. In the cumulative period total exports declined

to \$346,500,000 from \$373,500,000, but imports rose to \$261,600,000 from \$248,100,000.

* * * *

POPULATION 15,195,000: The post-war upswing in population growth shows no sign of slackening this year, and Canada was well started on her 16th million by the beginning of June, the Dominion Bureau of Statistics reported on August 4. The Bureau estimated the June 1 population at 15,195,000, a gain of 414,000 or 2.8% since the start of June last year, 1,186,000 or 8.5% since the 1951 Census, and 3,123,000 or 25.9% since the beginning of June, 1945.

The Bureau's population estimates for intercensal years are obtained by adding births and immigrants to the census total and deducting deaths and an estimate of emigration. In the post-war era the birth rate has been rising and the death rate falling, while the step-up in immigration has outweighed an increase in emigration.

The rapid growth of Canada's population since the war is graphically illustrated by the Bureau's figures. It took eight years (from 1929 to 1937) for the population to climb from 10 to 11 million, and another eight years (from 1937 to 1945) for it to go from 11 to 12 million. However, it took only the first four post-war years (from 1945 to 1949) for the population to jump from 12 to 13 million, only two years (from 1949 to 1951) for it to go from 13 to 14 million, and only three years (from 1951 to 1954) for it to rise from 14 to 15 million.

ONTARIO'S INCREASE

In the latest year the population increased in all parts of Canada except Prince Edward Island, where there was a decline of just under 1% to 105,000 from last year's peak of 106,000. The largest numerical gain was 149,000 in Ontario, where the population passed the 5 million mark for the first time to register 5,046,000 at June 1. Quebec followed with an increase of 119,000 to 4,388,000, Alberta with a rise of 37,000 to 1,039,000, British Columbia with a gain of 36,000 to 1,266,000, Manitoba with an increase of 19,000 to 828,000, Saskatchewan with a rise of 17,000 to 878,000, Newfoundland with a gain of 15,000 to 398,000 and Nova Scotia with a boost of 10,000 to 673,000. The population in the Yukon rose by 1,000 or 11% to 10,000, and in the Northwest Territories by 1,000 or 6.2% to 17,000.

Among the provinces, the rate of increase over last year's June 1 population was greatest in Newfoundland at 4%. In Alberta the gain amounted to 3.7%, in Ontario to 3% and in British Columbia to 2.9%, while in Quebec the percentage increase was the same as the national average at 2.8%. The rate of population growth was less than the national average in Manitoba at 2.3%, in Saskatchewan and New Brunswick at 2%, and in Nova Scotia at 1.5%.

28,025,000 UNITED STATES VISITORS IN 1953

RECORD TRAVEL SPENDING: Record sums were spent on travel in 1953 by visitors to Canada and by Canadians who travelled in other countries, according to estimates by the Dominion Bureau of Statistics.

Foreign travel expenditures in this country in 1953 amounted to \$302,000,000 as compared with \$275,000,000 the year before and Canadian travel expenditures abroad aggregated \$365,000,000 as compared with \$341,000,000. Canada thus had a debit balance on travel of \$63,000,000, slightly under the preceding year's debit of \$66,000,000. The debit in 1951 was \$6,000,000, but there were credits in all other years, 1948's \$145,000,000 being an all-time high.

ALL-TIME PEAK

The number of visitors entering Canada from the United States climbed to an all-time peak of 28,025,000 from 26,277,000 the year before, and their expenditures were boosted to \$282,200,000 from \$257,000,000. Travel expenditures of the record 23,300,000 Canadians who visited the United States during the year were at a new high of \$307,000,000 as compared with \$294,000,000 spent by 21,500,000 Canadians in 1952. The resultant debit balance of \$25,000,000 was the second in a row and compares with \$37,000,000 in 1952. Credits in earlier years reached a peak of \$154,000,000 in 1948.

Visitors from overseas countries spent a record \$20,000,000 in Canada in 1953, an increase of \$2,000,000 over 1952, and Canadians visiting overseas countries raised their expenditures to a record figure of \$58,000,000, \$11,000,000 more than in 1952. The customary debit balance with overseas countries increased to \$38,000,000 from \$29,000,000 in 1952. Visitors entering Canada direct from overseas countries in 1953 totalled 21,575, slightly under the preceding year's 22,078, but arrivals via the United States increased to an estimated 16,600 from 16,000. Residents of Canada returning via Canadian ports after

visits to overseas countries numbered 61,500, a new high - for an increase of 12%.

Most of the expenditures of Canadians in overseas countries are in the United Kingdom and Europe. Expenditures in the United Kingdom increased from \$27,000,000 in 1952 to \$31,000,000 in 1953, a gain of 15%. Expenditures in the O.E.E.C. countries of Europe climbed from \$13,000,000 in 1952 to \$18,000,000 in 1953, an increase of 38%. Expenditures in other Commonwealth countries are chiefly in Bermuda and the British West Indies, while expenditures in all other countries are predominantly in Latin America.

United States visitors who entered Canada by automobile spent a grand total of \$156,900,000 in 1953, up from \$142,500,000 the year before. Expenditures of rail travellers were \$43,900,000 (\$45,900,000 in 1952); boat, \$14,200,000 (\$14,200,000); through bus, \$23,000,000 (\$18,100,000); plane, \$24,900,000 (\$21,900,000); and others, - local bus, pedestrians, etc. - \$19,300,000 (\$14,400,000).

SPENDING IN U.S.

Canadians who entered the United States by automobile spent \$133,000,000 in that country in 1953 as compared with \$118,500,000 in 1952; train travellers spent \$61,600,000 (\$75,200,000 in 1952); boat, \$5,100,000 (\$3,800,000); through bus, \$45,900,000 (\$51,600,000); plane, \$39,900,000 (\$26,100,000); and others \$21,800,000 (\$18,400,000).

Imports under the \$100 customs exemption declared by Canadian travellers returning from the United States in 1952 (latest available) were valued at \$66,300,000, up sharply from \$46,800,000 the year before. Expenditures on clothing were \$30,900,000 (\$21,700,000); furniture and household appliances, \$8,600,000 (\$6,200,000); boots and shoes, \$5,200,000 (\$3,900,000); automobile accessories, \$1,500,000 (\$800,000); radio sets, \$2,300,000 (\$1,700,000); and all other commodities, \$17,800,000 (\$12,600,000).

* * * *

UNEMPLOYMENT DROP: Ordinary claimants on the live unemployment register numbered 199,531 at the end of June, 48,642 or almost 20% less than a month earlier, the Dominion Bureau of Statistics reported on August 9. Local offices of the Unemployment Insurance Commission in every province had fewer on the unemployment rolls.

During the month the number dropped by more than a third in Newfoundland (to 4,975), by 30% in New Brunswick (to 8,980), by more than a quarter in Manitoba (to 8,391) and Alberta (to 8,629), by over a fifth in Quebec (to 67,246), Saskatchewan (to 2,790) and British

Columbia (to 19,463), by almost one-fifth in Nova Scotia (to 8,339), by 17% in Prince Edward Island (to 692), and by 12% in Ontario (to 70,026).

* * * *

There were 171,794 employed in federal Government departmental branches and services in April, 5,774 or over 3% more than in April last year, the Dominion Bureau of Statistics reports. Their earnings totalled \$42,512,918, exclusive of overtime payments, \$4,655,131 more than a year earlier.

TO INDOCHINA: Two brigadiers head the list of Army officers named on August 11 for service with the International Supervisory Commissions in Indochina. The 70 officers are from Army Headquarters and all commands in the country. Additional officers will be named within the next few days.

The senior officers are Brig. W.J. McGill, Commander British Columbia Area, and Brig. T.E. D'O Snow, Commander New Brunswick Area. They will be appointed military advisers to the Canadian Commissioner on supervisory commissions.

Named as deputy military advisers are: Lt.-Col. A.J. Tedlie, GSO I at the Canadian Army Staff College, Kingston, Ontario; Lt.-Col. A.L. MacLean, DAQMG with the Directorate of Quartermaster Operations and Planning at AHQ; Lt.-Col. J.M. Delamere, Commanding Officer 1st Battalion Queen's Own Rifles of Canada; and Lt.-Col. D.N.D. Deane-Freeman, GSO I HQ Western Command, Edmonton.

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AMBASSADOR OF ISRAEL: His Excellency Michael Saul Comay presented on August 12 to the Honourable Mr. Justice C.H. Locke, Deputy Governor General, his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Israel to Canada.

Mr. Comay presented his credentials as Israel's first Minister to Canada on September 1, 1953, and his appointment as Ambassador follows the recent agreement between Canada and Israel for the exchange of diplomatic representatives on the ambassadorial level. The appointment of a Canadian Ambassador to Israel will be announced later.

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Growers are expected to harvest 4% more apples, 6% more raspberries, 9% more grapes and 2% more plums and prunes this year, but 30% less apricots, 20% less pears and cherries, 14% less peaches and 5% less strawberries than in 1953.

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University revenues averaged \$949 per full-time student in 1952, an increase of 28% over the preceding year's average of \$741 and 90% more than the 1946 income of \$499.

MANUFACTURING RECORD: Setting a new high record for the sixth straight year the gross factory value of products manufactured in Canada in 1952 reached \$16,983,000,000, 3.6% above the preceding year's \$16,392,000,000, and more than double the 1946 value of \$8,036,000,000. Part of the increase over 1951 was accounted for by a rise of about 2% in the physical volume of production and the balance by increases in the price of fully and partly manufactured products.

Accompanying the rise in output was an increase of 2.4% in the number of persons employed and an increase of 1% in the aggregate of salaries and wages paid. The total number of employees climbed to 1,288,382 from 1,258,375 the year before, and salary and wage payments rose to \$3,637,620,000 from \$3,276,281,000.

* * * *

PIPED OIL RISE: Net deliveries of oil through Canada's network of pipelines increased nearly 20% in May as compared with a year earlier and rose 24% in the January-May period. Deliveries in the month totalled 14,774,000 barrels as compared with 12,359,000, bringing the five-month aggregate to 68,918,000 barrels as compared with 55,491,000.

Five-month deliveries by provinces, with a year earlier totals in brackets, were as follows: British Columbia, 4,999,000 (nil) barrels; Alberta, 6,521,000 (6,326,000); Saskatchewan, 5,223,000 (5,603,000); Manitoba, 15,210,000 (12,002,000); Ontario, 12,235,000 (9,954,000); and Quebec, 23,731,000 (21,608,000).

* * * *

\$28,987,000 worth of settlers' effects entered Canada last year, \$3,243,000 worth or 12% more than in 1952, and \$16,095,000 worth were shipped out of Canada, \$1,307,000 worth or 9% more than in 1952.

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Personal expenditure on consumer goods and services totalled \$15,165,000,000 in 1953, \$762,000,000 or 5% more than in 1952. On a per capita basis, this was \$1,206 per Canadian, \$42 or 4% more than in 1952.

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GOVERNMENT



CANADA

CANADIAN WEEKLY BULLETIN

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 DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

SEAWAY BY 1959: Following is the text of a joint announcement issued on the conclusion of the Canada-United States intergovernmental talks on the St. Lawrence Seaway held in Ottawa, August 12 and 13, 1954:

"Discussions between representatives of Canada and the United States on the St. Lawrence Seaway were held in Ottawa on August 12 and 13. The United States representatives were headed by the Deputy Secretary of Defense, Mr. Robert B. Anderson. Canada was represented by the Minister of Trade and Commerce and Defence Production, Mr. C.D. Howe, the Secretary of State for External Affairs, Mr. L.B. Pearson, and the Minister of Transport, Mr. G.C. Marler.

"The representatives of the two countries explored possible modifications of the existing arrangements for the development of the Seaway as embodied in the Exchange of Notes of June 30, 1952. The various factors involved were examined in a friendly and constructive manner and proposals put forward by the representatives of both countries are being referred to the Canadian and United States Governments for consideration.

"The next stage is expected to be an Exchange of Notes modifying the arrangements made in the Notes of June 30, 1952. The working out of these arrangements will not delay the beginning of construction work, as the engineering preparations are going forward. It is now expected that construction will be completed by the end of 1958."

On August 18 the Department of External Affairs made public the text of an Exchange of Notes with the United States modifying the existing arrangements on development of the St. Lawrence Seaway that had been concluded by an Exchange of Notes of June 30, 1952.

The main works required to complete deep-water navigation from Lake Erie to Montreal may be described briefly as follows:

1. In Canadian territory
 - (a) Deepening of Welland Canal from 25 feet to 27 feet;
 - (b) Dredging in Lake St. Francis;
 - (c) Construction of locks in the Soulanges area to pass vessels from the Beauharnois power canal into Lake St. Louis;
 - (d) Construction of canal and locks and channel enlargements at Lachine.
2. In the international section
 - (a) Dredging in the Thousand Islands section;
 - (b) Canal and lock at Iroquois;
 - (c) Canal and locks in the vicinity of Barnhart Island.

It will be recalled that in December 1951, the Parliament of Canada enacted legislation establishing the St. Lawrence Seaway Authority and authorizing it to carry out all of the above-mentioned navigation works.

It was also agreed, in an Exchange of Notes of June 30, 1952, between Canada and the United

States, that Canada should carry out these works:

This agreement was based on the necessity of making provision for navigation as a prerequisite for the development of the power phase of the St. Lawrence project, and on the assumption - which proved to be correct - that it would not be possible to do this by obtaining the approval of the United States Congress to the Great Lakes-St. Lawrence Basin Agreement of 1941.

On the other hand, in May 1954, the United States Congress passed, and the President signed, Public Law 358 (known as the Wiley-Dondero Act) which authorized and directed the United States to construct the canals and locks at Iroquois and Barnhart Island on the United States side and to do dredging in the Thousand Islands section of the St. Lawrence River.

In its new Note, dated August 17, 1954, the Canadian Government informed the United States Government that it was prepared to modify the June 30, 1952 arrangements to the extent that Canada would be relieved of one obligation, namely to provide forthwith the navigation works in the vicinity of Barnhart Island on Canadian territory and to carry out the dredging in the Thousand Islands section.

The United States Government, by its Note of August 17, 1954, agreed to this modification of the earlier exchange of Notes.

CANAL AT IROQUOIS

The following points should be noted:

(1) The Canadian Government - as stated in its Note - will construct forthwith a canal and lock in the international section at Iroquois.

The Canadian Government was informed by the United States Delegation that the United States Government is committed by Congressional legislation to the construction of a canal and lock on the United States side at this point. Nevertheless, the Canadian Government hopes that the United States may subsequently decide not to proceed with this work at this time.

(2) While Canada has been relieved of its immediate obligation, it has lost none of its rights to build navigation facilities in the vicinity of Barnhart Island on Canadian territory.

The Canadian Government has been informed that the United States will provide navigation works in the vicinity of Barnhart Island and do the dredging in the Thousand Islands section, in accordance with Public Law 358.

The Canadian Government in its turn has stated its intention of constructing a canal and locks on the Canadian side of Barnhart Island, if and when it considers that parallel facilities are required to accommodate existing or potential traffic. This would complete the 27-foot works required for uninterrupted navigation between Lake Erie and Montreal on the Canadian side.

(3) An important factor bearing on the requirement for parallel facilities on the Canadian side, near Barnhart Island, would be increasing volume of traffic. Another factor, which however we hope and expect would not materialize, would be unreasonable or unwarranted interference with, or delays to, Canadian shipping.

In the new Exchange of Notes the two countries recognized that it was of great importance to both that the St. Lawrence Seaway be used to the maximum extent, and they therefore agreed to use their best endeavours to avoid placing unreasonable restrictions on the transit of passengers, shipping or trade in the international section of the Seaway. They also agreed to consult before the enactment of any new law, or the promulgation of any new regulation, applicable on either side of the international section which might affect Canadian, United States or third-country registry shipping.

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INDOCHINA: The Canadian Government on August 17 designated the three Canadian representatives for the International Supervisory Commissions for Vietnam, Laos and Cambodia which are to supervise the cease-fire and armistice agreements in Indochina. The final cessation of hostilities took place August 11, 1954.

Mr. Sherwood Lett has been appointed the Canadian representative on the International Supervisory Commission for Vietnam; Mr. Leon Mayrand on the Commission for Laos and Mr. R. M. Macdonnell that for Cambodia. The Commissioners will have the rank of Ambassador.

Mr. Lett served with gallantry and distinction in the First and Second World Wars, and retired from the Army with the rank of Brigadier. He is Chancellor of the University of British Columbia and a past President of the Vancouver Law Society. He will return to his law practice in Vancouver after a year's absence with the Commission in Vietnam, which is now established at Hanoi.

Mr. R.M. Macdonnell, an Assistant Under-Secretary of State for External Affairs has served in Washington, Kuibyshev, Prague and Paris. He attended the preliminary discussions in New Delhi, proceeded to Indochina with the advance mission and is temporarily serving as Acting Commissioner in Vietnam. Meanwhile, the Canadian Trade Commissioner in Hong Kong, Mr. T.R.G. Fletcher, is presently serving as Acting Commissioner in Cambodia.

Mr. Mayrand has been the Canadian Ambassador to Chile since 1951. A member of the Department of External Affairs for twenty years, Mr. Mayrand has held diplomatic appointments in London, Rio de Janeiro and Moscow, as well as Santiago. Mr. Frank Ballachey of the Department of External Affairs, who reached Laos on August 10, is meanwhile serving as Acting Commissioner in the Laotian capital, Vientiane.

LESS WHEAT, OATS, BARLEY, RYE: Canadian farmers are expected to harvest smaller crops this year than in 1953 of wheat, oats, barley, rye, and potatoes, but the crops of flaxseed, mixed grains and tame hay may be larger, according to the Bureau's first official forecast of 1954's principal field crops.

The 1954 wheat crop is currently forecast at 513,000,000 bushels. If realized, this will be the fourth consecutive wheat crop to exceed 500,000,000 bushels. Although a crop of this size would be 101,000,000 less than last year's next-to-record outturn of 614,000,000 bushels, it would still be 12% above the 10-year (1944-1953) average of 456,500,000 bushels.

This year's crop of spring wheat, forecast at 490,100,000 bushels, is being harvested from a seeded area estimated at 23,500,000 acres yielding an indicated 20.8 bushels per acre. In 1953 the spring wheat crop was estimated at 587,800,000 bushels, the second largest on record, yielding an average of 23.7 bushels per acre on a seeded area of 24,800,000 acres.

DECREASE IN OATS

Production of oats for grain in 1954 is forecast at 380,700,000 bushels, the smallest crop since 1949 and a decrease of 6% from last year's 407,000,000.

The 1954 barley crop, seeded on an area estimated at 7,900,000 acres, is forecast at 222,400,000 bushels, some 15% below last year's crop of 262,100,000. Sharp decreases in area seeded to both fall and spring rye have been almost entirely responsible for the considerably smaller rye crop in prospect for 1954, estimated at 16,200,000 bushels as compared with 28,800,000.

This year's flaxseed crop, currently forecast at 12,100,000 bushels, is about 23% higher than last year's 9,900,000, with the increase almost entirely attributable to a larger seeded acreage. The 1954 crop of mixed grains, grown chiefly in Eastern Canada, is forecast at 65,100,000 bushels compared with 62,200,000. Tame hay production (including the first cutting of clover and alfalfa) is currently placed at 20,000,000 tons, slightly higher than last year's 19,600,000.

On the basis of conditions at August 1, the Canadian potato crop is forecast at 55,000,000 bushels as against 67,000,000 in 1953.

Average yields per acre of the main field crops, except spring rye and tame hay, are below those of 1953.

Realization of the 1954 yield and production forecasts is dependent to a considerably greater extent than usual on favourable weather conditions being maintained throughout the remainder of the growing and harvesting season.

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It cost Canadians about 4% more to light their homes last year than in 1952, but this was still about 1% less than in 1935-39.

\$45,797,000 SURPLUS: The Minister of Finance, Mr. Walter Harris, released on August 14 a statement of the final figures of the Government of Canada's budgetary revenues and expenditures for the fiscal year 1953-54 and of the Government's assets and liabilities and net debt position as at March 31, 1954.

The statement shows that for the fiscal year the budgetary surplus was \$45,797,000 compared with the forecast of \$10 million given in the budget speech on April 6, 1954. Revenues as finally determined were \$4,396 million or \$4 million less than the budget forecast of \$4,400 million. Expenditures were \$4,351 million or \$39 million less than the budget forecast of \$4,390 million due mainly to a shortfall in defence expenditures.

The statement also shows that at March 31, 1954 the gross liabilities of the Government amounted to \$17,923 million of which \$14,576 million consisted of unmatured funded debt. As active assets totalled \$6,807 million, the net debt of Canada totalled \$11,116 million compared with \$11,162 million at the end of the preceding fiscal year, a decrease of \$46 million being the equivalent of the budgetary surplus for the fiscal year.

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RAIL INCOMES CUT: A sharper drop in revenues than in expenses left Canada's 16 largest railways with an operating income of only \$1,463,020 this May, little more than one-third the \$4,356,046 net of a year earlier, the Dominion Bureau of Statistics reports. Operating revenues fell over 13% to \$89,453,591 from \$103,193,726 in May last year, while operating expenses were cut less than 11% to \$85,318,686 from \$95,765,173.

Of the two main lines, the C.N.R. reported drops of 12% in revenues and 8% in expenses for its Canadian lines. These resulted in a \$417,532 loss on May operations this year in contrast to an operating income of \$1,647,944 last year. The C.P.R. reported reductions of 14% in revenues and 15% in expenses which resulted in an increase of \$117,247 in May operating income to \$1,852,789.

Lower freight movement was mainly responsible for the decrease in the operating revenues of the 16 lines this May.

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GOLD PRODUCTION UP: Showing the first increase over a year earlier in 11 months, Canada's production of gold rose in May to 384,205 fine ounces from 368,597 in May, 1953. The cumulative output for the first five months of the year dropped to 1,715,918 fine ounces from 1,841,716.

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402,921,000 gallons of furnace oil were sold in the first three months of this year, 75,899,000 or 23% more than in the first quarter last year.

CONGRESS ON MENTAL HEALTH: "Mental illness has been described as a breakdown in living that may vary in degree from mild and temporary ineffectiveness to severe and complete incapacity. It seems to me that this definition has a particular relevance to the present condition of world affairs. Twice in our generation we have witnessed a breakdown in human relations that has resulted in armed conflict of the most far-reaching consequences," said the Minister of National Health and Welfare, Mr. Paul Martin, at the opening session of the Fifth International Congress on Mental Health, in Toronto, on August 14.

"Even today", he continued, "in spite of all the miraculous advances in transportation and communication, the peoples of the world are still 'islands shouting to each other across seas of misunderstanding'. The tragedy of our time is that the world has become a neighbourhood, but men and women have not yet learned to live as neighbours.

"We are now faced with the urgent problem of finding some formula by which the nations can live together in a wholesome, constructive and harmonious relationship. But there are formidable barriers to peaceful co-existence in the curtains that shut off from freedom the millions who - submerged by the pressures of these times - have abandoned individual values and drifted into the iron conformity of totalitarianism.

"Mental health workers seek out the tiny roots from which mental and emotional disturbances grow. They strive relentlessly to pierce the dark curtain which obscures the bright path to normalcy and a satisfying pattern of living. So, too, on the world scene, through the United Nations and other instruments of international co-operation, we are now attempting to discover the root sources of misunderstanding and conflict.

"If we should fail to find some means of penetrating the curtains of ignorance, fear and mistrust that now so tragically divide the world's peoples we may be forced to ring down the final curtain on the great pageant of human progress.

"The essential weakness of all authoritarian political regimes is not the physical impoverishment they impose on their subjects or their failure to provide the progress and prosperity they promise but the way in which they degrade and demean the human spirit. The real gulf between the free world and the totalitarian systems lies, not in economic theory but in the wide divergence of opinion as to the rightful place of the individual human being. In a democratic society, the individual is not regarded as the personification of categories - economic or otherwise - but as a free and sacred human personality. . . ."

LABOUR INCOME UP: Manufacturing's payroll continued to contract in May but expansion in other sectors raised total labour income to an estimated \$975,000,000, the Dominion Bureau of Statistics reported on August 12. This was \$21,000,000 more than in April and \$9,000,000 more than in May last year. The increase put this year's five-month total at \$4,767,000,000, about 1.5% higher than 1953's \$4,693,000,000.

Wages and salaries in manufacturing dropped by \$2,000,000 during May to \$320,000,000, some \$11,000,000 under last year's May payroll and the smallest total for any month since October, 1952. The latest decline was concentrated in leather products, textiles, clothing, transportation equipment and iron and steel products.

The usual seasonal pick-up in outdoor activities raised the combined wage bill of agriculture, forestry, fishing, trapping and mining by \$10,000,000, and the construction payroll by \$8,000,000 during May. However, the primary industry group total of \$69,000,000 was the same as in May last year and the construction total of \$67,000,000 was \$5,000,000 less than a year earlier.

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AUTO SHIPMENTS CUT: Factory shipments of Canadian-made motor vehicles in June were down 40% from last year's level, the sharpest cut to date. Shipments have been dropping at a steadily increasing rate since February, but increases in the first two months held the half-year decrease to 14.5%. Dealer sales, which have been lower than last year each month since the start of the year, were 17% under 1953's record turnover in both June and the half-year.

The Dominion Bureau of Statistics has reported that the industry shipped 30,229 new passenger cars and trucks to dealers in June, 19,671 less than a year earlier, and 243,347 in the first six months, a drop of 40,351.

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STORE SALES UP: Canada's department stores had estimated dollar sales of \$465,774,000 in the first half of 1954, an increase of 2.7% over the preceding year's corresponding total of \$453,747,000, according to the Bureau's monthly report. The June value was \$84,886,000, up 6.2% as compared with \$79,927,000 a year ago. At the end of May inventories were valued at \$251,481,000, or 4.6% more than a year ago.

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Cheques cashed against individual accounts in the first half of 1954 were worth a record \$74,598,520,000, almost 7% more than the \$69,835,876,000 total of the first 6 months last year.

MAY IMPORTS DROP: Reduced imports from the United States, the United Kingdom, other Commonwealth countries and Latin America more than conterbalanced increases from Europe and other foreign countries as a group, and Canada's imports from all countries in May declined 14.5% from last year's May total which was an all-time high, according to final figures on May's imports released by the Dominion Bureau of Statistics. In the January-May period there was a decrease of 9.8%.

There were small increases in the agricultural and vegetable products and animals and animal products groups but the other seven groups declined. Decreases were particularly noteworthy in fibres and textiles, iron and products, non-ferrous metals, and non-metallic minerals. Agricultural and vegetable products and wood and paper were higher in value in the January-May period but the other seven groups declined.

Value of commodity imports in May was \$359,700,000 as compared with \$420,600,000 a year earlier. Prices were slightly higher this May but volume fell 15.3%. In the January-May period imports declined to \$1,634,100,000 from \$1,810,300,000; prices averaged 0.8% higher but volume declined 10.3%.

IMPORTS FROM U. S.

Imports from the United States in May were cut to \$259,977,000 from \$312,315,000 a year ago, and the five-month value dropped to \$1,205,818,000 from \$1,372,615,000. Among the main commodity groups agricultural and vegetable products and animals and animal products were higher in May, but other groups were lower. January-May imports were up in the agricultural and vegetable products and wood and paper groups but down in the others.

Purchases from the United Kingdom in May declined to \$35,999,000 from \$43,534,000, and in the five-month period were down to \$159,507,000 from \$176,760,000. May's imports were higher in value for agricultural and vegetable products and steady for wood and paper, but lower for other main groups. In the five-month period there were increases only for iron and products and miscellaneous commodities.

Imports from other Commonwealth countries were moderately lower in May at \$17,029,000 as compared with \$17,629,000, but the five-month total was slightly higher at \$60,737,000 as compared with \$59,334,000. Imports were higher from Australia both in May and the five months but lower from British Guiana, India, Ceylon, Malaya and Singapore, and New Zealand.

Imports from Latin America fell in May to \$24,100,000 from \$27,680,000, but rose slightly in the five months to \$115,748,000 from \$114,503,000. Purchases were higher from Argentina both in May and the cumulative period but lower from Argentina and Mexico.

Imports from European countries rose in May to \$16,098,000 from \$14,763,000, but were slightly lower in the five-month period at

\$63,519,000 as compared with \$63,975,000. Both May and January-May imports were higher for the Federal Republic of Germany, the Netherlands, and Switzerland, but lower for Belgium and Luxembourg, France, and Italy.

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WHEAT: Supplies of wheat remaining on or about July 1 in the four major wheat exporting countries for export and for carryover at the end of their respective crop years amounted to 1,711,500,000 bushels, some 48% greater than the 1,158,500,000 a year ago.

Estimated supplies in each of the four countries on July 1, with a year earlier figures in brackets, were as follows: United States, 902,900,000 (562,500,000); Canada, 589,300,000 (413,300,000); Australia, 126,600,000 (71,200,000); and Argentina, 92,700,000 (111,500,000).

Total exports of wheat and wheat flour from these four countries in the first 11 months (August-June) of the current Canadian crop year amounted to 583,500,000 bushels, down 23.5% from last season's shipments of 762,400,000 bushels. Exports from Canada declined to 233,900,000 bushels from 341,400,000, the United States to 191,200,000 bushels from 296,800,000, and Australia to 57,200,000 bushels from 94,800,000, but exports from Argentina rose to 101,200,000 bushels from 29,300,000.

While Canadian exports have declined about 31% from a year earlier, exports from the United States and Australia have dropped by some 36% and 40%, respectively.

Visible supplies of Canadian wheat in store at the end of the 1954 crop year aggregated 379,323,000 bushels, one-third larger than last year's 286,565,000 bushels, according to the Dominion Bureau of Statistics.

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PRINTING TRADES NEW PEAK: Products of the printing trades and allied arts of Canada, which comprise several closely related industries -- publishing and printing, printing and bookbinding, lithographing, engraving, stereotyping, and electro-typing, and trade composition -- reached a new peak value of \$449,508,758 in 1952, an increase of 8.5% over the preceding year's \$414,259,662, according to the Dominion Bureau of Statistics.

In all there were 2,718 establishments classified in the printing trades in 1952 as compared with 2,665 the year before. With 1,163 plants, Ontario accounted for 55.2% of the total production 1952. The 694 establishments in Quebec produced 24.2% of the industry's total output, and British Columbia's 240 plants accounted for 6.8%.

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Investment in capital equipment in primary fishing operations in New Brunswick increased by \$753,400 or 10% to \$8,559,700 in 1952.

PROVINCIAL REVENUES UP 56 P.C. SINCE 1949

EXPENDITURES 51 P.C.: According to a preliminary estimate, both the total net general revenue and the total net general expenditure of Canada's provincial governments are expected to show increases of \$93,000,000 or roughly 8% for 1953. However, since 1949 the rise has been greater in revenues than in expenditures. As a result, expenditures topped revenues by only \$12,000,000 or less than 1% in 1953 as compared with \$35,000,000 or about 4% in 1949.

A preliminary analysis by the Dominion Bureau of Statistics places the 1953 net general revenue of the provinces at \$1,314,000,000 and the net general expenditure (exclusive of debt retirement) at \$1,326,000,000. This represents a jump of \$473,000,000 or 56% in revenues and \$450,000,000 or 51% in expenditures since 1949.

TAXES

Taxes (exclusive of federal tax rental agreements) provided the provinces with \$504,000,000 last year, \$33,000,000 or 7% more than in 1952 and \$86,000,000 or about a fifth more than in 1949. Partly offsetting this was a decline in corporation income tax revenue, which amounted to \$51,000,000 in 1953, \$1,000,000 less than in 1952 and well under half the \$106,000,000 yield of 1949. The biggest increase in both comparisons was in the revenue from sales taxes on motor fuel and fuel oil, which climbed by \$23,000,000 over 1952 and \$81,000,000 over 1949 to \$220,000,000, reflecting to a large extent the tremendous increase in the purchase of these commodities by Canadians in recent years.

By far the most important single factor in the increase in provincial government revenue since 1949 has been the federal tax rental agreements, which in 1953 yielded the provinces \$309,000,000, or nearly four times the \$80,000,000 of 1949. Last year the largest increase in any revenue item was in privileges, licences and permits, which netted \$301,000,000, some \$48,000,000 more than in 1952 and \$123,000,000 more than in 1949. Total revenue from liquor control was \$155,000,000, about \$5,000,000 less than in 1952 and \$20,000,000 more than in 1949.

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Natural gas output reached 38,662,930,000 cubic feet in the first three months this year, a jump of 26% over 1953's first-quarter yield of 30,720,770,000.

The sharpest increase in any expenditure account in both the year and the five-year comparison was in transportation and communications, which cost the provinces \$409,000,000 last year, \$38,000,000 more than in 1952 and \$155,000,000 more than in 1949. The next largest increases in both periods were in expenditures on education and health. The provinces spent \$234,000,000 on education in 1953, about \$16,000,000 more than in 1952 and \$74,000,000 more than in 1949, and another \$214,000,000 on health, an increase of \$12,000,000 over 1952 and \$71,000,000 over 1949.

Net general revenue rose last year in all provinces except Newfoundland, where the total was unchanged from 1952's \$31,000,000. Alberta chalked up the largest increase with a boost of \$37,000,000 to \$179,000,000; and Ontario followed with an advance of \$22,000,000 to \$362,000,000. The other increases were: Quebec, \$15,000,000 to \$297,000,000; Saskatchewan, \$8,000,000 to \$97,000,000; Nova Scotia, \$3,000,000 to \$48,000,000; British Columbia, \$2,000,000 to \$187,000,000; Manitoba, \$2,000,000 to \$56,000,000; New Brunswick, \$2,000,000 to \$48,000,000; and Prince Edward Island, \$1,000,000 to \$8,000,000.

EXPENDITURE

Net general expenditure dropped last year by \$7,000,000 to \$170,000,000 in British Columbia and by \$1,000,000 to \$310,000,000 in Quebec. Expenditure was the same as in 1952 in Prince Edward Island at \$7,000,000, but was higher in the other seven provinces. By far the largest increase was a rise of \$52,000,000 to \$443,000,000 in Ontario. The other advances were: Alberta, \$24,000,000 to \$126,000,000; Manitoba, \$8,000,000 to \$47,000,000; Nova Scotia, \$6,000,000 to \$53,000,000; Newfoundland, \$5,000,000 to \$34,000,000; New Brunswick, \$4,000,000 to \$49,000,000; and Saskatchewan, \$1,000,000 to \$86,000,000.

Revenues exceeded expenditures in 1953 in Prince Edward Island and the four provinces west of Ontario. In 1952 revenues exceeded expenditures in Newfoundland, New Brunswick, the Prairie Provinces and British Columbia, while Prince Edward Island's revenues and expenditures were in balance.

Some 426,543,000 gallons of motor gasoline were sold in the first quarter this year, 34,534,000 or 9% more than in the first three months last year.

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 DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

LABOUR OUTLOOK: Study of Canada's unemployment insurance program with a view to improvement and moves to combat seasonal unemployment were announced by the Minister of Labour, Mr. Milton F. Gregg, in his address before the convention of Canadian Trades and Labour Congress, in Regina, on August 24.

He told the delegates to the 600,000-member organization that the level of investment in Canada this year, might well exceed last year's record total; business men were making strong plans for the future, and that in May of this year the total income received by labour in Canada was higher than ever before, even though employment was below last year's level.

The Minister paid tribute to the retiring President of the labour body, Mr. Percy Bengough, who has served over 20 years in executive capacities, and he mentioned with satisfaction the recent agreement to refer Canadian railway labour-management differences to arbitration.

Following is the partial text of Mr. Gregg's address:

"Private investment has continued at a level that is surprisingly high in view of the economic downturn from which the United States is now emerging. In Canada, the level of investment may well exceed last year's record total. Business men are continuing to make strong plans for the future - and this means jobs for workers. The outlook for the development of our country's resources has seldom been brighter than it is today."

"Another encouraging feature is the confidence the Canadian people generally are showing in the outlook for the future. They are spending their money at a very high rate on consumer goods and services. Their level of income continues high. This is particularly true of wage and salary earners. In the last month for which we have statistics - May, 1954 - the total income received by labour in Canada was higher than ever before in our history for this time of year. This was the case, even though employment was below last year's level.

"At the present moment our unemployment insurance programme is under study and we hope to bring legislation in at the next session of Parliament, with a view to making it a more effective instrument of social policy....

"This healthy underlying situation means that most businesses can look forward to good markets for their products. They must, however, be sure their production plans and prices are right, and this obviously requires more attention on the part of both management and labour to such matters as productivity. The implications of this changed set of economic circumstances are not something which can be left to any one agency or group in the Canadian economy. Rather, they must be the concern of all of us, whether we be in labour, in management, or in government....

"As Canadians, we have passed the point where we are prepared to accept prolonged or avoidable unemployment. We all, however, have our separate responsibilities and I would like

to say a word about the function of the federal Government in the matter. Our first endeavour is to help maintain the proper economic climate, conducive to a high level of income and employment. This is vital, if we are to maintain a free, dynamic and expanding economy. Government action along these lines takes the form of measures designed to encourage a high level of capital investment and resource development.

"Some scope for constructive action in the field of employment in Canada arises out of the seasonal character of many of our economic endeavours. There are probably more than 250,000 workers seasonally idle during the year. Many of you will have seen a study called 'Seasonal Unemployment in Canada' which the Department of Labour distributed recently. Many others will also have read the Report on Seasonal Unemployment by the National Employment Committee, which appeared in the April issue of the Labour Gazette. The Committee made a number of recommendations to governments, employers and unions, pointing out techniques which might help reduce seasonal unemployment in Canada, and also additional areas for investigation."

The Government is studying this report and is seeking to develop ways of implementing its recommendations. I can promise you that the federal Government will do its utmost to arrange its own building and other contracts and undertakings so that the maximum amount of employment therefrom will be made available to Canadian workers during the winter months. A committee is examining the contracting and spending programs of the Government to see how they affect the industries concerned and how they might be adjusted to provide more winter work. We thus hope to gain some useful experience in planning for more stable, year-round employment.

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CRUDE OIL INCREASE: After falling slightly below the 1953 level in April, Canadian production of crude petroleum increased to 7,161,045 barrels in May from 6,133,562 in the same month last year. This put January-May output at 34,362,355 barrels as against 26,582,392 in 1953.

May production was higher this year in all producing areas except New Brunswick, where output fell to 905 barrels from 1,234. In Alberta, May output rose to 6,621,439 barrels from 5,870,881. Saskatchewan production rose to 348,306 barrels from 195,109, output in Manitoba to 126,808 barrels from 28,630, in Ontario to 34,824 from 19,461, and in the Northwest Territories to 28,763 barrels from 18,247.

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Canadian department stores increased their dollar sales by 1.7% in the week ending August 14.

TOP FLYER TO USAF: One of the RCAF's top navigation specialists, Wing Commander Keith R. Greenaway, of Ottawa, leaves late this month for a two-year exchange posting with the USAF, it was announced on August 23 by Air Force Headquarters.

W/C Greenaway, who has been serving on the scientific staff of the Defence Research Board in Ottawa, will join the USAF's Strategic Air Command, and is to be stationed at MacDill Air Force Base in Tampa, Florida. He has recently been promoted from the rank of squadron leader.

W/C Greenaway has become an internationally-recognized authority on aerial navigation, with particular reference to high-latitude flying. He was honoured last year when he was named winner of the McKee Trans-Canada Trophy for 1952. This trophy is awarded annually for meritorious service in advancement of Canadian aviation.

In 1952 W/C Greenaway was presented with the Thurlow Award, presented each year by the United States Institute of Navigation to the person selected as having made the outstanding scientific and practical contribution to navigation during the year.

He has also won commendation through presentation of scientific papers on aerial navigation and related subjects. In 1950 he won the President's Prize, presented by the Royal Meteorological Society, Canadian Branch, for the best scientific paper of that year. His winning paper, "Experiences with Arctic Flying", was among 30 papers submitted, the others being presented by professional meteorologists.

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CANADA SAVINGS BONDS: The Minister of Finance, Mr. Walter Harris, announced on August 23 that a Ninth Series of Canada Savings Bonds will go on sale October 18 next. The bonds will be dated November 1, 1954, and will mature 12 years later on November 1, 1966. The bonds will pay a full 3% interest per year to maturity and will carry 12 annual interest coupons. They will be offered for sale at 100% up to November 15, 1954.

Canada Savings Bonds are available in denominations of \$50, \$100, \$500, \$1000 and \$5000. They must be registered in an individual's name whether adult or minor. This registration gives protection against the bonds being lost, stolen or destroyed.

In addition to coupon bonds in the above denominations, Canada Savings Bonds will again be available in fully registered form in denominations of \$500, \$1000 and \$5000.

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Although the number of visits to Canada by residents of the United States exceeded visits of Canadians to the United States by nearly 5,000,000 or more than 20% in 1953, expenditures by Canadians in the United States exceeded expenditures of Americans in Canada by \$25,000,000 or 9%.

JULY EXPORTS DOWN 17.4% FROM LAST YEAR

IMPORTS DROP 15%: Canada's foreign commodity trade was again lower in value in July than a year earlier, continuing the downtrend of earlier months this year, according to preliminary figures released by the Dominion Bureau of Statistics. Both exports and imports declined in value, but the drop in dollar value of exports was greater than of imports resulting in an increased import surplus.

Total exports in July amounted to \$329,100,000, down \$69,200,000 or 17.4% from \$398,300,000 in July last year. Commodity imports had an estimated value of \$344,600,000, a drop of \$60,800,000 or 15% from \$405,400,000. The estimated import surplus for the month thus increased to \$15,500,000 as compared with \$7,200,000 a year ago.

In the seven months ending July exports had an aggregate value of \$2,204,900,000 this year, a decrease of \$213,100,000 or 8.8% from \$2,418,000,000 last year, while imports were down an estimated \$225,900,000 or 8.6% to \$2,396,100,000 from \$2,622,000,000. The cumulative import surplus was thus apparently reduced moderately to \$191,200,000 this year as compared to \$204,000,000 last year; but there was a more substantial real decline in the seven-month import balance if allowance is made for the effect of a non-recurring change in the practice of compiling imports in June.

Commodity sales to the United States declined to \$194,900,000 in July as compared to \$212,700,000 a year ago, while commodity purchases fell more sharply to an estimated \$243,-

600,000 against \$286,500,000, thus reducing the month's estimated import surplus to \$48,700,000 compared to \$73,900,000 last year. January-July exports aggregated \$1,229,700,000 compared to \$1,422,300,000, and estimated imports \$1,748,900,000 against \$1,958,900,000, the estimated import surplus falling to \$409,200,000 from \$536,600,000.

Exports to the United Kingdom dropped sharply in July to \$55,400,000 as compared to \$81,300,000 last year, and imports were off to \$35,700,000 from \$47,100,000, the export surplus being thus cut to \$19,700,000 from \$34,200,000. In the seven months exports were down to \$346,600,000 from \$397,100,000 and imports to \$239,500,000 from \$266,700,000, making a reduced export surplus of \$107,100,000 this year as against \$130,400,000 in the 1953 period.

July exports to other Commonwealth countries dropped to \$17,900,000 from \$23,200,000, making a seven-month total of \$111,100,000 against \$144,000,000. Estimated imports in the month were down slightly to \$16,100,000 compared to \$17,900,000, but in the seven months were up to \$96,900,000 as against \$94,400,000. Trade with all other countries showed a similar trend, exports declining in the month to \$60,900,000 from \$81,100,000 and in the seven months to \$407,500,000 from \$454,600,000, while imports were off in the month to \$49,200,000 from \$53,900,000 but up moderately in the seven months to \$310,800,000 from \$302,000,000.

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CHARGE D'AFFAIRES IN WARSAW: The Department of External Affairs announced on August 20, the appointment of Mr. Jean-Louis Delisle as Chargé d'Affaires a.i. at the Canadian Legation in Warsaw to succeed Mr. Thomas LeM. Carter, M.C.; who is returning to Ottawa for duty in the Department.

Mr. Delisle was born in Quebec City in 1912. He graduated from the Quebec Seminary, Laval University and from Oxford University which he attended as a Rhodes Scholar. Prior to joining the Department of External Affairs in November 1942 he lectured at Laval University and at the University of Ottawa. Mr. Delisle was with the Canadian Embassy, Rio de Janeiro, from 1946 to 1949 and has been Canadian Consul in Boston since 1951.

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Physical output, as measured by gross national product in constant dollars, was 34% higher in Canada in 1953 than in 1946, while the increase in the U.S. over the same period amounted to 29%. From mid-1953 to the end of the first quarter this year there has been a decline of about 2% in this country and 4% in the U.S.

ARCTIC SURVEY SHIP: Canadian Vickers Limited, Montreal, are the successful tenderers for the construction of a twin-screw surveying vessel for the Canadian Hydrographic Service at a basic price of \$3,922,088. The ship, which is expected to be in operation during the 1956 navigation season, will be especially constructed in the heavy ice of Canadian Arctic waters and will have a cruising range of 14,000 miles, sufficient for a full season's charting in northern waters without refueling.

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The wooden casket, thought to have contained the missing bones of St. Jean de Brebeuf, Jesuit missionary-martyr, has been discovered in excavations at Fort Ste. Marie, near Midland, Ont.; the more than 300-year old Jesuit headquarters in Huronia.

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Appointment of Brigadier Charles Stephen Booth, C.B.E., E.D., senior Canadian representative to the International Civil Aviation Organization (ICAO) at Montreal as Assistant Deputy Minister of Transport, is announced by the Minister of Transport.

GRAIN STOCKS AT PEAK: Total carryover stocks of the five major Canadian grains in all North American positions except Newfoundland at July 31 were estimated at an all-time peak of 876,800,000 bushels, about 5% above the previous record of 832,300,000 in 1943 and more than two and a half times the 1944-53 average of 324,800,000.

Total stocks of Canadian wheat at the end of the crop year were estimated at 587,500,000 bushels, second only to the record 594,600,000 on hand in 1943. This compares with stocks of 369,200,000 bushels at the end of July last year and the 1944-53 average of 184,200,000. An estimated 205,900,000 bushels of this year's total were held on farms, while 208,600,000 of the off-farm stocks were in country elevators.

Rye stocks, estimated at 18,300,000 bushels, set a new record for the second successive year, exceeding last year's total by 2,600,000 bushels and the 1944-53 average by 13,200,000.

July-end stocks of oats, estimated at 123,800,000 bushels, were the third highest on record, being surpassed only by last year's 144,400,000 bushels and the 1943 record of 149,300,000.

Barley stocks, at 144,300,000 bushels, set a record for the third consecutive year, exceeding last year's total by 32,600,000 bushels and the 1944-53 average by 98,300,000.

Stocks of flaxseed, estimated at 2,500,000 bushels, were 1,400,000 below those of July 31 last year and less than one-fourth the record 10,700,000 in store on July 31, 1949. The 1944-53 average was 3,500,000 bushels.

Farm-held stocks of wheat, barley and rye at July 31 were the highest on record for the end of a crop year, while those of oats and flaxseed had been exceeded only once before. Farm stocks of wheat, estimated at 205,900,000 bushels, were more than two and a half times the 79,700,000 on farms in 1953 and 8% above the previous peak of 190,200,000 in 1943.

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EIGHT NAVAL OFFICERS TO INDOCHINA: Eight naval officers have been selected for service with the International Supervisory Commissions in Indochina, Naval Headquarters announced on August 18. They are: Commander A.D. McPhee, Vancouver and Ottawa; Lt.-Cdr. G.C. Hudson, Victoria; Lt.-Cdr. V.J. Murphy, Ladner and Wellington, B.C.; Lt.-Cdr. J.B. Young, Vancouver and Victoria; Lt.-Cdr. T.E. Connors, Montreal; Lt.-Cdr. (E) F.C. Palmer, Saskatoon; Lt.-Cdr. (S) J.P. Jordan, Montreal, and Lt. (E) F.A. Lambert, Portage La Prairie.

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More natural gas was produced and sold in Canada in May than in the same month last year. May production increased to 8,458,327 M cubic feet from 7,068,043 M, bringing the five-month output to 57,602,220 M cubic feet from 46,356,588 M.

HOSPITAL DEFICITS CUT: Canada's public hospitals took in more money than ever before in 1952 but still ended up the year in the red, according to the annual report on hospital finances by the Dominion Bureau of Statistics. However, a sharper gain in revenue than in expenditure cut the deficit by over 35% to \$4,985,000 from 1951's \$7,702,000. In no year has revenue quite caught up with expenditure.

Revenue and expenditure both approached the \$200,000,000 mark in 1952, having doubled since 1947 and tripled since 1944. Revenue rose to \$193,227,000, up \$10,017,000 over the preceding year, while expenditure amounted to \$198,212,000, an increase of \$7,300,000. Only 86% of the 1952 income was actually earned from services rendered to patients.

If the year's activities had been financed from hospital earnings alone the resulting deficit would have been \$32,975,000, or over six times as high as the actual figure. The other 14% of the income of Canada's public hospitals in 1952 came mostly from government grants, with the provinces providing 6.4% and municipal governments 2.9% of the total income. Other sources such as investment income and donations supplied the other 4.5%

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ARMY FITNESS PROGRAM: A continuous and progressive physical fitness training programme for Canadian Army (Regular) personnel has passed from the planning stage and will shortly be implemented throughout units across Canada, Canadian Army Headquarters announced August 21.

A present establishment of 57 instructors is a basis on which it is hoped to develop, over the next few years, a progressive physical fitness training program covering every phase of training and employment.

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TROOPS IN EUROPE: Canadian troops in Europe have moved into a tented camp at Sennelager, Germany, a famed wartime Nazi training area, for two weeks of intensive training, Army Headquarters has announced. The camp is situated about 35 miles north of Soest, where headquarters of the 1st Canadian Infantry Brigade is located.

At Sennelager, units of the brigade are practicing field firing of infantry weapons, tank-infantry co-operation, assault river crossings, patrolling and village fighting.

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ARMY SCHOOLS TOUR: An Ottawa educationalist, Mr. A.A. Smith, principal of Woodfalle School, Rockcliffe, has begun a tour of all Canadian Army and Air Force units in the European Continent, it was announced by National Defence Headquarters on August 18. Mr. Smith is assisting in the organization of schools there for the children of Canadian Servicemen.

EMPLOYMENT PICTURE: Employment in non-manufacturing industries expanded at approximately the usual rate for July, but slightly less than is usual in manufacturing. Reflecting these trends, the number of persons with jobs increased by more than 100,000 during the four weeks ending July 24, moderately less than during the comparable period last year.

Many more workers were affected by vacation closures this year than a year ago. As a result, it is estimated that about 450,000 were out on vacations at the end of July this year, compared with less than 300,000 in 1953. Unemployment declined considerably more during the month than in July last year, although it continued to be significantly higher.

Employment in the forestry, lumbering, and construction industries increased slightly more than is usual for the month; it increased less than usual in the tourist trade and in such outdoor activities as haying. Employment in the trade and services sectors increased as usual.

Manufacturing employment showed mixed trends; industries such as pulp and paper, wood products, and electrical apparatus showed increased labour requirements while transportation equipment manufacturing, especially the vehicle and vehicle supply firms, and the iron and steel industry showed reduced requirements, which in some cases were of a temporary nature.

The civilian labour force totalled 5,556,000 in the week ended July 24, 1954, compared with 5,462,000 in the week ended June 19, 1954. These estimates are obtained from the monthly labour force survey conducted by the Dominion Bureau of Statistics.

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FEWER STRIKES: There was a sharp drop in the amount of time lost from work stoppages arising from industrial disputes in Canada during July, according to a preliminary summary of strikes and lockouts released August 25 by the Minister of Labour. Preliminary figures for July showed 29 work stoppages in existence, involving 6,607 workers and a time loss of 54,111 man-working days, as compared with 31 stoppages in June 1954, involving 107,157 workers and a time loss of 86,085 days. In July 1953, there were 7,399 workers involved in 32 strikes and lockouts with a time loss of 73,898 days.

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POWER PRODUCTION UP: Power production by central electric stations increased in June to 5,674,937,000 kilowatt hours as compared to 5,264,516,000 in June last year, production being higher than last year in all provinces. The June advance raised the cumulative total for the first time this year over that for 1953, bringing it to 33,808,216,000 as against 33,454,253,000 kilowatt hours. Output in the six months was higher than in 1953 in all provinces except Quebec.

NATURAL GAS INDUSTRY: Estimated gross production of natural gas, less field waste, was 101,500,766 M cu. Ft. in 1953, 14 per cent higher than 1952, the Department of Mines and Technical Surveys has announced. Alberta supplied 88 per cent of the 1953 production, the remainder coming from Ontario, Saskatchewan, New Brunswick and Northwest Territories. Although large reserves have been developed in northeastern British Columbia, market outlets are not yet available.

The most important developments in the natural gas industry in Canada during 1953 related to the proposed export of Alberta natural gas to central Canada.

There has been no production in British Columbia as yet. Reserves of natural gas are, however, being built up in anticipation of a market outlet to the Pacific coast. The main centre of exploration is the Peace River district where exploratory projects were designed primarily to expand and evaluate the large Fort St. John gas field and surrounding areas. At the end of the year 31,426,352 acres were held under permit, license, and lease. Eighteen wells were completed as potential gas wells; 18 wells were abandoned; total footage drilled was 196,227 feet; and at the height of drilling activity, in June and July, 15 rigs were operating. Eight of these were in use at the end of the year.

Reserves of natural gas, in situ, in the Peace River district of British Columbia are in excess of 2,000,000,000 M cu. ft. with a further 1,500,000,000 M cu. ft. in the Alberta part of the Peace River region.

In Alberta, natural gas has been discovered in almost every area in which drilling for oil has been carried out, the present large reserves being mainly the result of the extensive search for oil. At the end of 1953, there were 405 gas wells capable of being operated and of these 272 were in production. These totals exclude wells classified as crude oil wells from which almost two-thirds of current production is coming.

A reserve study made during the year by the Petroleum and Natural Gas Conservation Board of Alberta showed that marketable reserves of Alberta natural gas as of June 30, 1953 were 11,500,000,000 M cu. ft. As a result of this finding, 3,500,000,000 M cu. ft. was made available for export to central Canada. The Board anticipates an increase in reserves of 1,250,000,000 M to 1,500,000,000 M cu. ft. each year during the next 10 years which would also be available for export.

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Pulp and paper is Canada's biggest manufacturing industry from the standpoint of factory value of shipments, which totalled \$1,158,000,000 in 1952. Slaughtering and meatpacking followed with \$864,000,000, and non-ferrous smelting and refining was a close third with \$837,000,000.

LEGATION IN BEIRUT: The Department of External Affairs announced on August 26 that the Governments of Canada and Lebanon have agreed to exchange diplomatic representatives at an early date with a view to developing the bonds of friendship between the two countries which have, during recent years, become closer through common membership in the United Nations and specialized agencies.

It is planned to open the Canadian Legation in Beirut within the next two months. During the absences of the Minister, who will also be accredited as head of the Canadian Mission in Cairo, a senior officer of the Department of External Affairs will act as Chargé d'Affaires ad interim. The Canadian Government Trade Commissioner in Beirut will be attached to the Legation with the rank of Commercial Secretary. Lebanon, now represented in Canada by a Consul General, will open a Legation in Ottawa.

It is hoped that this step will help to promote trade between the two countries as well as other economic, social and cultural interests which they have in common.

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RAIL EARNINGS, COSTS AT PEAK: Earnings of railways in Canada topped all previous records in 1952 when they grossed \$1,172,159,000. This was 7.6% above the previous peak of \$1,088,584,000 in 1951, and steeply above 1948's \$875,833,000. Operating expenses also climbed to a new high of \$1,057,186,000 from \$977,577,000 in 1951 and \$808,126,000 in 1948.

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PETROLEUM, GAS INCREASES: Production of 8 of Canada's 16 leading minerals rose in the first five months this year. Petroleum advanced to 34,362,355 barrels from 26,582,392 in January-May last year, natural gas to 57,602,220 M cubic feet from 46,356,588, clay products to \$10,463,021 from \$10,189,760, copper to 118,638 tons from 113,258, gypsum to 1,143,646 tons from 1,093,238, lead to 91,088 tons from 85,333, lime to 497,890 tons from 495,342, and nickel to 64,262 tons from 58,647.

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Last year Canadians visiting the United States for more than 48 hours spent an average of \$86, while Americans visiting Canada spent an average of only \$52. This compared with averages of \$88 and \$51, respectively, in 1952.

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RETAIL SALES DIP: Retail trade was again slightly under last year's level in June and the half-year sales total of \$5,690,158,000 was 1.5% less than 1953's \$5,775,608,000. June sales aggregated \$1,052,422,000 versus \$1,058,430,000 last year. Except for a slight increase in March retail trade has been lower in every month this year, the May decline of 3.2% being the sharpest.

Sales of retailers east of Manitoba were higher this June, but these gains were overbalanced by lower volume west of Ontario. In the first six months, sales in the Atlantic Provinces were up a slight 0.2% to \$482,607,000, but were down 0.3% in Quebec to \$1,333,023,000, 0.2% in Ontario to \$2,210,137,000, 2.9% in Manitoba to \$310,248,000, 9.4% in Saskatchewan to \$339,235,000, 6.2% in Alberta to \$432,331,000 and 1% in British Columbia to \$582,603,000.

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FARM PRICE RISE: With higher prices for live stock and potatoes more than offsetting lower prices for grains, dairy products, and poultry and eggs, the Bureau's Index of farm prices of agricultural products for all Canada (Newfoundland excluded) rose 1.5 points in June to an estimated 234.9 from the revised figure of 233.4 for May. It was the second successive monthly advance in the index following declines in March and April and brought it to the highest level since October last year when it stood at 236.0.

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25TH BRIGADE TRAINING: An intensified programme of current affairs training has been launched for officers and men of the 25th Canadian Infantry Brigade in Korea.

Specially selected officers, representing units within the formation, have been undergoing refresher training. Subjects include the principles of instructions and the conduct of discussion groups, lectures, forums and debates among troops.

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Provincial governments had net general revenues totalling \$1,314,000,000 last year, \$93,000,000 or 8% more than in 1952 and \$473,000,000 or 56% more than five years earlier. Taxes provided less than 31% in 1953 and 1952 as compared with nearly half the total in 1949.



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WEEK'S EVENTS IN REVIEW

MR. PEARSON ON "CO-EXISTENCE": Hope for closer European co-operation is not by any means destroyed by the decision of the French Parliament not to ratify EDC, the Secretary of State for External Affairs, Mr. L. B. Pearson, said in an address to the Canadian Federation of Mayors and Municipalities at Windsor, Ont., on August 30.

He said that "a strange new word" had lately been insistently and cleverly pushed by the Communists - "co-existence." He said he thought it was the "thinnest" word he had ever heard. It might be appropriate enough to its source, which was the Kremlin, "but it is unimpressive if you set it in any other context."

Mr. Pearson continued, in part, as follows:

"We know that France and Germany can, of course, 'co-exist,' even if the problem of their association together in EDC or in NATO is left unsolved. But it might be co-existence without confidence, where controversy and competition might easily replace collaboration. It might delay and even prejudice both European co-operation and growing unity and the development of the Atlantic coalition. The opportunity to write a shining new chapter in history would, for the time being, at least, be lost."

"One cannot help but feel deep anxiety at the possible failure to exploit this great opportunity for peace that may not soon or

easily recur. But one can also hope that this anxiety will be removed by the action of those in Western Europe who would be the first to suffer from the consequences of failure.

"That hope is not by any means destroyed, so far as I am concerned, by the decision today of the French Parliament not to ratify EDC. One method of solving this problem, a method originally proposed by the French Government itself, has now been discarded. That may be disappointing but it is certainly not any reason for despair. The free nations of Western Europe, including Germany, will I am sure, now wish to reach their objective of closer co-operation by some other method. The other members of the North Atlantic coalition including Canada, will, I am certain, wish to do what they can to assist in this process, and the best way to do that, in my view, would be to look at the whole problem in an Atlantic context."

"Perhaps it is not surprising that this appealing but ambiguous slogan, 'co-existence', should have been launched by the men who have inherited and maintain the device known as the 'iron curtain', that complex of ingenious barriers, physical and psychological, designed, organized and administered to deny and prevent normal relations and friendly intercourse between men and nations, and incidentally, to poison the free and frank relationship between

individuals even in the same society. How long, for instance, would a citizen of Moscow co-exist with our Muscovites if he mounted a soap box in the Kremlin Square and called for a change of government by peaceful means?

"Out of this concept of co-existence there has come a perplexing new query which tends, in certain quarters, to become almost a challenge or an accusation: 'Do you believe in the possibility of peaceful co-existence with Communism?' It reminds one of the old question, 'Have you stopped beating your wife?'. You are condemned by your own mouth whether you answer 'yes' or 'no'."

"If you answer 'yes' to the possibility of peaceful co-existence, this might seem to imply a softness towards Communism at home and abroad, an unawareness of its menace, a willingness, a readiness to relax one's guard. 'Live and let live' is generally sound doctrine, but it can suggest a tendency to minimize a danger, to become less alert, to turn our attention elsewhere. If we believe that we can live and let live, surely (the argument would run) we can abandon some of the precautions against danger and ease some of the burdens of defence. Weary of the effort which seven years of cold war have involved, we can now afford to be distracted, for 'peaceful co-existence' has arrived!

DESPAIRING ANSWER

"But if saying 'yes' to this loaded question about peaceful co-existence is apt to be risky and confusing, saying 'no' is worse. It is a wrong and defeatist, a despairing answer, for it assumes the inevitability of war. Furthermore, if Western Governments return a short 'no' to Moscow's declared belief in the possibility of peaceful co-existence, they would be attacked as intransigent warmongers by friendly neutrals and the well-intentioned uncommitted. . . ."

"We would be wrong to under-estimate the power and the danger of this loaded question about peaceful co-existence. The measure of that danger is the fact that it has become the keynote of all recent communist propaganda. Communist dictators are good at using semantics as weapons. The debasement of good words by 'double-talk' is one of the main characteristics of totalitarian tactics and propaganda. But 'double-talk' can be just about as dangerous as 'double-think'. Indeed, the two go together."

"Though the question about co-existence, then, is so phrased, so contrived, that a short 'yes' or 'no' answer is confusing, it is, I think worth trying to clear up the confusion, and to examine the real issue which it raises. It is an issue central to many of the problems of our time, as we face the menace of the international communist conspiracy."

"A first point to notice about this question of co-existence is that we have, in fact, been co-existing with Communism for the past thirty-five years."

"But another and more significant point is that a good many countries, such as the Baltic States, Estonia, Latvia, Lithuania, and the democratic regimes in Poland and Czechoslovakia, which co-existed with the U.S.S.R. for some years, have now ceased as free nations to exist at all. Co-existence is no problem for them. It has become the co-existence of Jonah and the whale that swallowed him. . . ."

"There is plenty of evidence that communist dictatorships tend to expand, and that as they do, they will destroy the 'co-existing' possibilities of free regimes in other countries wherever and whenever they think they can get away with it. It is something to remember."

"The moral of this is plain, that adequate defensive strength and eternal vigilance is the price to be paid for 'co-existence'. In the world in which we live it is dangerous to try to secure it on lesser terms."

"If we lack power and vigilance, if we become careless and disunited in the free world, 'co-existence' could soon be replaced by 'non-existence'. But if we follow steadily but persistently the other course, peace through defensive collective strength, and patient, persistent diplomacy, I don't see why we shouldn't continue to exist along side the communist world."

LESS DANGER

"There is, I think, because of our growing collective strength, less danger at this time of a deliberate frontal aggression than a few years ago."

"The Soviet leaders are realists. They know that such an attack would be met by swift and annihilating atomic retaliation, which would leave their great cities in ruins. For this reason, they may be quite sincere when they advocate co-existence in present conditions, because they know that the alternative in case of war is co-destruction."

"But they undoubtedly also hope that we may ourselves weaken the strength, unity and resolve that make co-existence as essential for them - as for us. They will certainly do their best to encourage us in this suicidal tendency."

"Even, however, if we can successfully hold off deliberate and full-scale aggression, war could come in one of two other ways. It could come by accident or miscalculation; a war which neither side intends, but which might result from a misunderstanding of current moves, and a tragic misinterpretation of each other's intentions."

"This could happen. To avoid it we should, among other things, keep our diplomacy active and flexible; keep open the channels of com-

munication and contact such as the United Nations, and remove, where we can, barriers, including psychological barriers, to understanding. No easy task -- indeed, an all but impossible task, when you are dealing with communist states -- but one which we should never, I believe, abandon.

"We should also do our best to find out what is the purpose and plan of the potential adversary in every move he makes. But what is even more important, we should leave him in no doubt about our own policy; about what is in our minds. This means, of course, that we of the free world should know our own minds and follow, together, a policy which in broad principle, objectives and basic purposes, is steady, fixed and firm.

"It means also that we should avoid panic and provocation; that we should be 'trigger ready' without being 'trigger happy'; that while maintaining our strength, we should make it quite clear, by word and action, that this strength will never be used for any aggressive purpose.

"The only other way in which war could come is that our free civilization should lose its nerve, its patience, its confidence, and, above all, lose touch with its own moral values. Such a tragic deterioration is, if not unthinkable, at least highly unlikely.

TOLERATION

"The kind of co-existence with Communism which I have been describing is not, of course, 'peaceful', in the sense that it is founded on friendship and co-operation. It is hardly more than mutual toleration, derived in large part from the sure knowledge that each side can wipe out the other, and that the victor would have nothing to gloat over but rubble and ruins.

"This kind of co-existence does not give one too much joy or comfort in the future. But it is realistic and as such, the best adjustment to the present situation. We accept it as the best possible solution at this time, but also in the hope that in time a better basis of understanding and a stronger foundation for peace may grow out of it.

"Philosophically and ideologically, Communism, far from being a new, permanent and revealing concept of life, is merely a narrow Western heresy, born amidst the abuses of the industrial revolution of the last century, morally and, therefore, intellectually bankrupt.

"There is no reason to believe that, considered in historical perspective, Communism can long survive. Men are in their deepest natures moral beings to whom questions of good and evil are basic. But Communism is fundamentally anti-moral. The very nature of man, therefore, makes it inevitable that sooner or

later totalitarian and tyrannical regimes based on philosophies like Communism either evolve or explode. If we remain strong and patient, therefore, we may before too long have something better to co-exist with than the international Communism of today.

As I see it, the answer to the question whether co-existence with Communism is possible, lies basically in recognition of the simple fact that we have to share a planet, not with abstractions, but with fellow human beings, who have now learned the secret of destroying life itself on that planet. The real question, in fact, is not whether we can 'co-exist', but whether we can prevent the unspeakable catastrophe of an atomic war, and ultimately find ways not merely of co-existing, but of co-operating with the peoples of Russia and China; without at the same time betraying our own principles, weakening our value, or sacrificing our security.

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MESSAGE TO FRANCE: The Department of External Affairs announced on August 27 that the Canadian Embassy in Paris had transmitted a message from the Secretary of State for External Affairs to M. Mendes-France conveying his continued friendly interest in, and sympathetic understanding of the difficulties that his Government faces with respect to the ratification of the European Defence Community Treaty; and his earnest hope that through his endeavours a settlement of the question will be effected which will protect the interests of France and advance the cause of peace and Atlantic co-operation.

The message went on to say that Mr. Pearson did not think it an exaggeration to say that an early settlement providing for German participation in collective defence and for the avoidance of purely national German re-armament is essential to the progress, and possibly even to the maintenance of that North Atlantic collaboration which has been one of the most important and inspiring postwar contributions to peace and to a better future.

Canada, Mr. Pearson's message said, has contributed to this collaboration and wishes to continue to do so. In that spirit the Secretary of State for External Affairs hoped, as he knew M. Mendes-France and his colleagues hoped, that nothing would happen which would delay or prejudice such collaboration.

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Periodicals received a record \$220,318,000 from advertising, subscriptions and sales in 1952, \$21,250,000 or 11% more than in 1951. Daily newspapers accounted for over 60% of the total, other newspapers for 15%, and general magazines for over 7%.

REVENUES DOWN: Budgetary revenues for July were \$361.8 million, or \$27.5 million less than revenue in July a year ago while expenditures were \$333.1 million or \$10.8 million less than a year ago. For July, 1954, the budgetary surplus was \$28.7 million or \$16.7 million less than the surplus of \$45.4 million for July, 1953, it was announced in the Government's monthly financial statement for July.

For the first four months of the current fiscal year, budgetary revenues totalled \$1,317 million or \$122.9 million less than for the corresponding period last year. Expenditures amounted to \$1,179.2 million, a decrease of \$30.2 million from the same period a year ago. The surplus for the first four months of the current fiscal year was \$137.8 million or \$92.7 million less than the surplus for the corresponding period a year ago.

During July, pension payments out of the old age security fund, which are not included in budgetary expenditures, amounted to \$29.1 million, while tax receipts credited to the fund were \$27.2 million, resulting in a deficit of \$1.9 million for the month. For the first four months of the current fiscal year, pension payments were \$116.4 million and tax receipts credited to the fund were \$102.3 million.

As pension payments exceeded tax receipts by \$14.1 million, a temporary loan in that amount was made by the Minister to the fund in accordance with the terms of the Old Age Security Act. For the first four months of the previous fiscal year, pension payments exceeded tax receipts credited to the fund by \$17 million.

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MANUFACTURING RISE IN B.C.: Manufacturing production value doubled in British Columbia and tripled in the Yukon and Northwest Territories in seven postwar years, the Dominion Bureau of Statistics reports. British Columbia manufacturers produced \$1,332,481,862 worth of products in 1952 as compared with \$628,903,124 worth in 1945, while manufacturers in the territories turned out \$2,288,039 worth of goods in 1952 as compared with only \$704,663 worth in 1945.

The number of manufacturing establishments increased in the seven years to 4,225 from 2,326 in British Columbia, and to 23 from 12 in the Yukon and Northwest Territories. The British Columbia plants employed 92,667 in 1952 as against 87,974 in 1945, and paid them \$283,530,976 as against \$160,419,133.

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Steam railways operated 42,953 miles of single main track in Canada at the end of 1952, 10,720 miles of yard track and sidings, 2,488 miles of second track and 2,130 miles of industrial track - a total of 58,291 miles.

PRODUCTION DOWN: A drop in manufacturing output, mainly in durable goods, reduced Canada's industrial production about 3% in the first six months this year, according to preliminary estimates by the Dominion Bureau of Statistics. Output in the electricity and gas sector was practically unchanged, but mining production rose nearly 9%.

The Bureau's advance index of industrial production (on the base 1935-39) registered 251.3 for June, more than 2% below last year's June index of 257.5. Mining production was about 12% higher than in June last year, but output in manufacturing was down nearly 6%. Production of non-durable goods was almost unchanged from a year earlier, but output of durable goods was down nearly 12%.

The June drop in durable goods was the result of substantial declines in the production of wood products, iron and steel, transportation equipment and electrical apparatus and supplies. In the non-durables sector, reduced output in the rubber, textiles and clothing industries was balanced by increases in other industries.

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COUNSELLOR AT WASHINGTON: The appointment of Mr. Robert A. Farquharson as a Counsellor to the Canadian Embassy in Washington was announced by the Department of External Affairs on August 31. For the past two years he has been Director of the Information Division of the North Atlantic Treaty Organization in Paris. In the performance of his duties as Counsellor, Mr. Farquharson will be specially concerned with information matters.

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There were 198,000 more males than females in Canada's ten provinces at the start of June this year, the greatest numerical difference between the sexes in five years. The male population, as estimated by the Dominion Bureau of Statistics, was 7,683,000 and compared with a female population of 7,485,000. A year earlier there were 7,474,700 males and 7,281,300 females, a difference of 193,400.

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Food and beverage producers form an important part of Canada's manufacturing industry. They include 22% of the firms and 14% of the employees, pay 12% of the payroll and over a quarter of the raw material costs, and turn out more than a fifth of the total output.

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A record 41,572 new dwelling units were completed in Canada in the first six months this year, 2,081 or 5% more than in the first half of 1953. Still under construction at mid-year were 64,262 units, 1,471 or 2% more than a year earlier.

NET CAPITAL IMPORT: Portfolio security transactions between Canada and other countries in the first half of this year resulted in a net capital import of \$172,000,000 in contrast to \$53,000,000 in the same 1953 period.

The net capital import in the first quarter amounted to \$169,000,000 as compared with \$116,000,000 a year earlier, and in the second quarter to only \$3,000,000 as compared with a capital export of \$63,000,000 last year. Total portfolio transactions in this year's first six months approximated \$1,000,000,000 as compared with \$900,000,000 at the same time last year.

Trading in outstanding securities in this year's January-June period resulted in a capital inflow of \$51,500,000 in contrast to a capital outflow of \$21,700,000 a year earlier. In the first quarter the inflow amounted to \$20,300,000 as compared with \$11,400,000, and in the second quarter it totalled \$31,200,000 in contrast to an outflow of \$33,100,000 a year ago.

Sales of outstanding securities to all countries in the half-year period aggregated \$349,200,000 as compared with \$273,800,000 a year earlier, and the purchases totalled \$297,600,000 as compared with \$295,500,000. In this year's first quarter the sales were \$156,600,000 as compared with \$148,000,000, and the purchases were \$136,300,000 as compared with \$136,600,000. In the second quarter the sales totalled \$192,600,000 as compared with \$125,800,000, and the purchases amounted to \$161,300,000 as against \$158,900,000.

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PETROLEUM PRODUCTS RISE: Production of refined petroleum products rose 11.7% in May to 13,894,333 barrels from last year's corresponding output of 12,433,051. There were increases in all provinces except Saskatchewan. June 1 refinery inventories increased 13.7% to 21,058,695 barrels from 18,510,155 last year.

Crude oil received by refineries in May increased 8% to 14,086,290 barrels from 12,974,259, with only Ontario refineries reporting reduced receipts. Receipts from domestic sources climbed 12.3% to 7,257,955 barrels from 6,463,063, and imported crude receipts rose 4.8% to 6,828,335 barrels from 6,511,196.

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Canadian mines shipped 1,756,000 tons of iron ore in six months, 28% less than in the first six months of 1953. Exports were off 22% and shipments to Canadian customers by 42%. Mid-year stocks were almost triple those of a year earlier.

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Canada's 37,929 factories had another record year in 1952 when they shipped products worth \$16,983,000,000. This was the sixth straight record-breaking year and the 1952 value was more than double that of 1946.

EMPLOYMENT UP: Number of persons with jobs increased by more than 100,000 during the four weeks ending July 24, moderately less than during the comparable period last year, according to the monthly joint press release by the Department of Labour and the Dominion Bureau of Statistics.

Unemployment declined more during the month than in July last year although it continued at a higher level than a year ago. More workers were affected by plant shut-downs for vacation periods this year than last; it is estimated that about 450,000 were out on vacation at the end of July this year as compared with 300,000 in 1953.

Canada's civilian labour force at July 24 was estimated at 5,556,000 as compared with 5,462,000 a month earlier and 5,515,000 at the same time last year.

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SCIENTIST TO U.K.: Dr. George S. Field, 49, of Ottawa, Chief of Division "A" for the Defence Research Board and Scientific Adviser to the Chief of the Naval Staff, has been seconded from DRB for a tour of duty in the United Kingdom as Scientific Adviser to the Air Ministry.

A physicist with a widely known reputation, Dr. Field distinguished himself during the Second World War for his contribution to naval research. He was particularly interested in sea mines, with special reference to those of an acoustical nature. He directed Canada's wartime anti-submarine research programme which was carried out on a co-operative basis with the United Kingdom and the United States.

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1953 AUTO PRODUCTION RECORD: Canada's motor vehicle industry, again set new production records last year, the gross factory selling value of its products climbing nearly 9% to \$835,554,549 from \$767,354,984 the year before, according to a special compilation of 1953 figures by the Dominion Bureau of Statistics. This was more than 3½ times the 1945 output value of \$228,695,109 and more than double the top wartime value of \$352,229,955 in 1943.

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CAR OWNERSHIP RECORD: Number of motor vehicles registered in Canada last year increased by 273,882, or 8.7% to a new record total of 3,429,706 from 3,155,824 in 1952. This raised the number of motor vehicles of all kinds to one for every 4.3 persons in Canada's population as against one for every 4.6 in 1952 and 4.9 in 1951.

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Canada's sash, door and planing mills industry shipped \$5,331,312 worth of prefabricated houses in 1952, nearly three times the \$1,849,624 worth produced in the preceding year.

DELEGATION TO UN GENERAL ASSEMBLY: The Composition of the Canadian Delegation to the Ninth Session of the General Assembly of the United Nations, which opens in New York on September 21, was announced September 2 by the Department of External Affairs. The Delegation is as follows:

Representatives:

Mr. L. B. Pearson, M.P., Secretary of State for External Affairs (Chairman of the Delegation).
Mr. Paul Martin, M.P., Minister of National Health and Welfare (Vice-Chairman of the Delegation).
Senator C.B. Howard, Sherbrooke, Quebec.
Mr. D. M. Johnson, Canadian Permanent Representative to the United Nations in New York.
Mr. G. D. Weaver, Member of Parliament for Churchill.

Alternate Representatives:

Mr. L. Cardin, Member of Parliament for Richelieu-Vercheres.
Mrs. K. G. Montgomery, Edmonton, Alberta.
Mr. Charles Stein, Q.C., Under Secretary of State.
Mr. K. P. Kirkwood, Department of External Affairs, until recently Canadian High Commissioner in Pakistan.
Mr. Stuart Hemsley, Department of External Affairs.

The names of the Parliamentary Observers attached to the Delegation will be announced later. Advisers for the Delegation will be drawn from the Department of External Affairs and from the Canadian Permanent Delegation to the United Nations in New York.

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RCAF-USAF TRAINING. Search and Rescue teams from the RCAF and USAF will join forces in early September for a combined training exercise in northern Manitoba, it was announced on September 2 by Air Force Headquarters in Ottawa. The exercise is designed to provide an exchange of on-the-job techniques and ideas, and to aid in developing procedures for joint search and rescue operations by the two air forces.

U.K. APPLE MARKET: The British Government has announced that it will make dollar exchange available for the purchase of a limited quantity of fresh apples, information to this effect having been received by the Department of Trade and Commerce from the Canadian Trade Commissioner in London. Details concerning the quantities and the methods of licensing will be announced later.

The United Kingdom market has long been of great importance to Canadian producers and shippers of apples. During the ten-year period prior to World War II, Canada exported an average of over five million bushels of apples to the United Kingdom, or over 40 percent of Canada's commercial production. Nova Scotia, British Columbia and Ontario were the principal suppliers.

With the exception of special allocations, the United Kingdom market has been virtually closed since 1939.

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WHOLESALE PRICES DOWN: Wholesale prices continued to decline in July, the Bureau's general index (on the base 1935-39=100) easing 0.2% from 217.8 in June to 217.4, the lowest level since August 1950 when the index registered 215.7 in the earlier stages of the price rise initiated by the Korean War. The index has reflected gradual but almost unbroken decline since the start of the year.

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6,810,000 pounds of wool were shorn from 918,900 Canadian sheep in 1954 as compared with 6,659,000 pounds from 895,700 sheep last year, an increase of 2.2% in wool production and 2.6% in the number of sheep shorn. Average fleece weight per sheep was unchanged at 7.4 pounds.

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Department store sales were 2.7% above the 1953 level in the week ending August 21, the Dominion Bureau of Statistics reports.

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Canadians downed about 315 pints of fluid milk and cream per capita last year, three pints more than in 1952.

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GOVERNMENT



CANADA

CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
 DEPARTMENT OF EXTERNAL AFFAIRS
 OTTAWA - CANADA

Vol. 9 No. 45

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WEEK'S EVENTS IN REVIEW

GERMANY IN EUROPEAN DEFENCE: Holding that it would be a "grievous tragedy" if the end of EDC meant the end of the move to European unity to which EDC was dedicated, the Secretary of State for External Affairs, Mr. L. B. Pearson, told a Canadian National Exhibition luncheon audience in Toronto on September 7 that there should be a new attempt to associate Germany with the Atlantic system through NATO.

After listing and eliminating such alternatives as keeping Germany neutralized and disarmed, doing nothing "and hoping that something would turn up," and giving West Germany back her sovereignty now, unconditionally, "and again hope for the best," he said:

"We return, then, to the only possible solution: bringing a free Germany into close association with a group of other free countries in a manner which will permit Germany to contribute to collective security, but which will ensure that she not become strong enough to dominate or control the alliance or any of its members.

"This, it was hoped, could be done by an EDC linked to NATO. That hope has been destroyed. Can a different kind of EDC, with more limited supranational powers, and a wider membership, take its place? Not, I should think, without many months of negotiation and many more months of parliamentary discussions before ratification. But there may be no longer enough time for this, and as each month passes, the difficulties in the face of such a solution will increase.

"There is left, then, the association with NATO of a Germany, with her sovereignty restored and the occupation ended, brought about in a way that will remove the anxieties of Germany's neighbours, and which will strengthen the whole Atlantic system of collective defence and, therefore, strengthen the peace.

"Furthermore, a Germany lined with NATO should not hinder, indeed it should even help the related move towards closer unity among NATO's European members. While this is a question for European countries to decide, and too much counsel and advice from overseas is of doubtful value, nevertheless, a Canadian possibly has the right to express his view that it would be a grievous tragedy, the effect of which would extend far beyond Europe, if the end of EDC meant the end of that inspiring and imaginative move to European unity to which EDC was dedicated. The free peoples of Western Europe, in an age when atomic warfare makes a mockery of old boundaries and old fears and old prides, will surely rise above these present difficulties and will not permit the progress already made to be stopped or reversed.

"Surely it is important, for all these reasons, that a new attempt to associate Germany with the Atlantic system should be pressed quickly and vigorously and steadily until the desired result is achieved. This, however, is not the same thing as saying that an international conference at which final decisions would be taken or even attempted, should be held the day after tomorrow. My own

experience confirms the view that conferences without careful preparation often do more harm than good.

"In this essential preparatory work of consultation and in the reaching of decisions about this problem of what to do about Germany now that EDC has gone, the NATO Council should, I think, be used to the utmost. This does not mean, of course, that special negotiations by the three occupying powers may not have to be carried on with the Bonn Government, whose agreement is essential for any kind of NATO solution of the problem; or that a preliminary meeting such as that proposed for London might not be useful. It does mean, however, that every member of NATO, whose agreement would be required, and all of whom are vitally interested in the problem, should, through the NATO Council, play a part in the search for a solution. Canada certainly expects to play such a part, as a NATO member with substantial air and land forces in Europe; indeed in Germany itself.

"Views, though they are bound at this stage to be preliminary, are already being exchanged between us and certain other NATO Governments, both on questions of procedure and substance. This is the kind of normal diplomatic operation which occurs between friendly governments before conferences meet and decisions are reached. When you read that it has already resulted in an "Empire row" between the United Kingdom and Canada, you can dismiss that as the kind of exuberant exaggeration which seems to sell some newspapers.

"We hope that our own ideas on both procedure and substance may make a useful contribution to the common pool from which a good solution may emerge. Indeed, it must emerge, and soon, if the Atlantic alliance, and with it our best hope for preventing aggression, is to be kept strong; or, possibly, even, to be maintained at all. The stakes are as high as that. It is, therefore, no cause for surprise that all the governments concerned, including the Canadian, are approaching this problem with earnestness and resolve.

"To achieve success in this task, as indeed in the greater effort, of which this is a part, of keeping peace in the world, it is essential though it is not always easy, to adapt our political and our economic thinking to the realities of an age which is almost as remote from 1939 as it is from 1066. When, for instance, we talk of fear lest one country in an alliance might rearm too quickly and dominate a neighbour, that fear is based on the picture of armies on the march, with guns and tanks. But domination today is expressed, materially, that is in terms of scientists and engineers, with megaton bombs and jet propelled means of delivering them quickly to the ends of the earth.

"In political terms, and this also is not easy to grasp or adapt one's thinking to, this may ultimately add up to the ultimate necessity of the union, for security, even for sur-

vival, of free European states in an Atlantic coalition which will be strong enough to prevent aggression and wise enough to use that strength for peace.

"If from the failure of EDC we can gain renewed impetus to that larger and greater goal, then, indeed, out of this set-back good may finally come."

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LABOUR DAY REVIEW: Labour has come to the fore as a full partner with management in the industrial life of Canada, the Minister of Labour, Mr. Milton F. Gregg, said in a Labour Day message on September 3.

The partial text of Mr. Gregg's labour review was as follows:

"Most employers today accept the labour union as a constructive and beneficial force within the framework of industry, the community, and the national family. Labour, over the years, for its part has gained a heightened appreciation of the responsibilities of management and of the interests of industry and the community.

"These changing attitudes coming about gradually, difficult to assess at any given moment, tend to be overlooked as we dwell on future objectives. At the same time, when we pull back and look at the overall picture of labour-management relations in Canada, there is every evidence that in a relatively short space of time labour has come to the fore as a full partner with management in the industrial life of our country.

"These changes in attitude have gradually made it possible, in most instances, for labour and management to develop the sound working relationship which is so essential to peace and harmony. A working arrangement has been established in which unions and employers find it easier to get to the heart of their collective bargaining problems and with less friction.

"This growing understanding also means that labour and management are able to work together on problems which may normally lie outside the field of collective bargaining -- which, for example, affect safety and efficiency in the plant or the welfare of the community. One good evidence of this is the steady growth of Labour-Management Production Committees in Canada.

"Labour union membership in Canada now stands at more than 1,200,000, as compared with 711,000 in 1945 and 359,000 in 1939. This growth continued and last year 48,000 new union members were enrolled. With such members labour has acquired a powerful voice in national affairs, and the Government of Canada welcomes its representations on all matters of importance to the welfare of Canada, recognizing that underlying all such representations as in the views expressed by union representatives on Government Advisory Committees, there is a deep desire to obtain the greatest good for the greatest number."

WHEAT LEADS DROP IN JULY EXPORTS

SEVEN MONTHS' TOTALS: Sharply reduced shipments of farm products, mainly wheat, other grains and wheat flour, accounted for most of a drop of 17.4% in the value of Canada's domestic exports in July from a year earlier and also of a decline of 8.8% in the cumulative value for the seven months as compared with last year, according to detailed summary figures released by the Dominion Bureau of Statistics on August 31. Somewhat less than a third of the seven month decline in value was due to lower prices, and over two-thirds to reduced volume.

Domestic exports in the month were valued at \$323,900,000, down \$69,200,000 from \$393,100,000 last year, and in the seven months totalled \$2,168,300,000, off \$218,400,000 from \$2,386,700,000 in 1953. Foreign exports in the month were unchanged at \$5,200,000, but in the seven months were up to \$36,600,000 from \$31,300,000.

\$38,492,000 DROP

Wheat shipments in July dropped \$38,492,000 in value to \$32,799,000 from \$71,291,000 last year and other grains by \$13,109,000 to \$10,457,000 from \$23,566,000, while wheat flour declined more moderately to \$7,631,000 from \$10,432,000. Together the decreases in these three commodities represented nearly four-fifths of the drop in the month's total domestic exports. Over the seven months, exports of wheat were down \$143,539,000 to \$199,282,000, other grains \$33,147,000 to \$66,426,000, and wheat flour \$7,562,000 to \$55,106,000, together representing over 80% of the cumulative decline.

Apart from agricultural and vegetable products, scattered reductions in exports of iron and iron products and of the miscellaneous commodities group accounted for most of the remainder of the decline in the July value. The former group fell to \$29,978,000 from \$34,342,000, with decreases in automobiles, iron ore, ferro-alloys, scrap iron, rolling mill products partly offset by gains in engines and boilers, farm machinery and automobile parts. Seven month value for the group was down to \$188,526,000 from \$227,202,000 with the trend closely similar to July for main items.

CANADIAN TEACHERS: Today school teachers are not only better paid but better qualified than at any time since the war, the Dominion Bureau of Statistics reported on September 2. However, while salaries are far above the prewar level, Canadian teachers still do not average as much professional training as in 1939.

The Bureau's latest report, which provides more information on teachers than ever before, covers the 68,963 teachers in city and rural

The miscellaneous group declined to \$6,420,000 in July from \$12,751,000 a year ago and to \$59,749,000 from \$66,951,000 in the seven months, with main decreases in ships and vessels, aircraft and parts, electrical energy and miscellaneous consumer and other goods.

In contrast, the wood and paper group - largest of the nine - moved upward in July to \$119,079,000 from \$114,089,000, mainly the result of a sharp gain in planks and boards that outweighed decreases for wood pulp and newsprint. Over the seven months the group climbed to \$750,661,000 from \$732,050,000, wood pulp and newsprint accounting for most of the gain. Gains for copper, lead, nickel and zinc boosted the non-ferrous group in July to \$61,230,000 from \$56,459,000, but for the seven months this group was off to \$405,682,000 from \$422,033,000 last year as a result of lower cumulative totals for copper, zinc and electrical apparatus.

EXPORTS TO U.S.

Domestic exports to the United States in July declined 8.6% - about half the rate of decrease to all countries - to \$190,845,000 from \$208,758,000, with lower figures for all groups except wood and paper. In the seven months the total was off 6.8% to \$1,311,384,000 from \$1,397,178,000, decreases being spread through all groups except animals and animal products. The decline in exports to the United States in this period was considerably less than in shipments to all other countries.

Shipments to the United Kingdom were off sharply in the month to \$55,246,000 from \$80,897,000 and in the January-July period to \$343,464,000 from \$395,131,000.

Exports to other Commonwealth countries as a whole declined in July to \$17,298,000 from \$22,787,000 and in the seven months to \$110,217,000 from \$140,478,000. Values were lower in both periods to India, Pakistan and the Union of South Africa and higher to Australia and New Zealand.

Reversing the trend of earlier months, shipments to Latin America increased in July to \$17,979,000 from \$16,132,000 last year, but the cumulative total was still below 1953 at \$112,399,000 against \$115,661,000.

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schools in nine provinces last year (excluded an estimated 27,550 teachers in Quebec). This is more than in any previous year and represents an increase of 19,418 or 39% since 1945. Since the war the number of men teachers has more than doubled while women teachers have increased by 23%. Last year 30% of the teachers were men, the highest proportion ever recorded. In 1945 only one-fifth were men and in 1939 less than 29%.

ATOMIC ENERGY AGENCY: The following is the text of the Statement by the Secretary of State for External Affairs, Mr. L.B. Pearson, referring to the Labour Day address by President Eisenhower concerning the peaceful uses of atomic energy:

"Since the end of the Second World War, Canada has directed its effort in the field of atomic energy toward the establishment of means to utilize it for peaceful and humanitarian ends. This has involved not only an active programme of research and development and the production of radio-isotopes, but also participation with her wartime atomic partners, the United Kingdom and the United States, and with the other member countries of the United Nations, in seeking to find means of ensuring that this awesome new force would never again be directed toward destructive purposes.

"The Canadian Government welcomed the proposals put forward by President Eisenhower last December for the establishment of an international agency under the aegis of the United Nations which would foster the growth and spread of the new atomic technology for peaceful use, and has observed with regret the refusal of the Soviet Union to consider them except on conditions which are unacceptable to the countries of the free world. However, Canada like the United States, believes that even in the absence of Soviet participation, an International Atomic Energy Agency along the lines proposed by President Eisenhower can usefully be formed by the nations willing to support its activities. Our country is in a position to make a useful contribution to the work of such an agency and will be glad to do so.

"As Canada and a number of other countries have already agreed in principle with the proposal to go ahead now with the formation of the international agency, it can now be expected that discussions will enter a new and more definitive phase.

"There is, of course, frequent consultation between the Canadian and United States Governments, both on the political and technical aspects of President Eisenhower's proposals, and on other atomic energy matters of mutual concern. On Thursday of this week, for instance, Mr. W. J. Bennett, the President of Atomic Energy of Canada Limited, will meet with Admiral Lewis L. Strauss, the Chairman of the United States Atomic Energy Commission. They will take advantage of the opportunity to discuss the proposed international agency, as well as other more technical atomic matters."

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STEFANSSON CACHE: A joint Canadian - United States naval expedition now investigating Canada's western Arctic waters, recovered recently equipment believed to have been cached 38 years ago near the northeast tip of Banks Island by famed explorer Vilhjalmur Stefansson.

CANADA'S TIES: The Minister of Labour, Mr. Milton F. Gregg, explained Canada's ties with Great Britain, the Crown, and the Commonwealth before the Convention of the Brotherhood of Railroad Trainmen at Miami Beach, Florida, on Labour Day, September 6.

He said, in part:

"In spite of our intimate ties, as well as the good neighbourliness, many people in the United States still seem to think, quite wrongly, that we are governed from London, England; that we pay taxes to Great Britain, and that our foreign policy is determined by Sir Winston Churchill and Mr. Anthony Eden. It is a fact, of course, that Canada has close ties with Great Britain because of our common membership in a world-wide Commonwealth of Nations. As such, we are linked with peoples of many races and with other continents. But our association in that Commonwealth is not by constitutional instruments or legal forms, but by sentiment, by long and free association, and by a common love of freedom and free institutions.

"Canada is a country which has gained its national independence as fully and truly as any nation in the world. We gained it by evolution from colonial status, not by revolution against it. We do retain our loyalty to the Crown as represented by our Queen and by her representative in Canada, who bears the somewhat misleading title of Governor-General, but who is one of ourselves -- a Canadian. But our continuing ties with the Crown are purely of our own choice.

"The important thing is that our national freedom is completely effective, notwithstanding the fact that it developed slowly, without losing our cherished political and sentimental contacts with an older land which once directed and assisted its growth and which gave that growth depth and stability...."

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LABOUR INCOME: Canadian labour income in the first 6 months this year aggregated \$5,767,000,000, moderately above last year's \$5,674,000,000. June's total climbed to \$1,000,000,000 from \$975,000,000 in May and \$981,000,000 a year ago.

On average, the estimated number of paid workers with jobs in the first 6 months of 1954 was about 1% lower than in the same 1953 period, while per capita weekly earnings were more than 2.5% higher. Paid workers with jobs in all branches of the economy numbered 3,976,000 at mid-June as compared with 4,005,000 a year earlier. Average weekly earnings of the major non-agricultural industries surveyed amounted to \$58.94 at the end of June as compared with \$57.57 last year.

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Ontario plants turn out nearly 98% of the motor vehicles made in Canada, and over 96% of all motor vehicle parts.

SMALLER TRADE DEFICIT IN YEAR'S FIRST HALF

INVESTMENT MAINTAINED: Canada's transactions in goods and services with other countries in the first half of 1954 resulted in a current account deficit of \$357,000,000, down \$18,000,000 from last year's first-half deficit of \$375,000,000. There were deficits of \$178,000,000 in the second quarter this year and \$179,000,000 in the first quarter, both of which were moderately lower than in the comparable 1953 periods.

In the first half this year adjusted export and import values were both some 8% lower than a year earlier, while receipts and payments for invisibles each fell 6%. The deficit on trade decreased \$6,000,000 to \$126,000,000 and that on invisibles by \$12,000,000 to \$231,000,000 in the half-year period. The second quarter deficit would have been significantly smaller if a technical statistical change had not affected the trade figures.

MOVEMENTS OF CAPITAL

Although the current deficit in the second quarter was little changed from the first quarter, the movements of capital which financed it differed considerably. Portfolio security transactions, which in the first quarter led to net inflows of capital sufficiently large to cover practically all Canada's current deficit, were virtually in balance in the second quarter. Direct investment inflows were maintained at about the same rate as the first quarter. Total official holdings of gold and foreign exchange rose by \$37,000,000 over the quarter.

The decline in exports and imports which has continued since the fourth quarter of 1953 reflects a variety of influences. The most important factor on the export side has been the decline in wheat exports to overseas countries. The fall in Canadian imports reflects in particular the slowing down and reversal of the inventory growth so conspicuous for much of 1953. In some industries, such as textiles and some durable manufactures, activity has been reduced and imports affected.

Adjusted merchandise exports fell \$166,000,000 in the first half of 1954 relative to the first half of 1953. About two-thirds of this decrease was in the second quarter. Imports fell by \$172,000,000, a decrease more evenly distributed over the two quarters. Export prices were about 2 to 3% lower in each quarter than in the previous year, while import prices were about 1% higher. The terms of trade accordingly deteriorated by some 3% relative to the same quarters of 1953, but were still considerably more favourable than in the period before 1952.

Net payments for invisibles in the first half of 1954 were \$231,000,000, \$12,000,000 less than in the first half of 1953 when the deficit had exceeded that of any half-year period since the war.

There were very sharp declines in receipts and payments on freight and shipping account in the second quarter. The reduced volume of trade in certain commodities was primarily responsible for these changes. Reduced exports of wheat, which has a high freight content, were of major importance on the receipts side.

In the second quarter part of the first quarter decline was offset. Travel receipts and payments were almost unchanged from the first half of 1953. Receipts and payments both declined slightly in the first quarter of 1954 and rose in the second. Net payments for interest and dividends were reduced in the first half of 1954. While dividend receipts were about the same in the half-year, those from the United States were lower and from the other sterling area countries rose. Dividend payments fell in the half-year but part of this decline was offset by larger interest payments associated with the net new issues of recent quarters.

U. S. AND U. K.

While the current deficit with all countries was not greatly changed there were important changes by areas. The deficit with the United States was decreased and the surplus with the United Kingdom increased in the half-year period, thus tending to decrease the overall deficit in the accounts. But the surplus with other countries was sharply reduced by the contraction in grain shipments and this offset much of the change with the United States and United Kingdom.

Net inflows of foreign capital for direct investment in Canadian industry are tentatively estimated to have totalled \$70,000,000 in the second quarter, about the same rate as in the first three months of the year. Capital imports for petroleum exploration and development accounted for about seven-tenths of the net inflow, continuing at the high levels of 1953. Inflows for mining brought the share of resource development as a whole to more than nine-tenths in contrast to about three-quarters of the total in 1952 and 1953. Other inflows for direct investment were smaller than last year and the net movement in the first half of the year was reduced by more than 25% from 1953. Portfolio security transactions in the second quarter of 1954 led to a capital inflow of only \$3,000,000 in contrast with \$169,000,000 in the first quarter.

POPULATION 15,236,000: Canada's population increased by 201,000 in the first six months this year, 29,000 or 17% more than in the first half of 1953, the Dominion Bureau of Statistics reports. The Bureau estimated the July 1 population at 15,236,000, which compares with 15,035,000 at the start of 1954. Last year's July 1 estimate of 14,821,000 compared with 14,649,000 at the beginning of 1953.

The gain in the year ended July 1 was 415,000 or 2.8%, which compares with an increase of 354,000 or 2.4% in the 12 months ended July 1 last year. In the first six months of 1954 the population increased at an annual rate of 2.7% as compared with an annual rate of increase of 2.3% in the first half of 1953. The July 1 population represented a gain of 41,000 over the June 1 estimate of 25,195,000.

The Bureau's population estimates for intercensal years are obtained by adding births and immigrants to the census total (14,009,000 at the start of June 1951) and deducting deaths and an estimate of emigration. Since the war the birth rate has been rising and the death rate falling, while the step-up in immigration has outweighed an increase in emigration.

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ARMS FOR PORTUGAL: The Canadian Army will ship a quantity of field artillery equipment next week to the Portuguese Army under terms of the mutual aid programme of the North Atlantic Treaty Organization. The supplies will be shipped from Montreal.

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Canadian concerns processed more tea but less coffee in the second quarter of 1954 than in April-June last year. Production of roasted coffee was cut by 4,656,000 pounds or more than one-fourth to 13,825,000 pounds, while output of blended and packed tea was boosted by 1,135,000 pounds or over 10% to 12,090,000 pounds.

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Pipe lines in Canada transported a record 83,480,000 barrels of oil in the first 6 months this year, some 15,025,000 or 22% more than in the first half of 1953.

NORTHWEST PASSAGE: HMCS Labrador, the Royal Canadian Navy's new Arctic patrol ship, is well on her way to becoming the first naval vessel in history to navigate the famed Northwest Passage, it was revealed on September 3 in an announcement by Naval Headquarters.

Emphasizing Canada's growing interest in the North, the 6,500-ton ship entered far northern waters via the Atlantic Ocean late in July, to assist in re-supplying Canadian Government outposts and to conduct important survey work. She has now made a rendezvous near the western entrance of the Northwest Passage with two United States icebreakers which entered the area from the Pacific. The Labrador plans to accompany the U.S. vessels, the Burton Island and the Northwind, when they return to the Pacific this month.

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PRICE INDEX UP: The consumer price index advanced 0.7% from 116.2 to 117.0 between July 2 and August 2. This increase was almost entirely attributable to a rise of 2.1% in the food index from 112.1 to 114.4, most of which was seasonal in its nature.

The shelter index increased 0.3% from 126.6 to 127.0 as a result of advances in rents and residential building costs.

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SCHOOL FOR KOREANS: Canadian troops in Korea have hired a Korean construction firm to build a five room school for the children of Chin-mokchong, the Korean village the Canadians have adopted and pledged themselves to rebuild. The village, situated in the Canadian sector, was completely destroyed in the early days of the Korean fighting.

The building will be financed from a \$3,000 fund contributed by officers and men of the 25th Canadian Infantry Brigade.

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Value of cheques cashed in clearing centres in July totalled \$12,541,611,000, slightly below last year's corresponding total of \$12,709,887,000. The cumulative total for the January-July period was up 5.6% to \$87,140,131,000 from \$82,545,763,000 in the same period for 1953.

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CANADIAN WEEKLY BULLETIN

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 DEPARTMENT OF EXTERNAL AFFAIRS
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WEEK'S EVENTS IN REVIEW

AID TO INDIA, PAKISTAN, NEPAL: The Department of External Affairs announced on September 10 that the Canadian Government has decided to make available \$225 thousand to assist in flood relief operations in India, Pakistan and Nepal. Of this amount, it is intended that \$100 thousand worth of aid should go to India, \$100 thousand to Pakistan and \$25 thousand to Nepal.

The assistance provided will take the form of dried skim milk and drugs, commodities which are urgently required in the disaster areas.

The Canadian Red Cross has undertaken to accept responsibility for the transportation of these commodities and their distribution in the countries concerned, in co-operation with the corresponding societies there.

The floods, which are described as the most extensive in recent history, have wrought widespread damage in East Bengal (Pakistan), in the States of Bihar, West Bengal and Assam in India and in Nepal.

In East Bengal, flood waters have affected some 36,000 square miles, about two-thirds of the Province, causing a serious loss of property, crops and livestock and rendering millions homeless. Dacca, the Province's capital as well as many other centres, has been flooded with consequent disruption of normal life. Urgent measures are being taken against the outbreak of epidemics. The loss to the jute crop is expected to exceed one million bales.

In India, the damage done by the 1934

earthquake pales into insignificance before the misery caused by the present emergency. In Bihar, for example, ten million square miles have been inundated, affecting over seven million people, with resultant damage to crops, disruption of railway traffic and communications. Similar problems are faced in Assam, in West Bengal and in Nepal, which is facing the worst disaster within living memory.

Assistance has already been extended by the Canadian Red Cross Society to India and Pakistan out of its own resources through the provision of very substantial amounts of drugs clothing and food supplies.

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U.N. PARLIAMENTARY OBSERVERS: The Department of External Affairs announced on September 10 the names of the following parliamentary observers with the Canadian Delegation to the Ninth Session of the General Assembly of the United Nations which opens in New York on September 21:

Mr. T. E. Ross, Member of Parliament for Hamilton East, (Liberal), Mr. André Gauthier, Member of Parliament for Lake St. John, (Liberal), Mr. A. R. Lusby, Member of Parliament for Cumberland, (Liberal), Mr. D. R. Michener, Member of Parliament for St. Paul's, (Progressive Conservative), Mr. A. B. Patterson, Member of Parliament for Fraser Valley, (Social Credit), Mr. C. Gillis, Member of Parliament for Cape Breton South, (C. C. F.).

FARM INCOME DOWN 7.5 P.C.: Farmers in nine Canadian provinces (Newfoundland excluded) took in an estimated \$1,093,900,000 from the sale of farm products and from participation payments on previous year's wheat crops in the first 6 months this year, 7.5% less than the \$1,182,600,000 collected in the first half of 1953 and nearly 12% under the all-time January-June peak of \$1,241,700,000 in 1951. About \$72,600,000 of the total decline of \$88,700,000 from the first-half of last year occurred in the second quarter of 1954.

Contributing to the reduced income in the first half of this year were substantial cuts in cash income from wheat, barley, barley participation payments, rye, corn and potatoes. Wheat accounted for more of the decline than any other single commodity, much smaller marketings and lower prices reducing total receipts 45% to \$132,700,000 from \$242,900,000 in the first 6 months of 1953.

LIVESTOCK

On the other hand, income from the sale of livestock and products increased. Larger marketings for all livestock more than offset lower prices for all classes except hogs to increase the total return 16% to \$368,500,000 from \$317,400,000 in the first-half of 1953. Income from cattle and calves rose about 7% to \$185,800,000, while income from hogs jumped nearly 27% to \$180,500,000

Lower egg prices were more than offset by higher marketings and total cash income from the sale of eggs rose to \$62,300,000 from \$60,300,000. Farm income from dairy products totalled \$200,500,000, up from \$196,500,000 last year.

The Prairie Provinces and Prince Edward Island accounted for the entire reduction in farm cash income in the first 6 months this year, declines ranging from 6% in Prince Edward Island to 36% in Saskatchewan. Gains in the other provinces ranged from less than 1% in New Brunswick to about 9% in Quebec.

BORDER CROSSINGS UP: Volume of highway traffic between Canada and the United States was 5% heavier in July than in the corresponding month last year. Border crossings in July totalled 2,098,000 vehicles as compared with 1,990,000 a year earlier, bringing the January-July figure to 7,710,000 as compared with 7,582,000.

BATTLE OF BRITAIN SUNDAY: Battle of Britain Sunday, in honour of the famous "Few" who won the battle over Britain in the dark days of 1940, is being observed on September 19 this year by the RCAF. The day will be marked by church parades and special services at RCAF units across Canada.

AUTO SALES DROP: Canada's motor vehicle industry cut July shipments 46% this year as the drop in dealer sales increased, the Dominion Bureau of Statistics reported on September 15. Shipments have been falling below last year's record level at a steadily rising rate since February, and in July fell to 26,128 from 48,691, the sharpest drop to date. Dealer sales, which have been down since the start of the year, fell over 21% in July to 33,677 from 42,801, also the biggest cut so far. Retail value was off almost one-fifth to \$85,797,000 from \$106,789,000

The tally for the first seven months of 1954 showed shipments down 19% to 269,475 from 332,389, and dealer sales down about 18% to 261,576 from 317,461. The decline in retail value was not quite as great, amounting to slightly more than 15% to \$673,579,000 from \$795,131,000.

Imported United States and European motor vehicles have also moved more slowly this year. Shipments of U.S. vehicles were off to 1,383 from 2,943 in July and to 16,501 from 21,446 in the first seven months. Sales of European vehicles were down to 2,531 from 3,407 in July and to 14,869 from 19,737 in the seven months.

WORLD WHEAT: Supplies of wheat remaining on or about August 1 in the four major wheat exporting countries for export and carryover at the end of their respective crop years totalled 1,993,400,000 bushels, some 23% greater than the 1,620,400,000 a year ago.

Estimated supplies in each of the four countries on August 1 with a year earlier figures in brackets were as follows: United States, 1,201,000,000 (1,087,900,000); Canada, 587,500,000 bushels (369,200,000); Australia, 121,300,000 bushels (61,400,000); and Argentina, 83,600,000 bushels (101,900,000). The United States 1954 crop, estimated at 977,500,000 bushels, is included in these calculations.

Exports from Canada in the 12-month period were down 34%, United States 35%, and Australia 41%. Reduced shipments from these three countries were only partially offset by the sharp increase (184%) in Argentine exports from the preceding year's low level.

PETROLEUM CLIMB: Canada's output of crude petroleum in the first half of 1954 climbed to a new peak total of 42,233,000 barrels. This was 26.5% above the preceding year's 33,391,000 barrels. Production reached 7,870,000 barrels in June, up from 7,161,000 in May and 6,809,000 a year ago.

Alberta accounted for 39,021,000 barrels of the half-year output (31,722,000 a year ago). Saskatchewan was the next largest source with 2,018,000 barrels (1,199,000), followed by Manitoba with 787,000 barrels.

CANADA, U.S. ECONOMIC CO-OPERATION

MR. PEARSON'S ADDRESS. "In our legitimate and deep concern with relations between us we should never, I think, lose sight of the identity of our basic interests with those of other free countries in the world. Even if we had no regard for the welfare of our friends abroad, and such disregard would hurt us as well as them, it is a simple fact that economic relations between our two countries can never be entirely satisfactory if the rest of the world is not prospering," the Secretary of State for External Affairs, Mr. L.B. Pearson, said in an address to the University of Rochester, N.Y.; on September 2.

The occasion marked the inauguration of an annual series of conferences on Canada-United States relations, as a regular activity of the new Canadian studies programme sponsored by the University.

BETTER BALANCE

"Canada's own trading relationship with the U.S.A. is traditionally and often heavily unbalanced in your favour. It is surely in the interests of both countries to work for a better balance," Mr. Pearson continued. "We shall certainly do our best in this regard, especially when we are stirred up by restrictions against our exports to this country - already so much less than our imports from you. Nevertheless, the situation is one where in the foreseeable future it will continue to be necessary for us to bring in the Old World to redress the trade balance of the new."

"For these reasons, as well as for more general ones, any policies which you or we might follow and which would be against the interests of other free countries could hardly help being against our own common interests as well."

"Except in the most dangerously short-sighted sense, our economic interests themselves point us toward a liberal import policy. As Director Harold E. Stassen of the Foreign Operations Administration told your Congress in 1953:

"Any industrial country such as the United States, which depends on the outside world for 100 per cent of its tin, 100 per cent for its mica, 100 per cent for its asbestos, 100 per cent for its chrome, 90 per cent for its nickel, 93 per cent for its cobalt, 95 per cent for its manganese, 67 per cent for its wool, 65 per cent for its bauxite, 55 per cent for its lead, 42 per cent for its copper, is unwise in terms of its own self-interest to raise new trade barriers."

"Similar considerations apply, of course, to my own country."

"I recognize that though the long-term economic and commercial interests of both our countries point toward the desirability of

liberal trading policies, practical politicians, like practical businessmen, are sometimes subjected to the urgent temptation to compromise with long-term principle in favour of short-term expediency. It should never be forgotten, however, that not only our ultimate economic interests, but the immediate interests of our political and defence policies, impel us toward economic co-operation with each other as well as with our overseas allies and the other nations of the free world. I have said it many times before, but it cannot be too often repeated, that economic conflict and political collaboration are not reconcilable.

"To the extent that businessmen, labour groups, legislators and spokesmen for the various sections of our society realize and accept the primacy of these longer and more fundamental interests, the pressures, geographic and occupational, on politicians will tend to strengthen rather than weaken our nations, as they sometimes do now. . . .

"We have agreed . . . that codes of commercial and financial conduct must be applied almost universally in the free world if they are to serve our broader economic and political purposes."

"We have not sought, and we should not seek, preferential treatment for each other. Our standards of neighbourliness should be comprehensive, not exclusive."

CO-OPERATION

"While co-operation between us remains close, it should not be closed. It should also be such as to enable us to be more effective and constructive in our collaboration with others - economically as well as politically. . . .

"Since the end of the war the United States and Canada have campaigned together for a more rational system of world trade based on more liberal tariff and other commercial policies. We have stood together through some dark times when everyone else seemed to be going off in another direction, relying on restrictions, quotas and discriminations against us to deal with their external financial problems."

"These particular difficulties seem to be receding. A number of our friends across the Atlantic are now feeling a new surge of economic strength and they have taken important initiatives to lead their neighbours forward in common efforts to achieve convertibility and non-discrimination in trade. It is clearly in our best interests to welcome and encourage these efforts by every means available to us, and to do nothing by our own policies which would hinder and possibly prevent them. . . .

"A great deal will now depend on whether we in North America are ready and willing to extend the co-operation which will be necessary

if recent constructive moves are to continue. Overseas countries are watching with great interest any developments in our two countries which offer an indication of the direction of our trade policies. A positive lead on the part of North America at this critical juncture can, I felt, tilt the balance in favour of progress. By the same token even minor defections on our part are liable to have an influence on the attitudes of overseas countries which goes far beyond their actual impact on trade.

"We must, in these circumstances, make it entirely clear that the United States and Canada continue to attach the utmost importance to the development of more satisfactory trading relations between the countries of the Free World and that we stand ready to pursue the kind of policies which will promote the attainment of these important objectives...."

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NEW HOUSING ADVANCE: Sparked by an upswing in starts in the Maritimes and Western Canada and in completions west of Quebec, new housing construction showed a sharp increase over last year in July. Advance figures released by the Dominion Bureau of Statistics show that 14,191 new dwelling units were started in the month, 2,357 or almost one-fifth more than in July last year, while 8,383 new units were completed, an increase of 1,555 or nearly 23%

The jump in starts put the total for the first seven months of 1954 at 60,589, up 2,009 or 3% from a year earlier, the first time this year that cumulative starts have topped last year's total.

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INCORPORATED FIRMS: The proportion of incorporated companies in the manufacturing industries has increased at the expense of individually owned concerns, partnerships and cooperatives since the war, according to the latest report on the type of ownership of Canada's manufacturing industries by the Dominion Bureau of Statistics. Incorporated companies included 36.9% of all manufacturing firms in 1952 as compared with 33.4% in 1946, while individually owned concerns included 44.9 as against 47.3%, partnerships 15.4 as against 16%, and cooperatives 2.8 as against 3.3%.

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WHEAT SUPPLIES: Stocks of Canadian wheat in store or in transit in North America on August 25 amounted to 370,011,000 bushels, slightly under the 375,119,000 held a week earlier but 27% above last year's 291,525,000 bushels. Overseas export clearances during the week ending August 25 fell to 4,143,000 bushels from 6,487,000 last year, and cumulative clearances from the start of the crop year dropped to 13,692,000 bushels from 29,751,000.

FISHERIES CONVENTION: The Department of External Affairs announced on September 10 that representatives of the United States and Canada signed on that date in Washington a Convention on Great Lakes Fisheries.

The Canadian Ambassador in Washington, Mr. Arnold Heeney, and the Canadian Deputy Minister of Fisheries, Mr. Stewart Bates, signed on behalf of Canada. The Acting Secretary of State, Mr. Walter Bedell Smith, and the Special Assistant for Fisheries to the Under-Secretary of State, Mr. William C. Herrington, signed on behalf of the United States.

The Convention provides for joint action by the United States and Canada in the field of fishery research and the elimination of the predatory sea lamprey in the Great Lakes. To carry out this task, both Governments agree to establish a Great Lakes Fishery Commission of three appointees from each country.

The duties of the Commission include the formulation of research programmes regarding the Great Lakes fisheries and the formulation and implementation of comprehensive programmes for the destruction of the predatory sea lamprey which have been playing havoc with some of these fisheries, especially the whitefish and lake trout fisheries.

The Commission may recommend to the Governments, on the basis of research findings, measures to make possible the maximum sustained productivity in the Great Lakes fisheries.

The Commission will have, however, no regulatory powers. In the performance of its functions the Commission will, wherever feasible, make use of the existing state, provincial and federal agencies in each country.

The Convention, with an initial duration of ten years, will become effective upon ratification by both countries.

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ADVISER IN INDOCHINA: Brigadier T.E.D'O Snow, OBE, CD, of Ottawa, has been appointed to the Canadian Military Truce Team in Indochina as Military Adviser to the Canadian Commissioner for Cambodia, it was announced on September 9.

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Canada's apple crop is expected to be 12% larger this year than last, according to estimates by the Dominion Bureau of Statistics. At the same time the pear crop is estimated to be 14% smaller, and the peach crop is down 12%.

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Poultry farmers had about 71,695,000 birds at the start of June this year, 5,244,000 or 8% more than at June 1 last year.

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More favourable weather boosted Canada's maple crop 24% this year to 2,422,000 gallons from 1,948,000 in 1953.

PETROLEUM LEADING MINERAL: Canadian crude oil production in 1953 totalled 80,904,402 barrels, valued at \$197,294,232, an increase of 19,667,080 barrels over 1952. Average daily output was 221,656 barrels compared with 167,773 barrels in 1952 and potential output was estimated at 345,000 barrels a day, an increase of about 63,000 barrels a day over 1952.

Alberta accounted for 95 per cent of the production, and Saskatchewan, which doubled its 1952 production, 3.5 per cent. The remainder came from Manitoba, the Northwest Territories, Ontario, and New Brunswick. In value of production crude petroleum became Canada's leading mineral replacing gold which had held this position for over 20 years.

During 1953 the 718-mile Trans Mountain pipe line from Edmonton to Vancouver was completed and the Interprovincial pipe line from Edmonton to Superior, Wisconsin, was extended 643 miles to Sarnia, Ontario, making the 1,765-mile line the world's longest oil pipe line.

Canadian refinery capacity was increased 70,250 barrels to 528,650 barrels a day, double that of 1947.

WESTERN CANADA

Although most of western Canada's drilling continued to be carried out in Alberta, there were marked increases in exploratory and development activity in Saskatchewan and Manitoba. In all, 2,222 wells were drilled in western Canada in 1953 resulting in 1,300 oil wells, 90 gas wells, and 832 dry holes. There were 1,418 completions in Alberta, 669 in Saskatchewan, 89 in Manitoba, 36 in British Columbia, and 10 in Northwest Territories. The number of active drilling rigs in western Canada reached a high of 194 compared with a peak of 253 in 1952.

The Canadian Petroleum Association estimated proven reserves of crude oil in Canada at the end of 1953 to be 1,845,422,000 barrels, an increase of 165,913,000 barrels over 1952. Of these reserves, 1,624,496,000 barrels were in Alberta and 182,159,000 barrels were in Saskatchewan.

An estimated \$390,000,000 was spent in 1953 on the development of Alberta's petroleum resources and in providing pipe line transportation facilities, a 25 per cent increase over 1952. Drilling activity resulted in 884 new oil wells, 53 new gas wells, and 481 abandonments. At the end of the year there were 122 drilling rigs in use. By December 1953, Alberta had 4,504 crude oil wells capable of being operated, 4,000 of which were in production.

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Weekly earnings in manufacturing at the beginning of July averaged \$57.39, up from \$56.60 a month earlier, according to advance figures. The work-week averaged 40.5 hours as compared with 39.8, and hourly earnings averaged 141.7 cents as compared with 142.2.

FORCES IN KOREA: As a result of consultations between the Commonwealth Governments which have forces in Korea and the United Nations Command, it has been decided to reduce the Commonwealth contribution to the United Nations forces in the Korean theatre parallel with and in proportion to the reductions being made in United States forces there, the Minister of National Defence, Mr. Ralph O. Campney, announced on September 13.

So far as Canada is concerned, he said, it has been agreed that the Canadian forces will be reduced by approximately two-thirds and that the remaining Canadian element in the United Nations forces in Korea will consist of one infantry battalion, one field ambulance, and the necessary elements for their administrative support.

Canadian troops being returned to Canada will be brought back as rapidly as suitable hand-over and shipping arrangements can be made. It is hoped that the greater part will be at home or en route by the end of the year.

ORDER OF RETURN

The anticipated order of return to Canada of the major units, together with their locations, pending completion of new permanent home stations now under construction, is as follows: the 2nd Battalion, The Black Watch (Royal Highland Regiment) of Canada, will join its first battalion at Aldershot, Nova Scotia; the 3rd Regiment, Royal Canadian Horse Artillery, is to be located at Debert, Nova Scotia; the 4th Battalion, The Canadian Guards will occupy Camp Ipperwash, Ontario. The Brigade Headquarters and supporting units will also be included in those returning to Canada.

Remaining in Korea for the present as part of the reduced Commonwealth forces will be the 2nd Battalion, Queen's Own Rifles of Canada, one field ambulance, and the necessary elements for their administrative support.

In line with the general reduction of United Nations' forces in Korea, one of the three Canadian destroyers serving in Korean waters, H.M.C.S. "Cayuga", will be withdrawn shortly from Korean patrol duties and will not be replaced. She has been on station in the Far East since June last. The destroyers "Iroquois" and "Huron" will continue on duty with the United Nations forces for the present.

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Labour income reached \$5,767,000,000 in the first 6 months this year, \$93,000,000 or about 2% more than in the first half of 1952. About 1% fewer had jobs, but per capita weekly earnings were up 2.5%.

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Population of Canada increased by 201,000 in the first 6 months this year, 29,000 or 17% more than in the first half of 1953. The July 1 total of 15,236,000 represented a gain of 1,227,000 since the 1951 Census.

GROSS NATIONAL PRODUCT REMAINS STEADY

\$23.9 BILLION: Canada's gross national product remained steady in the second quarter of 1954, at a seasonally adjusted annual rate of \$23.9 billion, according to advance figures released on September 13 by the Dominion Bureau of Statistics.

The minor declines in production of the two preceding quarters were not resumed. The level of aggregate output was thus unchanged from the first quarter of 1954 but was almost 2% below last year's annual average of \$24.3 billion. This decline from last year reflects a substantially lower value of crop production which is now estimated to be \$400 million below a year ago. The lower estimate is based on latest available information on expected crop yields.

SMALL INCREASE

It appears that the recent declines in total non-agricultural production were halted in the second quarter and that a small increase occurred. Related indicators show that production in durable goods manufacturing, construction, and transportation, communication and storage continued to move downward in the second quarter, following the trends which began in 1953. Declines in these groups, however, were offset by gains in the service industries (except transportation) and in the non-durable goods producing industries, except clothing.

In manufacturing, the major declines in durable goods production from the first to second quarter occurred in transportation equipment, electrical apparatus and supplies and iron and steel products. The transportation, communication and storage group was affected by declines in shipments of grains, motor vehicles and farm implements.

Persons without jobs and seeking work in the second quarter of 1954 constituted 4.4% of the total labour force, compared with 2.3% in the second quarter of 1953. The number of paid workers with jobs showed a decline of 1% from

a year ago. However, higher average hourly rates more than offset declines in total employment and in average hours worked so that labour income in the second quarter showed a small increase over last year. The increase in average hourly earnings in non-durable goods manufacturing amounted to 6.4%, and in durable goods manufacturing to 3.6%; in construction and mining, the gains were 4.6% and 2.8%, respectively.

With gains occurring in other elements of personal income as well as wages and salaries, the purchasing power of the personal sector was maintained at a high level in the second quarter of 1954. Personal disposable income was, in fact, more than 5% above the second quarter of a year ago, despite the relative stability of total production.

DECLINES

Total final purchases of goods and services, home produced and imported, (but excluding inventories) were slightly lower in the second quarter of 1954 than a year earlier. Declines occurred in government expenditures, non-residential construction, machinery and equipment, and exports. These declines were only partly offset by a substantial increase in personal expenditure on consumer goods and services, with the result that total final purchases (excluding inventories) fell by about 1%.

This relatively minor drop in final purchases of goods and services from a year ago was accompanied by a much smaller business inventory accumulation in the second quarter (partly offset by smaller net withdrawals from stocks of grain in commercial channels and farm inventories). Nevertheless, Canadian production as measured by gross national expenditure, remained stable relative to a year ago, since imports fell sharply (by 11% as adjusted for the national accounts), more than offsetting the total decline in final purchases and inventory change.

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DIPLOMATIC SERVICE TRANSFERS: The Secretary of State for External Affairs on September 14 announced the following transfers within the Canadian diplomatic service:

Mr. D'Arcy McGreer, Canadian Minister to Denmark, will return to Ottawa later in the year as Chief of Protocol succeeding Mr. H.F. Feaver. Mr. Feaver replaces Mr. McGreer as Canadian Minister in Copenhagen and is expected to take up his post in November.

Mr. Morley Scott will be the High Commissioner to Pakistan, succeeding Mr. K.P. Kirkwood who returned to Canada in June of this

year. Mr. Kirkwood has been appointed an Alternate Representative on the Canadian Delegation to the forthcoming Ninth Session of the United Nations General Assembly. Mr. Scott was, until recently, Minister-Counsellor at the Canadian Embassy in Tokyo. He is expected to assume his new duties in November.

Mr. Douglas Cole, at present Canadian Consul General in Chicago, is to become Canadian Ambassador to Mexico, succeeding Mr. Jules Léger. Mr. Léger's appointment as Under-Secretary of State for External Affairs was announced on July 1. Mr. Cole will take up his new post in November.



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WEEK'S EVENTS IN REVIEW

COLOMBO PLAN CONFERENCE: Marking the first occasion that Colombo Plan discussions have been held in Canada, economic and financial experts from the 14 Colombo Plan countries commenced preliminary talks in Canada's Parliament Buildings at Ottawa on September 20. They will continue deliberations this week and next and on October 4 talks will move to the Ministerial level.

At the opening meeting on September 20, Mr. Kenneth W. Taylor, Canada's Deputy Minister of Finance, was elected chairman of the preliminary discussions, from which will emerge a progress report for the meeting of the Ministers.

The six-year, \$5,000,000,000 Colombo Plan program was begun in 1951 to strengthen and aid undeveloped countries.

The Canadian Parliament voted \$25.4 million for use under the Colombo Plan in 1954/55, making a total of approximately \$102 million which has been made available by Canada for capital and technical assistance in the first four years of the Plan. In addition, there has been a special \$5 million grant of wheat to Pakistan, from which counterpart funds have been generated for use in agreed developmental projects. Although funds are voted on a yearly basis, unexpended moneys are carried over from year to year.

The Department of External Affairs released on September 17 the names of delegates from

fourteen countries that will be attending the Colombo Consultative Committee meeting October 4-9.

The leaders are as follows:

<u>AUSTRALIA</u>	-	Rt. Hon. R. G. Casey, Minister of External Affairs
<u>BURMA</u>	-	U. Tun Shein, Permanent Secretary of the Foreign Office
<u>CAMBODIA</u>	-	Mr. Phlek-Phoem, Director of National Planning
<u>CANADA</u>	-	Hon. L. B. Pearson, Secretary of State for External Affairs
<u>CEYLON</u>	-	Hon. M. D. H. Jayawardene, Minister of Finance
<u>INDIA</u>	-	Hon. C. D. Deshmukh, Minister of Finance
<u>INDONESIA</u>	-	Dr. Sunarjo, Minister of Foreign Affairs
<u>LAOS</u>	-	H. E. Ourot Souvannavong, Minister to United States
<u>NEPAL</u>	-	Major-General Maahabir Shumshere Jung Bahadur Rana
<u>NEW ZEALAND</u>	-	H. E. T. C. A. Hislop, High Commissioner for New Zealand in Canada, Ottawa
<u>PAKISTAN</u>	-	Hon. Chaudri Mohammed Ali, Minister of Finance
<u>UNITED KINGDOM</u>	-	The Hon. Marquess of Reading, Minister of State, Foreign Office

UNITED STATES - Mr. Samuel C. Waugh, Assistant Secretary of State
VIETNAM - H. E. Tran Van Chuong, Ambassador to United States

Canada's delegation is as follows:-

(Leader): Hon. L. B. Pearson, Secretary of State for External Affairs

Rt. Hon. C. D. Howe, Minister of Trade and Commerce

Hon. Walter Harris, Minister of Finance

Hon. James Sinclair, Minister of Fisheries

Hon. Jean Lesage, Minister of Northern Affairs and National Resources

Mr. K. W. Taylor, Deputy Minister of Finance (Leader of Official Delegation)

Mr. J. F. Parkinson, Department of Finance

Mr. A. E. Ritchie, Department of External Affairs

Mr. R. G. Nik Cavell, Administrator, International Economic and Technical Co-operation Division, Department of Trade and Commerce

Mr. J. English, Director, Trade Commissioner Service

Mr. L. Rasminsky, Bank of Canada

Mr. M. Lamontagne, Assistant Deputy Minister, Dept. of Northern Affairs and National Resources

Associated with this group of officials are the following officers of various departments:

Mr. S. M. Scott, Canadian High Commissioner Designate to Pakistan

Mr. A. R. Menzies, Department of External Affairs

Mr. D. M. Comett, Department of External Affairs

Mr. G. H. Blouin, Department of External Affairs

Mr. J. P. Manion, Department of Trade and Commerce

Mr. Finlay Sim, Comptroller-Secretary, Department of Trade and Commerce

Mr. R. W. Rosenthal, Assistant Administrator, International Economic and Technical Co-operation Division, Department of Trade and Commerce

Mr. D. W. Bartlett, Director, Technical Co-operation Service, Department of Trade and Commerce

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FEWER STRIKES: Time loss, arising from industrial disputes in Canada, which showed a sharp drop in July, continued the drop during August, and was the lowest recorded for any August since 1949, according to a preliminary summary of strikes and lockouts released by the Minister of Labour.

Based on the number of non-agricultural wage and salary workers in Canada, the time lost in August 1954, amounted to 0.06 per cent of the estimated working time, as compared with 0.07 per cent in July 1954; 0.11 per cent in August 1953; 0.07 per cent for the first eight months of 1954; and 0.06 per cent for the corresponding period in 1953.

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HELL'S GATE PAY-OFF: The Adams River sock-eye run this year has exceeded expectations and old-timers state that the engineering feat at Hell's Gate has definitely proven itself and is resulting in runs reminiscent of forty to fifty years ago.

Canadian and American fishermen are expected to take over 10,000,000 fish from the 1954 Adams River run, which is now being fished by the gillnetters in the Fraser River. This is a quite different picture from the 'flop' in 1950.

Another feature of the 1954 run is the size of the fish - averaging over 7 pounds - about a pound heavier than normal. On August 30 the Canadian seining fleet had their last crack at this run and, with the gillnetters, accounted for some 600,000 fish, the Fisheries Council of Canada announced on September 17.

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Volume 1 of the trade of Canada for the calendar year 1953 was released September 20 by the Dominion Bureau of Statistics. It contains summary statistics, analytical tables and data on Canada's foreign trade with each country by principal commodities. This volume, which is part of a set of 3 annual reports on the foreign trade of Canada may be obtained from the Queen's Printer at \$2.00 a copy.

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Schools in cities in all provinces except Quebec averaged 35.7 pupils per class last year as compared with averages of 34.6 for town and village schools, 28.3 for rural schools of 2 to 5 rooms and only 18 for one-room rural schools.

ECONOMIC ACTIVITY AGAIN ON UPGRADE

MR. HOWE'S ANALYSIS: "Overall activity in the economy seems once again on the upgrade," the Minister of Trade and Commerce, Mr. C. D. Howe, said in addressing the Board of Trade in Guelph, Ont., on September 17.

Every year in the last decade and a half, he pointed out, had established new records in the level of national output. It might be, however, that 1954 would record no gain over 1953.

Mr. Howe proceeded, in part:

"This pause in the rate of economic progress has caused some misgivings. What, in fact, does it mean? First of all, there is no reason for surprise at some irregularity in economic activity. Although I hope that we have succeeded in preventing serious economic fluctuations, I do not think that we can or should try to eliminate all the ups and downs. In a free society, it is healthy for periods of surging activity and expansion to be followed by periods of consolidation, when relatively inefficient and uneconomic enterprises are trimmed away.

"Nor, of course, is there any need to apologize for a year which is as good as the best year in Canada's history. We can't go on making new records every year.

NATIONAL OUTPUT

"The trend of national output in Canada reached its peak in the third quarter of 1953. For the next two quarters, total production declined but subsequently has turned slightly upward.

"Industrial output has been running considerably below last year's level but is no longer declining. On the other hand, activity in construction and in most of the service trades is increasing. Total employment, which showed more than the customary decline during the winter and early spring, is now almost back to the level of one year ago. In other words, overall activity in the economy seems once again to be on the up-grade.

Several of Canada's manufacturing industries, he said in an analysis of cost position, had been caught between rising costs at home and ample supplies of low-priced supplies from abroad.

"It is, I suppose" he went on, "natural that these conditions should bring renewed proposals for additional protection of one kind or another against imports. It is frequently argued, for example, that Canadian industries should not be expected to compete with producers in foreign countries where wage rates are but a fraction of those paid in Canada.

"This argument disregards the underlying principle upon which international trade is based. It should be remembered that international differences in wages and other costs

have not appeared overnight but have been evolving for decades. The relatively high incomes enjoyed by Canadians is the result of the effective utilization of an unusually rich inheritance of natural resources.

"Countries with less natural advantages can compete only if they accept lower incomes. In other words, low cost labour is to the industrial nations of Europe and Asia what natural resources are to Canada. It is the utilization of this low cost labour for the production of manufactured goods for sale in foreign markets which enables these countries to purchase the food and raw materials that form the bulk of Canada's staple exports.

"In spite of the recent deterioration in economic conditions, total personal income in 1954 will again be a little higher than last year. With consumer prices having remained steady, higher income has meant more real purchasing power. Thus, supported by this still rising trend of real income, consumption standards have been sustained. Even though purchases of hard goods have declined, this has been more than offset by increased spending on such items as food, shelter and services.

CAPITAL INVESTMENT

"Capital investment also has been an important stabilizing factor in the current economic situation. The latest survey of capital expenditure intentions conducted at mid-year indicated a 3 percent rise in this year's programme compared to that of 1953.

"Another key aspect of the economic picture which I have not yet discussed is Canada's export trade. Since the beginning of 1953, the trend of total exports has been moderately downward. This decline is accounted for by the U.S. recession and the substantial drop in wheat sales from the unusually high levels of preceding years.

"As things stand at present, with the economic situation in the United States showing signs of having stabilized and with the recent improvement in the base metal market, further deterioration in Canada's sales in this market is unlikely. In recent weeks there has been a marked pick-up in orders for Canadian wheat. While one cannot say what this will mean for the ensuing year's sales, it does seem that the level of exports realized in the last crop year is somewhat below what we might expect to achieve over the longer run.

"I therefore believe that the principal factors which have served to reduce Canadian exports during the past year will not be present in the months to come.

"Meanwhile, other more favourable influences have been entering into the Canadian trade picture. For two years now the hard currency reserves of the non-dollar area have been increasing. This has been accompanied by

some relaxation of restrictions against dollar goods. At the same time, production levels, particularly in European countries and other industrialized areas, have been showing substantial gains. The result of these developments has been a marked increase in the demand for raw and processed materials from Canada.

"We can probably look forward to some improvement in exports, both because of more active foreign demand, as well as increased availability for export of such items as iron ore from Knob Lake, aluminum from Kitimat and oil from the Western Prairies.

"As for investment prospects, it is not possible to give any reliable indication of the actual characteristics of next year's investment programme. It is known, however, that as major projects, such as the Trans-Canada Gas Pipe Line and St. Lawrence Seaway, get underway still other plans start taking shape on the horizon. As long as this rapid development of our basic resources continues, any significant abatement in the overall expansion of capital facilities seems unlikely.

"Given fairly good prospects for both exports and investment, conditions in general are likely to remain favourable. There will, however, be some continuing drags on the general level of activity. As I have already suggested, there is no quick or easy solution to some of the difficulties now being encountered in various manufacturing industries. Industrial output may not, therefore, re-gain for some time the peak levels reached last year. Net incomes of western farmers will be lower as a result of poorer crops this year. However, much of last year's crop is still in the hands of the farmer and his cash returns will benefit from any pick-up in export sales of grain from this point on.

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PRIME MINISTER OF JAPAN: The Department of External Affairs announced on September 21 that Mr. Shigeru Yoshida, Prime Minister of Japan, is scheduled to arrive in Vancouver on September 26, to spend a few days in Canada as a guest of the Government. He will be welcomed at the Vancouver airport by the Honourable R. W. Mayhew, P.C., present Canadian Ambassador to Japan, on behalf of the Prime Minister of Canada.

The welcoming party will also include the Honourable Thomas C. Davis, Q.C., Ambassador designate to Japan, His Excellency Dr. Koto Matsudaira, Japanese Ambassador to Canada, and Mr. A. R. Menzies, Head of the Far Eastern Division of the Department of External Affairs.

Mr. Yoshida will be accompanied by his daughter Mrs. Aso, his son-in-law Mr. T. Aso, a member of the House of Representatives, and a group of senior officials.

That afternoon the Prime Minister of Japan will make a scenic drive around Vancouver in the course of which he will lay a wreath at

the Japanese Memorial and will visit the University of British Columbia where he will be greeted by the President. That evening Mr. Mayhew will entertain informally in his honour at dinner.

The Prime Minister of Japan and his party will board a special R.C.A.F. aircraft and fly overnight to Ottawa. Upon arrival, September 27, he will be met by the Prime Minister of Canada and a group including other Cabinet Ministers and diplomats. Later he will call on Mr. St. Laurent and afterwards visit the Parliament Building before proceeding to the Parliamentary Press Gallery for a press conference. In the evening the Prime Minister of Canada will give a dinner in his honour.

The morning of September 28, has been reserved for any necessary additional conversations with members of the Canadian Government. The Ambassador of Japan will give a formal lunch at the Country Club and later Mr. Yoshida and his party will leave by train for New York.

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SIGNS OF STABILITY: Signs of stability were becoming evident in the over-all employment situation in August, the Department of Labour announced on September 21. Employment in construction and in trade and services gained strength, although manufacturing employment showed no indication of an upturn. Reflecting this, the number of persons with jobs, though slightly lower than last year, increased about 10,000 during the month ending August 21. Last year it decreased about 10,000.

As was the case in August last year, the level of unemployment showed no change during the month. However, while total labour requirements were only slightly under those of 1953, the labour force increased about 27,000 over last year's, thus making the labour supply situation much easier.

This is revealed by comparing the monthly survey of 109 labour market areas at September 1st this year and a year ago. This year, 68 areas, comprising 68 per cent of the labour force, were in the balanced category compared with 86 areas, comprising 83 per cent of the labour force last year; one area, comprising one per cent of the labour force was in the labour shortage category this year, compared with 9 areas, comprising 7 per cent last year; 38 areas, accounting for 29 per cent of the labour force, were in the moderate surplus category this year, compared with 14 areas, comprising 10 per cent, last year; two areas, accounting for three per cent of the labour force were in the substantial surplus category this year whereas last year there were no areas in this category.

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A record \$30,545,000 worth of oilcloth, linoleum and coated fabrics was made in Canada in 1952, almost twice as much as in 1946.

SCHOOLGIRL CANADA'S TOAST: An unassuming 16-year-old schoolgirl was Canada's toast last week following her feat of swimming across Lake Ontario. She is Marilyn Bell of Toronto, a youngster who teaches handicapped children the art of swimming and who wants to go to college to become a physical education instructor or an occupational therapist.

No one had ever before conquered Lake Ontario, notorious for its chill and at times rough waters. It was very rough the day Marilyn completed a swim of about 40 miles from Youngstown, N.Y., to the Canadian National Exhibition grounds at Toronto. Experts had said it could not be done. Three other more famous swimmers attempted the swim but only Marilyn finished.

Since then she has appeared in official receptions and street parades and, in addition to \$10,000 prize money donated by the Canadian National Exhibition authorities, has been the recipient of all kinds of prizes tendered by commercial firms and private citizens. Career offers also are beckoning and Marilyn is wondering how she can square things at school, from which, she points out, she has been absent a week already because of events.

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MR. CAMPNEY TO EUROPE: The Minister of National Defence, Mr. Ralph O. Campney, left by RCAF aircraft on Sept. 19 to visit Canadian Army and RCAF units in the United Kingdom and Europe for the first time since becoming Minister. He will witness a phase of NATO Exercise "Battle Royal" in Germany, in which members of the 1st Canadian Infantry Brigade at Soest, Germany and Sabre jet squadrons of the 1st RCAF Air Division, will participate.

Mr. Campney, who will be accompanied by Mr. C.M. Drury, Deputy Minister, and Brig. Herold Cameron, Defence Secretary, will also hold discussions with officers of the Canadian Joint Staff in London and the Canadian High Commissioner there. He will also confer with Lord Alexander, United Kingdom Defence Minister, and other officials. In Paris Mr. Campney will meet with officials of the Allied Air Forces Central Europe and visit the headquarters of the North Atlantic Treaty Organization.

Before leaving the United Kingdom, he will visit 30 Air Materiel Base at Langar and No. 1 Fighter Wing at North Luffenham.

At Metz, home of the Air Division Headquarters, the Minister will witness a fly-past of Sabre jet fighters from the Division's 12 squadrons. He will visit all three squadrons at No. 2 Fighter Wing, Grostenquin, France; No. 4 Fighter Wing, Baden Soellingen, Germany, and No. 3 Fighter Wing at Zweibrucken, Germany. He plans to view the general layout of RCAF Station, Marville, France, to note construction progress. When Marville is ready for occupation it will house No. 1 Fighter Wing; now at North Luffenham.

CROPS FORECAST: On the basis of yields indicated at September 1, production of most of Canada's principal field crops will be substantially below that of 1953. Moreover, an unprecedented combination of losses from rust, excessive moisture, sawflies, wind and hail in the Prairie Provinces has sharply reduced the current outlook for both yield and quality from the August 1 forecast for most major grain crops, particularly wheat. However, prospective yields per acre for 1954 for all crops except spring wheat and fodder corn are still above the long-time (1908-50) average.

Although indicated average yields and production of winter wheat, mixed grains and tame hay are somewhat above the levels forecast on the basis of August 1 conditions, those of spring wheat, oats for grain, barley, fall rye, spring rye, and potatoes vary from much lower to relatively unchanged.

With the exception of southern areas, very little harvesting had been accomplished in the Prairie Provinces by September 1. Frequent rains during the past six weeks have seriously delayed ripening of grains and have hampered harvesting operations even in areas where crops matured at an earlier date.

RUST EPIDEMIC

It will not be possible to determine until completion of harvest the exact extent of damage resulting from what is considered to be perhaps the worst rust epidemic in Canada's history.

While indicated yields per acre of 16 of the 18 crops are above the long-time averages, yields per acre of only soybeans and tame hay are above those of 1953. Indicated production for six crops -- mixed grains, dry beans, flaxseed, soybeans, tame hay and sugar beets -- exceeds that of last year but anticipated outturns of all other crops fall below those of 1953.

Canada's wheat crop, now forecast at 377,900,000 bushels is far below both the 1953 crop of 614,000,000 bushels and the ten-year (1944-53) average of 456,500,000. The sharp reduction of 135,100,000 bushels (26%) from the August 1 forecast is largely attributable to the rust epidemic which developed in alarming proportions, particularly in Saskatchewan and Manitoba, as the season progressed. However, excessive moisture, sawflies, wind and hail also have taken considerable toll of crops since August 1. As much of the crop is still immature and remains to be harvested, optimum weather conditions must prevail for the next few weeks if even the current reduced forecast is to be fully realized.

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Oil wells across Canada produced a record 42,233,000 barrels of crude petroleum in the first 6 months this year, 26.5% more than 1953's first-half output of 33,391,000 barrels.

AUGUST FOREIGN TRADE: Canada's foreign commodity trade was slightly lower in value in August than in the corresponding month last year, according to preliminary figures released by the Dominion Bureau of Statistics. The decrease in the value of exports in August was at a reduced rate from the declines earlier in the year, and imports were almost the same value as in August last year in contrast to appreciable declines in earlier months. There was again an import balance in August as in most previous months this year.

Total exports in August amounted to \$328,100,000, down 5.4% from last year's \$346,900,000. Commodity imports had an estimated value of \$343,200,000, less than 1% below last year's \$345,200,000. The estimated import surplus was \$15,100,000 in contrast to an export surplus of \$1,700,000 a year earlier.

In the January-August period exports aggregated \$2,529,400,000, a decrease of 8.5% from last year's \$2,764,900,000, while imports were down 7.7% to \$2,737,900,000 from \$2,967,200,000. The cumulative import surplus rose slightly to \$208,500,000 from \$202,300,000.

EXPORTS TO U. S.

Exports to the United States in August were moderately lower at \$196,000,000 as compared with \$199,900,000, but estimated imports rose to \$248,000,000 from \$244,700,000, and the import surplus climbed to \$52,000,000 from \$44,800,000. January-August exports aggregated \$1,535,700,000, down from \$1,622,200,000, and imports were cut to \$1,994,400,000 from \$2,203,700,000, and the import surplus fell to \$458,700,000 from \$581,500,000.

Exports to the United Kingdom in August were reduced to \$58,700,000 from \$67,200,000 a year earlier, and with estimated imports down to \$31,300,000 from \$38,400,000, the export surplus was slightly smaller at \$27,400,000 as compared with \$28,800,000. January-August exports dropped to \$401,600,000 from \$464,300,000, estimated imports to \$271,100,000 from \$305,100,000, and the export surplus moved down to \$130,500,000 from \$159,200,000.

August exports to other Commonwealth countries were slightly higher at \$18,700,000 as compared with \$17,900,000, but 8-month exports were down to \$129,800,000 from \$161,800,000. Estimated imports were valued at \$17,300,000 in August, up from \$14,700,000, and the January-August total rose to \$114,200,000 from \$109,000,000.

Exports to all other foreign countries in August dropped to \$54,700,000 from \$61,900,000, and January-August shipments fell to \$462,300,000 from \$516,600,000. Estimated imports were slightly lower in August at \$46,600,000 as compared with \$47,400,000, but January-August imports were up to \$358,200,000 from \$349,400,000.

GRAIN EXPORTS HIGH: Combined exports of oats, barley, rye and flaxseed during the 1953-54 crop year amounted to 182,000,000 bushels, exceeded only by the record 1952-53 total of 196,800,000 bushels. With the exception of barley, exports of each of the four grains in 1953-54 exceeded their 1952-53 levels.

Exports of Canadian barley at 90,000,000 bushels, although considerably below the peak total of 118,900,000 bushels exported during 1952-53, were still the second highest on record and accounted for approximately one-half of the total export movement of coarse grains in 1953-54.

Exports of oats increased by some 5,000,000 bushels to a 1953-54 total of 69,900,000 bushels, while rye exports at 16,800,000 bushels were well above the previous record of 11,300,000 set in 1927-28. The 5,200,000 bushels of flaxseed exported during 1953-54 were the highest movement of this crop since 1943-44.

The United States took some 36,900,000 bushels of Canadian barley as against 24,100,000 in the preceding year and replaced Germany as the leading market for Canadian barley. Exports to Japan at 19,700,000 bushels were relatively unchanged from the 1952-53 total of 19,400,000 bushels. Purchases by the United Kingdom, amounting to 19,600,000 bushels, were some 3,600,000 greater than in 1952-53. The Federal Republic of Germany, with imports of 7,000,000 bushels dropped to fourth place among the leading markets for Canadian barley. Other major markets were: Belgium, 3,200,000 bushels; Switzerland and the Netherlands each 800,000; U.S.S.R., 700,000; and Ireland, 500,000.

The United States remained the leading market for Canadian oats, taking some 65,900,000 bushels of the total 69,900,000. Belgium, with 2,100,000 bushels and the United Kingdom with 1,500,000, accounted for most of the remainder.

Exports of rye, at 16,800,000 bushels, were almost double the 1952-53 total of 9,000,000 bushels.

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NORTH WEST PASSAGE The Royal Canadian Navy's arctic patrol vessel, Labrador, has become the first warship to negotiate the famed North West passage. On September 22 latest reports from the 6,500-ton vessel, on her maiden cruise from Halifax, placed the ship in Bering Strait between Alaska and Siberia, heading south in company with U.S. icebreakers. She is expected at Esquimaux, B.C. about October 1.

The RCMP's vessel St. Roch was the first to make the passage in a single season, completing the journey from Halifax to Vancouver in 86 days in 1944. The first passage was made by Amundsen in the 46-ton Gjoa, and it occupied three years, 1903 to 1906.



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WEEK'S EVENTS IN REVIEW

ATOMIC ENERGY AGENCY: "Canada, like the United States and other free countries principally involved with atomic energy matters, believes that even in the absence of Soviet participation, an international atomic energy agency along the lines proposed by President Eisenhower can usefully be formed by the nations willing to subscribe to its aims and support its activities. Canada is in a position to make a useful contribution to the work of such an agency and will be glad to do so," said the Secretary of State for External Affairs and Chairman of the Canadian Delegation, Mr. L.B. Pearson, to the United Nation General Assembly on September 23.

Despite setbacks on disarmament, Mr. Pearson said, there was hope that progress could be made on the side of international co-operation for constructive uses of atomic power. Canada believed President Eisenhower's proposal to be important, "not only for its intrinsic merit but because it implicitly recognizes the principles which are essential to the achievement of prosperity and the diminution of the threat of war throughout the world."

The Canadian Government, he added, had "observed with very great regret the discouraging refusal of the Soviet Union to consider the United States proposals except on conditions which have been already shown to be unacceptable to the great majority of the United Nations."

Mr. Pearson proceeded, in part:

"... the Canadian Delegation is confident that the proposal to establish an international atomic energy agency will prove to be an important step in the liberation of atomic energy from its military bonds, and that as the resources of more and more nations are applied to the problem, the advance towards application of atomic energy to peaceful purposes and for the benefit of mankind will become increasingly rapid.

"International co-operation in the peaceful uses of atomic energy cannot in itself remove the dangers of atomic destruction. These and other dangers to peace have, however, brought their own response, in the determination of many governments and millions of people to use our United Nations for the purpose of avoiding the grim tragedy of global destruction, and of bringing about a better world than the one we have today.

"The evolution of technological processes and developments in nuclear science have made mankind far more immediately interdependent than either public opinion or governments, in any part of the world, have yet realized. But, unfortunately, as our interdependence increases, our divisions persist. The fact that, if we do not find a means to harmonize, to reconcile them, they may destroy us all, increases the importance of the United Nations as a centre of negotiation, of reconciliation, and

of unity. It should, however, be added that unity is not the same thing as that lifeless uniformity which is the ideal of the totalitarians.

"If we are to do anything about these divisions, we must first recognize and understand them.

"There is, first, the fundamental division between totalitarian and free societies. In the former, the citizen is the mere servant of the state, while, internationally, reliance on force and aggressive expansion is a normal development, however much the words 'peace' and 'co-existence' may be used to camouflage or confuse. Free societies, on the other hand, are based on the doctrine, however imperfectly realized in practice, that man has rights and duties above and beyond the states and governments which have been created by him in order to protect his freedom and security under law and justice.

SELF-GOVERNMENT

"Then there is the division between the self-governing and non-self-governing parts of the world. People often, but mistakenly equate this division with that between colonial-administering countries on the one hand, and dependent territories on the other. In fact, of course, the non-self-governing part of the world is incomparably greater than this. A people who are governed by a dictator, whose power is based upon military or police control, are not self-governing, even if the dictator happens to have the same colour, to be of the same race, and to speak the same language as most of his subjects. The people of a puppet state, the satellite dictatorship of a totalitarian power, are non-self-governing to a far greater extent than the people, for example, of a colony which is on the move, though sometimes the move may seem too slow, to national freedom under democratic self-government.

"Then there is the distinction between the highly industrialized parts of the world, with relatively advanced material standards of living, and what are called the 'underdeveloped' areas. Under the leadership of the United Nations we are trying to do something about this, but the process is bound to be a slow one. I hope it remains steady.

"The United Nations, then, operating in a world thus deeply divided, and indeed made the more necessary precisely because of that division, represents and must try to serve men on each side of each of these divisions, without betraying or weakening the principles of its charter in the process.

"Our direction is clearly laid down: it is toward economic and social progress and away from poverty: it is toward full and free self-government and away from dictatorial regimes imposed from inside or from outside: toward the progressive realization of human rights and the dignity and worth of the human person.:::

"But the most important of the United Nations tasks is unquestionably that of keeping the peace. Though in this field, too, we have a number of achievements, there is less ground for satisfaction, or even for confidence that the passage of time is necessarily bringing us closer to our goal. There is far more reason for anxiety than complacency.

"The United Nations has, I think, shown in Korea that it is capable of taking effective and successful international police action against local aggression. It must be remembered, however, that in this case a great power was willing and able to give the lead and shoulder most of the burden.

"Apart from the problem of possible local aggression, and the risk of it spreading through hasty or ill-considered action, there remains the danger of a major conflict. Here the primary object of our world organization must be prevention, rather than intervention.

AGGRESSION

"Such a war could be caused by deliberate aggression, or by accident or miscalculation. Certainly the history of the last twenty-five years has shown that the danger of deliberate aggression, by totalitarian empires, is a real one. Such deliberate aggression can be and is being deterred by regional collective security organizations, by defensive alliances, which make it clear that peaceful nations cannot be destroyed and absorbed one by one. In this way such arrangements - which are aimed against aggression as such and wherever it comes from - deter attack and serve the cause of peace. They also restore the balance in threatened areas of the world and thereby contribute to stability and security.

"Where such regional and defensive coalitions are necessary, they can be readily developed within the framework of the Charter. The Charter recognizes and regulates, but in no sense prevents them, providing they are organized and operate in accordance with its principles.

"The United Nations itself, however, - as a universal organization at least in principle - serves a more fundamental purpose in providing an efficient framework and endless opportunities for negotiation and conciliation under a system which embraces both sides in what we call the cold war. Those who would view with equanimity any reduction in United Nations membership so that those nations whose aggressive tendencies are, with reason, feared, would be outside rather than inside our international system, have, I think, the wrong conception of the purposes and the possibilities of our organization.

"Quite apart from the danger of deliberate aggression, we must recognize that in a tense and fearful world there is also the risk of accidental war, brought about by miscalculation or a misreading or misapprehension on

each side of the other's intentions. Whatever the rights and wrongs of a situation, such mistakes, under modern conditions, could be profoundly dangerous to the entire world. For these reasons, the greatest importance should be attached to measures which can reduce international tensions, lower temperatures and remove the barriers, whether they be psychological or physical, to communication.

"Nothing, in my view, could be more dangerous in this divided world than a final and complete failure of man's ability to communicate with man across whatever differences of regime or race or economic conditions, across whatever curtains of fear, or iron or prejudice may exist. As I see it, one of the most vital of our purposes at the United Nations is to keep open and to develop these channels of communications, so that some day when both sides are willing, they may be used for conciliation and eventual agreement.

"Mankind is only beginning to develop and use the institutions of inter-dependence of which the United Nations is by far the most important. The work will not be completed in a day. But it will not be completed at all unless we keep everlastingly at the job of building: of correcting those tendencies which have already made the work difficult and which may, if we are not careful, stop it altogether.

"One such tendency, as I have already indicated, is overloading our agenda with problems which are beyond the competence of this Assembly, or which can best be dealt with, in the first instance, by other methods of conciliation and settlement. . . ."

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CYPRUS QUESTION: The following is partial text of the statement by Mr. Paul Martin on behalf of Canada before the U.N. General Assembly on September 24 on including the Cyprus question in the Agenda:

"In his statement in the general debate yesterday, Mr. Pearson under-lined once again the necessity for forming a judgment as to priorities so as to avoid overloading our agenda with items which it is either untimely or futile to try to settle here. But I should like to make it quite clear that this is a judgment which, in our view, has to be made on the merits of the case and not, insofar as the Cyprus question is concerned, a judgment on the competence of the United Nations.

"The Canadian Delegation has come to the conclusion, as a matter of practical judgment on the overall situation and not on grounds of competence, that the inclusion of the item is likely to do more harm than good in Cyprus, in the region of Cyprus, and in the United Nations. We shall therefore oppose the inscription of this item at this time.

"We are sustained in our conclusion by the wording of the proposed item and of the supporting memorandum. We are not asked by the

Government of Greece to consider merely the question of Cyprus. We have been asked to apply under United Nations auspices, the principle of equal rights and self-determination of peoples in the case of the population of Cyprus. We feel that those who propose the inscription of this item are virtually asking the Assembly not merely to discuss the question of Cyprus but to consider action of a particular kind, nothing less presumably than a UN sponsored plebiscite for Cyprus as requested by the Government of Greece.

"Even if we were prepared to discuss the question of Cyprus, we are certainly not prepared to put a question on the agenda which, by its very wording, prejudices the issue and presupposes intervention contrary to the Charter of the United Nations."

* * * *

SECURITIES TRADE: Trade in outstanding securities between Canada and other countries in July resulted in a sales balance or capital import of \$6,600,000, down from the exceptional balance of \$20,900,000 in June. Net inflows of \$58,000,000 in the first seven months of 1954 contrast with the net outflow of \$26,000,000 in the same period of 1953.

The change from June was dominated by transactions with the United States, a net import of \$10,400,000 in June. The rising value of the Canadian dollar on the exchange market may have been a factor influencing this development.

While net sales of Canadian stocks rose some \$3,000,000 to a total of \$10,000,000, net repatriation of Canadian bonds increased by \$12,000,000, reflecting a growth in repurchases of government guaranteed and provincial bonds and the absence of large sales of municipal and corporate issues which occurred in June.

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RETURN FROM KOREA: The 2nd Battalion Black Watch (Royal Highland Regiment) of Canada is to embark for Canada from Korea within the next three weeks, Brig. F. A. Clift, Commander of the 25th Canadian Infantry Brigade, has announced.

The unit will be the first to sail for home as Canada begins cutting-down by two thirds her force in Korea. Nearly 4,000 officers and men will be involved in the moves.

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More foreign vehicles entered Canada this July than in any other month on record. The 562,012 total was 3% above the previous peak of 546,185 set in August last year.

* * * *

Freight cars in service on Canada's steam railways at the end of 1952 numbered 186,557. Average capacity per car was 46,822 tons.

VICE PRESIDENT OF INDIA: The Department of External Affairs announced on September 27 that Dr. S. Radhakrishnan, Vice President of India, will arrive in Ottawa on September 30, for a brief visit as the guest of the Government.

On arrival, the Vice President will be greeted by the representative of the Governor General, the Prime Minister, and the High Commissioner for India. After reviewing a guard of honour, members of the Government, diplomats and other dignitaries will be presented.

Later Dr. Radhakrishnan will call on Mr. St. Laurent after which he will dine at the Rideau Club with the members of the Ottawa executive of the Canadian Institute of International Affairs. In the evening he will address a meeting of the Ottawa Men's and Women's Branches of the C. I. I. A. at the University Club.

On October 1, Dr. Radhakrishnan will visit Carleton College. He will visit the Parliamentary Press Gallery, after which he will record a talk for radio broadcast. That evening the Prime Minister will give a dinner in his honour at the Country Club.

The Vice President will leave October 2 for Montreal where he is to deliver a series of lectures at McGill University.

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AMBASSADOR TO CHILE: The Acting Secretary of State for External Affairs announced on September 27 that Mr. Paul Emile Renaud will succeed Mr. Leon Mayrand as Canadian Ambassador to Chile. Mr. Mayrand's appointment as Canadian Commissioner, International Supervisory Commission for Laos was announced on August 17. Mr. Renaud at the present time is the Director of the Historical Research and Reports Division of the Department of External Affairs. He is expected to take up his new post late in December.

Mr. Renaud was born in St. Rémi de Napierville, Quebec, on February 24, 1897. He studied at the Universities of Montreal and McGill and was called to the Bar of Quebec in 1921. He obtained a Ph.D. in 1927 at the London School of Economics and an LL.D. at the University of Paris in 1928. He was a professor of politics and diplomatic history at the University of Montreal 1928-29 and at the University of Ottawa 1942-45.

Mr. Renaud joined the Department of External Affairs as a third Secretary, October 1929, has served in Geneva, Brussels, and was Chargé d'Affaires in Berné from May 1947 to August 1950, when he returned to Ottawa to assume his present duties. Mr. Renaud has attended a number of international conferences and is the author of several works on economics and constitutional practices.

* * * *

British Columbia fishermen landed 514 whales last year, 77 more than in 1952.

OPENINGS FOR GRADUATES: The openings for university graduates in 1954 have continued at a high level. By the end of June there were only about 200 graduates remaining as unplaced, in the files of the Executive and Professional Division of the National Employment Service, it was announced on September 23 by the Minister of Labour, Mr. Milton F. Gregg.

Mr. Gregg was reviewing a report of the Executive and Professional Division of the N.E.S., which showed that there were 18,884 known jobs available last spring for university graduates and undergraduates. This exceeded the total for 1953 by 78. Approximately 5,000 of these jobs were for graduates and the remainder were summer jobs for undergraduates.

As in previous postwar years, the heaviest demand for graduates was in the engineering field with openings for more than 1,800, while the graduating class of engineers in 1954 numbered only 1,270. These openings did not include requirements of the Civil Service Commission and the Armed Services, so that the shortage as indicated by the difference between the number of openings and the number of graduates in engineering was even greater than the figures show.

In the engineering field the greatest demand was for mechanical engineers with 391 openings and only 275 graduates. In all branches of engineering except civil, forestry and metallurgical, openings were more numerous than the numbers graduating. Graduates in commerce and business administration were also in strong demand.

Graduates from other faculties including arts, geology, education, medicine and social work were also in demand.

Summer jobs for undergraduates were not quite as plentiful as in other years due to the lateness of Spring which hampered construction and the slackening in employment in certain industries. However, most undergraduates who wanted summer jobs were able to find employment, but not always the type of job they would have preferred. Many did not get employment for the full period between semesters.

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TRUCKS FOR PORTUGAL: A shipment of Canadian Army trucks will be despatched to the Portuguese Army in October under terms of the mutual aid program of the North Atlantic Treaty Organization. The trucks and a quantity of spare parts will be shipped from Hamilton, Ont., about mid-month.

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Farmers in western Canada were paying average annual wages of \$1,160 with board of \$1,510 without board to male help at August 15 this year, \$45 and \$135 more respectively than on the same date in 1953. In eastern Canada with-board average was up only \$5 over last year at \$1,020 and the without-board average was \$15 higher at \$1,450.

SEAWAY CO-OPERATION: The Department of External Affairs announced on September 24 that, following discussions between the authorities of the United States and Canada, arrangements have been made in both countries regarding the customs and immigration procedures to be applied in furtherance of the construction of the cofferdams to be erected in the St. Lawrence Power Project.

Cofferdams are the first major item of construction in the development of power on the St. Lawrence River, which is being undertaken jointly by the Hydro-Electric Power Commission of Ontario and the Power Authority of the State of New York. A number of cofferdams are to be erected in the vicinity of Iroquois, Long Sault Rapids and Barnhart Island as a preliminary to the construction of the dams and power-houses at those three points. The cofferdams will cross the International Boundary and it was therefore considered desirable to adopt special customs and immigration arrangements in order to facilitate their construction.

ARRANGEMENTS

Generally speaking, the arrangements in each country are the following:

Customs duties and taxes will be waived with respect to materials brought into either country for incorporation in the cofferdams. However, customs or tax exemption will not be granted in respect of materials to be incorporated in the approaches.

Duties and taxes will not be payable on new or used equipment (except vessels) brought into either country for the construction of cofferdams, if such equipment is exported upon completion of such use. If equipment remains in the country, on completion of such use, duties and taxes will be levied on the appraised valuation of the equipment upon completion of its use at the cofferdams.

All persons employed in either country (but not their dependents) will be freely admitted to a delimited zone in the other country, in the general area of the power project, so long as they comply with regulations of the two countries.

* * * *

Canada's department stores increased their sales close to 2% in July as compared with a year earlier, and end-of-June inventories were valued 4% higher than at the same time last year. July's sales were valued at \$67,512,000 as compared with \$66,225,000 a year ago, and inventories totalled \$238,100,000 as compared with \$228,198,000.

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Canadian factories sold close to 757,300 TV sets in the 58 months from September 1949 to June this year. Total retail value at list prices: almost \$310,000,000.

5 MONTHS' SURPLUS \$148,000,000: Budgetary revenues in August were \$322.3 million or \$1.7 million less than in August 1953, while expenditures were \$312 million or \$40.8 million more than a year ago. For August 1954, the budgetary surplus was \$10.3 million compared with \$52.8 million for August last year, the Minister of Finance, Mr. Walter Harris, announced on September 25.

For the first five months of this fiscal year budgetary revenues amounted to \$1,639.3 million or \$124.6 million less than for the corresponding period in 1953. Expenditures were \$1,491.2 million or \$10.6 million more than in the same period a year ago. For the first five months of the current fiscal year the surplus was \$148 million. The surplus for the corresponding period a year ago was \$283.3 million.

Total defence expenditures during August were \$136,882,000 as compared with \$109,543,000 in August of last year.

During August, pension payments out of the old age security fund, which are not included in budgetary expenditures, amounted to \$29.3 million. As tax receipts credited to the fund totalled \$22 million, there was a deficit of \$7.3 million for the month. For the first five months of the fiscal year pension payments from the fund amounted to \$145.7 million while tax receipts credited to the fund were \$124.3 million. As payments exceeded receipts by \$21.4 million, a temporary loan in that amount was made by the Minister to the fund in accordance with the terms of the Old Age Security Act. For the first five months of the previous fiscal year, pension payments exceeded tax receipts by \$23.9 million.

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LESS CREDIT BUYING: Canadians did a little less cash buying and quite a bit less credit buying in the nation's retail stores in the second quarter this year. Instalment sales were 7.4% below last year's second-quarter level and charge sales were down 2.7%, while cash sales were off a slight 0.3%. The quarterly report on retail consumer credit published by the Dominion Bureau of Statistics places cash sales at \$2,128,100,000 as compared with \$2,135,500,000 last year, charge sales at \$583,800,000 as compared with \$599,800,000, and instalment sales at \$370,800,000 as compared with \$400,600,000.

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WHEAT SUPPLIES: Visible supplies of Can-wheat on September 8 totalled 359,005,000 bushels, moderately below September 1 stocks of 365,724,000 bushels, but up 22.5% from last year's 292,663,000 bushels.

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Quebec firms make over 93% of the tobacco, cigars and cigarettes produced in Canada.

ARCTIC WARNING LINE: Canada and the United States have agreed on the need for the establishment of "a distant early warning line across the far northern part of North America, and have directed that detailed planning for such a line should be initiated at once," a joint announcement of the two nations' Defence Departments stated on September 27. The text:

"On April 8, 1954, the Governments of Canada and the United States issued a joint announcement, which after referring to the construction of the Pinetree radar chain, announced plans for the establishment of a further radar system generally to the north of the settled territory in Canada. The Canadian Government subsequently decided that it would be appropriate, as a part of its contribution to the common defence requirements of the two countries, for Canada to undertake responsibility for financing, constructing and operating this new system, which is generally referred to as the "Mid-Canada Line".

EARLY WARNING LINE

"During the time that plans for the Mid-Canada Line have been under development, studies have also been going on to determine the feasibility of providing even earlier warning of the approach of hostile aircraft. As a result of these studies, the Canadian and United States Governments have agreed in principle that there is a need for the establishment of a distant early warning line across the far northern part of North America, and have directed that detailed planning for such a line should be initiated at once. The basis of participation by the two countries in the construction and operation of the line, and the division of costs, will be determined after the detailed plans have been considered and agreed.

"In developing the complete system for warning of the approach of hostile aircraft and for the control of interceptor forces, the two Governments have followed a policy building outward from the likely target areas. Thus the first step, which has now been largely completed, was the construction of the main control and warning radar installations in the continental United States and the populated part of Canada. The second step, which is now under way, is the provision of the Mid-Canada Line. A third measure, the need for which has now been agreed upon between the two Governments, will be the provision of a distant early warning line across the most northerly practicable part of North America. Portions of the complete warning and control system in Canada will be extended to seaward on both flanks of the continent by the United States.

"The establishment of these North American defence installations is a costly and difficult task, which is being undertaken because our security requires it and is being accomplished successfully because of the readiness of Canadians and Americans to work together in a common cause."

AUGUST EXPORTS: Increased shipments of a number of commodities, including planks and boards, wood pulp, newsprint paper, aluminum and products, copper and products, and nickel, were more than offset by substantial declines in wheat, other grains, and wheat flour, and Canada's domestic exports to all countries in August declined 5.8% from a year earlier. The decrease in the January-August period was 8.8%. Prices averaged 3.4% lower in August and volume declined 2.5%.

Domestic exports in August were valued at \$322,700,000 as compared with \$342,600,000 in the same month last year, bringing the cumulative total for the January-August period to \$2,487,400,000 as compared with \$2,729,300,000. Re-exports of foreign produce in August were valued at \$5,360,000 as compared with \$4,304,000, and in the 8 months aggregated \$41,976,000 as compared with \$35,565,000.

Geographically there were reduced shipments in August to the United States, the United Kingdom, and Europe, but increases to Latin America and the rest of the Commonwealth as a whole.

WHEAT DECLINE

Largest decline among the individual commodities in August was in wheat, which dropped sharply to \$29,485,000 from \$60,082,000 a year earlier. Other grains were cut to \$8,278,000 from \$21,008,000, and wheat flour to \$6,482,000 from \$7,715,000. In the January-August period wheat exports dropped to \$228,767,000 from \$402,903,000, other grains to \$74,703,000 from \$120,581,000, and wheat flour to \$61,588,000 from \$70,384,000.

August's exports of newsprint paper climbed to \$54,818,000 from \$49,399,000, wood pulp to \$23,246,000 from \$21,421,000, and planks and boards to \$37,981,000 from \$26,478,000. January-August exports of newsprint rose to \$414,014,000 from \$400,498,000, wood pulp to \$177,049,000 from \$161,898,000, and planks and boards to \$203,308,000 from \$190,165,000.

Domestic exports to the United States in August fell to \$191,611,000 from \$196,529,000, gains in the wood and paper and non-ferrous metals groups being more than offset by declines in the other groups. In the 8-month period the value fell to \$1,502,995,000 from \$1,593,707,000, decreases occurring in all groups except animals and animal products.

Exports to the United Kingdom in August were cut to \$58,410,000 from \$66,775,000, and the January-August value fell to \$398,250,000 from \$461,907,000.

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Sales of Canadian retailers in July were virtually unchanged from a year earlier and cumulative sales for the January-July period were down a moderate 1.3%. The July decrease was held to 0.1%.



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WEEK'S EVENTS IN REVIEW

COLOMBO PLAN CONFERENCE: The alternative to a world of sanity and peace, in the age of the hydrogen bomb, "is dreadful almost beyond conception," the Prime Minister of Canada, Mr. L. S. St. Laurent, warned at the opening of the Colombo Plan Conference in Ottawa on October 4.

He was delivering the inaugural address to a gathering of Ministers and officials of the 14 Colombo countries in the House of Commons Chamber. Outside, flags of 14 member nations adorned the entrance; the carillon of the Peace Tower welcomed delegates with a medley of their national anthems.

It was the first Colombo Plan meeting ever held on this continent.

After welcoming the delegates and touching on the aims of the Plan, the Prime Minister proceeded, in part, as follows:

"We Canadians have a deep respect for the peoples of South and South-East Asia, both those whom we are beginning to know well and those whom we hope to know better. We consider it a privilege to be associated with them on a basis of complete individual equality.

"Because of this, and because of the increasing importance of the Asian countries, we in the West earnestly desire to co-operate with our friends in the East. We want to give them mainly what at this time they most need from us - technical and capital assistance to help them on the road to material betterment. But this is perhaps of less lasting significance than the spirit behind these actions.

"Earlier this year I visited Asia. Several convictions which I have frequently expressed in the past were confirmed by that visit. In the Asian countries I visited I saw artistic and cultural achievements, the products of thousands of years of history and I found that the capacity for quiet reflection is as marked an Asian characteristic as we have always imagined it to be. I was reminded of the magnificent contributions which Asian centres of civilization have made and are still making to the cultural heritage of the world and we are sharers in that heritage.

"We too have our treasure-houses of the spirit, without which our lives would be bare indeed. I venture to hope, and to think, that in future we will experience a greater blending and interplay of cultural influences between East and West than has been possible in the past and I am sure both East and West will be benefited thereby.

"In every part of the East which I visited I was impressed by a sense of the dignity of the human individual which, I believe, is deep-rooted in all Asian countries. A firm grasp of human and spiritual values is a source of strength to the East, just as material want is its scourge and peril. I believe that our Asian friends will preserve and enrich their own highest values, and I am sure that this will prove to be of the greatest importance not only to them but to all who are determined that mankind shall avoid enslavement and advance into a better future.

"When I was in Asia, I was also struck by the upsurge of national feeling there. I became convinced that no full understanding between the peoples of Asia and the West will be possible which does not carry with it full recognition of the common human brotherhood of all men in all countries.

"This applies as much to the Asian attitude toward the West as to the West's attitude toward Asia. We have our own cultural and political traditions which have built an advanced modern civilization and which, we believe, has still a great contribution to make to the world's welfare. At the same time, the growth of Asian nations firmly based on their own best traditions will surely hasten the development of a better world and a better international society.

ECONOMIC PROBLEMS

"It is sometimes suggested that the Asian countries are going to be faced with increasingly difficult economic problems as the years go on and that the great endeavour in which they are engaged, with some help from their friends, is therefore impossible of achievement. I do not subscribe to this view. What I saw in Asia convinced me that what is being done there is well worth continuing. I felt this especially when talking to those responsible for planning and executing development projects. The enthusiasm and determination and realistic approach of these people was such as to justify the hope that these ancient nations will succeed in their war against the crippling materialistic handicaps which now beset them.

"The cost of victory in that war is bound to be great. I believe Mr. Nehru has said that this generation of Indians must accept a lifetime of hard labour, but that it is apt to be very rewarding labour. This is probably true of most of the countries of which I am speaking. Even if it is only partly true, it is a further reason why we in the West should do all that we can, within the limits of our available resources, to assist them.

"There is a larger purpose in all this - the struggle to build a world in which sanity will prevail, peace will be preserved, and mankind will continue to advance toward a fuller realization of the life with which we have been blessed. The alternative, in the age of the hydrogen bomb, is dreadful almost beyond conception. To avoid this alternative, and to realize the possibilities for a fuller life which lie before us, will require of all of us our best efforts in accordance with our individual endowments and national inheritances. I am sure that each of the countries represented here today feels a solemn obligation to work toward this larger end by making the best contribution it can out of its own material and spiritual resources.

PRAIRIE INDUSTRY: The gross value of products shipped by the manufacturing industries of the Prairie Provinces in 1952 climbed to \$1,351,380,000 from \$1,260,440,000 in the preceding year, according to the Dominion Bureau of Statistics. In line with the larger value of shipments the number of establishments rose to 4,703 from 4,603, their employees to 86,437 from 81,587, and salary and wage payments to \$224,165,000 from \$195,597,000.

Manitoba continues to be the largest manufacturing province but Alberta's rise of 13.1% in value of shipments as compared with a year earlier outstripped Manitoba's 4.1% by a wide margin. Saskatchewan's increase was 3.2%. The value of shipments from Manitoba plants was \$574,037,000 as compared with \$551,346,000 in 1951, Alberta's \$518,411,000 as compared with \$458,281,000, and Saskatchewan's \$258,932,000 as compared with \$250,813,000.

Considering the Prairie Provinces as a unit, slaughtering and meat packing had the largest value of shipments in 1952, amounting to \$258,537,000, followed by petroleum products with \$156,596,000, flour mills \$112,509,000, butter and cheese \$87,137,000, and railway rolling-stock \$53,516,000. These five industries accounted for about 50% of the total production of the Prairie Provinces.

SECURITY PRICE INDEX: Common stock prices moved upward again in September and the Bureau's composite index for 99 issues rose from 186.8 for the week of August 26 to 191.8 for the week of September 23. Among group changes the index for 79 industrials advanced from 188.1 to 194.0, and the series for 12 utilities advanced from 168.2 to 171.9. The index for 8 banks declined from 216.6 to 215.9.

In the industrials section all sub-groups were higher except textiles and clothing. Advances were greatest for machinery and equipment, pulp and paper, industrial mines and oils. The utilities sub-groups all registered moderate increases. Mining stocks advanced from 95.1 to 97.1 as both golds and base metals moved higher. The index for 5 base metals shifted from 158.3 to 162.3 and that for 22 golds increased from 67.5 to 68.6.

WHOLESALE PRICES DIP: Canada's general wholesale price index dipped 0.7% to 215.8 from 217.4 between July and August, showing a slightly greater rate of decline than in earlier months of the year. There was a decrease of 1.4% from the beginning of the year and a drop of 2.9% from a year ago. Five of the 8 major groups - notably animal products - contributed to the downturn as compared with July, while vegetable products and wood products recorded fractional gains and chemical products showed no change.

MR. HOWE TO LEAD GATT DELEGATION

STRENGTHEN AGREEMENT: The Minister of Trade and Commerce, Mr. C. D. Howe, will lead Canada's delegation to Geneva, October 28, where delegates from more than 30 countries will review the operation of the General Agreement on Tariffs and Trade.

Mr. Howe announced his intention in a speech to the Montreal Board of Trade on October 5, and said that Canada will endeavour to get agreement from the United States and other trading powers on a firm limitation of import quotas which restrict world trade.

The Minister said, in part:

"In about three weeks time, delegates from more than 30 countries will begin meeting in Geneva to review the operation of the General Agreement on Tariffs and Trade. We hope there will be an opportunity at that Session to formulate generally acceptable rules of trade which will assist overseas countries in the rapid progress which they are making towards the convertibility of currencies and the liberalization of trade. I am planning myself to lead the Canadian Delegation and to supervise the negotiations."

TARIFFS REDUCED

"During the seven years of the existence of the GATT, tariffs have been reduced, world trade has been facilitated by it in many ways and governments have been influenced to pursue more liberal commercial policies than would otherwise have been the case. Our representatives will participate again in the work of the General Agreement on Tariffs and Trade. As a forthright expression of governmental trade policy, they will attempt to strengthen the Agreement and to limit deviation from its basic principles, thereby supporting the promotion of trade throughout the world."

"A great deal of our trade is carried on as you know with the United States. In recent years, occasional difficulties have arisen in our trade with that country, where some restrictions have been imposed and some tariffs have been raised"

"It is important that we continue to urge the cause of freer trade in what we say to the United States. The leadership of the United States is of crucial importance in the present day world. Over a long period I have regarded their trade policies as constructive on the whole and forward-moving. There have been some lapses and we have never failed to make strong protests when we were affected, not only because of the value of the trade involved but because of the important principles at stake."

"The record of our trade relations and trade negotiations with the United States since the war is a remarkably successful one. Under the auspices of the General Agreement on Tariffs and Trade, United States rates of duty on dutiable imports have been reduced by

one-third. Some indication is given of the importance of United States trade concessions to Canada by the fact that 97 percent of Canadian exports to the United States are entered under tariff items which are contractually bound under the General Agreement on Tariffs and Trade.

"In the recent past, there has been a large increase in the number of appeals by industry in the United States to their Tariff Commission for relief in the form of higher tariffs. Some of the cases referred to the Tariff Commission have involved important Canadian trade interests. If you examine the record, however, you will find that the total impact on Canadian trade of increased protection in the United States has been kept to very small proportions."

"Appeals were made to the United States Tariff Commission involving such important Canadian exports as fluorspar, lead and zinc, groundfish fillets, mustard seeds, and a few others, and the recommendations for higher protection were rejected. On another list of agricultural products, we have not been able to fare quite so successfully, but on the other hand we have not done too badly. On cheese, oats and rye, import quotas were recommended by the Tariff Commission and accepted and tariffs or their equivalent have been increased on alsike clover seed, flax seed and linseed oil."

TRADE WITH U. S.

"Our trade with the United States in agricultural products is important to us, and questions of agricultural trade are always very sensitive questions on both sides of the border. It is urgent and important that we reach firm understandings with the United States in this area of trade."

"This is one of the most important questions which we shall attempt to deal with at the coming session of GATT. I would like you to bear in mind, however, that this field of trade in agricultural products is only a part, important as it is, of our trade with that country. We may be encouraged by the fact that the problems which are at present unsolved are really localized in that field."

"Trade between Canada and the United States is important to the Americans as it is to us. It is founded on a solid basis of mutual understanding and goodwill. I have no doubts whatsoever that we shall continue to resolve in a satisfactory manner the difficulties which arise, and that our trade with the United States will continue to grow and flourish over the years. . . ."

"Since the war, many countries overseas have been continuously in financial difficulties which have led them to impose quantitative restrictions on imports. These have been

designed to conserve exchange and, in particular, to save dollars. The General Agreement on Tariffs and Trade contains a general prohibition of quantitative restrictions but it goes on to recognize the right of countries in balance of payment difficulties to impose such restrictions and to recognize circumstances in which the restrictions may be discriminatory. Countries overseas have exercised these rights to discriminate against dollar imports.

"Some of the important countries overseas are now envisaging a general tightening and redefinition of these balance of payment escape clauses to accompany a major move toward the convertibility of currency. It is to our advantage in Canada to seek to limit the use of quantitative restrictions which have limited our trade and the benefits of past tariff concessions in many countries overseas. We shall seek more satisfactory agreements with regard to the circumstances in which quantitative restrictions may be imposed and the length of time for which they may remain in force.

"While the General Agreement on Tariffs and Trade is international in its structure, it constitutes a direct expression of Canadian trade policy. Our trade policies in turn are formulated in direct response to our national interests and our national requirements. From this point of view, it is clear that our Government has no real alternative but to participate wholeheartedly in GATT.

"This agreement constitutes the most practical machinery that has yet been developed for the formulation of trade rules and for the negotiation of difficulties when they arise. We are on the threshold of new opportunities to promote world trade and to promote our own trade. We shall certainly take full advantage of any such opportunities which arise, and we shall certainly continue to base our trade policies on a realistic view of our own national interests."

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MOVIE STATISTICS: Paid admissions to regular motion picture theatres in Canada dropped to 241,182,726 last year from 247,732,717 in 1952, but receipts passed the hundred-million-dollar mark for the first time, according to an advance statement by the Dominion Bureau of Statistics. The number of theatres in operation increased to 1,906 from 1,843 and receipts (exclusive of taxes) rose to \$100,889,361 from \$98,851,349. Amusement taxes collected totalled \$12,760,235 as against \$12,308,148. The average admission price (including amusement tax) was 47¢, up from 45¢ in the preceding year.

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General Sir Ouvry L. Roberts, GCB, KBE, DSO, ADC, 56, Quartermaster General of the British Army arrived in Canada on September 30 on a liaison visit to the Canadian Army.

RECORD CONSTRUCTION YEAR: The value of construction to be put in place in Canada this year is estimated at a new peak total of \$4,830,000,000, 5% above the previous high of \$4,595,000,000 reached in 1953, according to the annual report on construction released today by the Dominion Bureau of Statistics. The rise over 1953 - for which the report gives preliminary figures of actual results - is the smallest in the postwar years. New construction was boosted to \$3,866,000,000 from \$3,646,000,000, and alterations and repairs rose to \$964,000,000 from \$949,000,000.

Estimates for 1954 show a continuance of the shift from engineering to building construction which started in 1953. Total building construction for 1954 is placed at \$2,914,000,000, accounting for 60.3% of the estimated construction total as compared with an actual \$2,732,000,000 or 59.5% in 1953. Total engineering is estimated at \$1,916,000,000 (39.7% of the total) as compared with \$1,863,000,000 (40.5%).

INSTITUTIONAL BUILDING

The largest single increase (25.6%) in the building construction category is expected to be recorded by institutional building which is estimated at \$422,000,000 for 1954 as compared with \$336,000,000 in 1953. Hospitals and schools account for \$59,000,000 and \$22,000,000, respectively, of this increase. Residential building is estimated at \$1,347,000,000 (\$1,299,000,000 in 1953), industrial at \$472,000,000 (\$497,000,000); and commercial at \$575,000,000 (\$513,000,000).

In engineering it is anticipated that gas and oil facilities will register the largest increase in 1954 to an estimated total of \$349,000,000 from \$281,000,000, followed by waterworks and sewage systems to \$139,000,000 from \$119,000,000, and marine construction to \$68,000,000 from \$59,000,000. Relatively little change is anticipated in electric power construction at an estimated \$415,000,000 as compared with \$414,000,000. All other principal types of engineering construction are expected to decline.

Regional figures indicate a continuation this year throughout Canada of the increases recorded in earlier years in the value of construction. For Ontario this year's construction value is estimated at \$1,710,601,000 (\$1,640,786,000 in 1953); Quebec, \$1,185,868,000 (\$1,077,965,000); Alberta, \$617,249,000 (\$558,253,000); British Columbia, \$502,629,000 (\$563,819,000); Saskatchewan, \$245,767,000 (\$221,409,000); Manitoba, \$220,647,000 (\$218,307,000); Nova Scotia, \$154,799,000 (\$137,672,000); New Brunswick, \$107,750,000 (\$95,775,000); Newfoundland, \$70,252,000 (\$68,277,000); and Prince Edward Island, \$14,528,000 (\$12,950,000).

Average employment in the construction industry is expected to exceed a half-million in 1954 for the first time.

CANADA ROOM IN ROME: The Department of External Affairs announced on September 28 that Canada has furnished and decorated a Committee Room in the Conference Building in Rome of the Food and Agriculture Organization of the United Nations. Member governments were requested in 1951 to provide furnishings and decorations for a room which would exemplify the handicrafts and skills of their respective countries.

The walls of the Committee Room have been panelled in cedar and a large map of Canada, which has been carved from eight different types of wood mounted on an aluminum background, is displayed. The Canadian coat of arms and the provincial crests are carved in wood and on each wall are also hung paintings by Canadian artists depicting the special fields of FAO, agriculture, fisheries and forestry. The paintings are by Franklin Arbuckle, Charles Comfort, Ken Lockheed, George Pepper and the map, coat of arms and crests by Arthur Price.

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IN NATO EXERCISE: Warships of the First Canadian Escort Squadron are currently operating in eastern Atlantic waters as part of the sea forces engaged in NATO's 11-day air, sea and land Exercise Morning Mist, Naval Headquarters announced on September 29.

The three Canadian warships involved are the destroyer escort HMCS Algonquin, and the frigates Prestonian and Toronto.

Six nations, members of the North Atlantic Treaty Organization, are participating in the exercise, which is taking place in the eastern Atlantic, off Norway and Denmark and in the Western Channel. The exercise was to end on October 3. The forces include about 90 ships and 100 maritime aircraft, supplied by Canada, Denmark, France, the Netherlands, Norway and the United Kingdom.

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VISCOUNT SWINTON'S VISIT: The Department of External Affairs announced on September 29 that Viscount Swinton, Secretary of State for Commonwealth Relations of the United Kingdom, accompanied by Lady Swinton, was scheduled to arrive at Montreal on October 1, to spend three weeks in Canada.

Viscount Swinton's visit to Canada follows similar visits to Southern Rhodesia, New Zealand, Australia, India, Pakistan and Ceylon, which he has undertaken since his appointment in November 1952.

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Foreign vehicles entering Canada on traveler's vehicle permits in August declined 5.7% from a year earlier and January-August entries fell 1.4%. The month's total was 515,130 as compared with 546,185, bringing 8-month entries to 1,828,785 as compared with 1,854,896.

EMPLOYMENT: Industrial employment showed a further though slight improvement at the beginning of August and the Bureau's advance index rose 0.4% to 112.1 from 111.7 a month earlier. There was, however, a decline of 3% from last year's August 1 figure of 115.6. At the same time the payrolls index moved up to 155.0 from 154.0 a month earlier but was down slightly from 155.3 last year. Weekly wages and salaries rose on average to \$59.11 from \$58.98 at the beginning of July and \$57.52 a year ago.

Employment mounted from the July 1 level in all provinces except Ontario where there was a reduction of 0.9%, which was largely due to curtailment of operations in manufacturing. On the whole, the largest advances were in the western provinces, a gain of 4.5% in Alberta being most noteworthy. The improvement in Quebec was slight.

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MANUFACTURING OFF: Canadian industrial output as measured by the composite index of industrial production was about 3% lower in July and the first 7 months this year, the preliminary index for July standing at 239.8 as compared with 247.0, according to the Dominion Bureau of Statistics.

Responsible for the July drop was a reduction of nearly 6% in manufacturing output. Mineral production, on the other hand, was close to 9% above last year's July level, and output of electricity and gas was 6% higher.

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CHALK RIVER TOUR: An insight into Canada's energy program was given some 35 members of the Colombo Plan Consultative Committee who visited the Chalk River project of Atomic Energy of Canada Limited on October 1. Representatives from 14 nations saw the powerful NRX reactor in operation, how radio-active isotopes are prepared for use in industry, agriculture and medicine, and heard brief lectures by members of the Chalk River staff.

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Of the 77 new vessels built in Canada last year, 39 were constructed in Nova Scotia, 13 in New Brunswick, 9 in Ontario, 6 in Quebec and 5 each in Newfoundland and British Columbia. However, the Quebec ships accounted for 21,412 tons of the total registered net tonnage of 30,331, and the Ontario ships for another 7,504 tons.

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Fewer initial and renewal claims for unemployment insurance benefit were filed in July than in the preceding month but there was a rise over a year earlier. Claims filed this July totalled 106,269 as compared with 114,797 in June and 75,869 in July 1953.

PAYROLL PEAKS 1953: Industrial employment, payrolls and per capita weekly earning reached new high positions during 1953, according to the Bureau's annual review of employment and payrolls. The general employment index for 1953 stood at 113.4 as compared with 111.6 in 1952, payrolls at 151.5 as compared with 140.3, and average weekly wages and salaries at \$57.-30 as compared with \$54.13.

While fairly widely distributed increases were recorded in industrial employment during 1953, contractions were indicated in a larger number of areas and industries than in recently preceding years. The level of activity in the Maritimes and Quebec was lower than in 1952. The gains in most of the provinces showing expansion were moderate, with Alberta and Newfoundland showing the largest increases.

Three of the industrial divisions - forestry, mining and construction - reported curtailment in employment, the reduction in the latter taking place in road work. Several factors adversely affected the mining division, notably labour-management disputes in the gold fields of Ontario and Quebec. A substantial decline was indicated in logging operations, continuing the unfavourable movement in 1952. There was little general change in transportation, storage and communication and finance, insurance real estate during 1953. The trend in the remaining industrial divisions and in most of their component groups was moderately upward.

Manufacturing showed an increase of 3.7%, raising the index to an all-time high.

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FARM COSTS RISE: Both farm operating costs and farm living costs, as measured by the Bureau's price index numbers of commodities and services used by farmers, were slightly higher on average in Canada in August than April this year but were lower than in August last year.

Inclusive of farm living costs, the all-Canada composite price index for commodities and services used by farmers (based on 1935-39 equals 100) stood at 225.0 in August, up 0.2% from 224.5 in April and down 1.4% from 228.1 in August last year. Exclusive of living costs, the all-Canada composite index advanced 0.3% to 238.7 in August from 238.0 in April and declined 2.0% from 243.6 a year earlier.

The composite regional indexes for Eastern and Western Canada showed similar trends to the national indexes, both in comparisons with April and August last year, but with variations in the degree of change.

Farm wage rates registered a moderate seasonal advance from April to August but remained below last year's August levels.

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From 1939 to 1952 factory shipments in Alberta rose by 493% as compared with an increase of 389% for Canada as a whole.

PIPED OIL RISE: Canada had 3,794 miles of oil pipe line at the end of last year, 1,294 miles or 52% more than at the close of 1952, the Dominion Bureau of Statistics reports. The number of pumping stations was increased by 12 to 45 during the year, and the flow of oil was stepped up to 151,653,187 barrels from 108,-818,688 in 1952.

The opening of the 718-mile Trans Mountain pipe line across the Rockies from Edmonton to Vancouver brought British Columbia into the pipe line picture with 464 miles of line at the end of 1953. Alberta lines increased by 385 miles to 1,317 during the year, Saskatchewan lines by 96 miles to 592, Manitoba lines by 138 miles to 416, and Ontario lines by 211 miles to 801. Quebec mileage was unchanged from 1952 at 204, but the capacities of both the Montreal and the Trans-Northern lines were increased during the year.

Total capital of incorporated pipe line companies was more than doubled last year to \$283,304,085 from \$126,867,214 in 1952, and investment in property, plant and equipment increased to \$243,819,010 from \$114,129,951. Operating revenues rose 35% to \$27,076,790 from \$20,064,187, and operating expenses increased to \$15,278,923 from \$10,283,467. Operating income advanced 21% to \$11,797,867 from \$9,780,720, but lower tax payments increased net income 72% to \$5,866,036 from \$3,403,949.

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SEA-FISH CATCH UP: Canada's sea-fishermen landed 10.3% more fish this August and the catch was worth 20.7% more than in the corresponding month last year, according to the Dominion Bureau of Statistics. Landings weighed in at 261,453,000 pounds as compared with 236,-962,000, and the value was \$13,824,000 as compared with \$11,453,000. In the January-August period landings of sea-fish rose to 1,251,657,000 pounds from 1,101,000,000 and the value climbed to \$56,419,000 from \$55,479,000.

* * * *

WHEAT SUPPLIES: Visible supplies of Canadian wheat on September 22 totalled 341,974,000 bushels, moderately below September 15 stocks of 349,907,000 bushels, but up 13.8% from last year's 300,499,000 bushels. Overseas export clearances during the week ending September 22 jumped to 6,455,000 bushels from 2,-694,000 a year earlier, but cumulative clearances from August 1 to September 22 were down to 34,415,000 bushels from 38,157,000.

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The consumer price index declined 0.2% from 117.0 to 116.8 between August 2 and September 1. Foods moved down 0.5% from 114.4 to 113.8.

* * * *

Coastwise cargo unloaded at Canadian ports last year totalled 32,467,500 tons, 1,587,600 or 5% more than in the preceding year.



CANADIAN WEEKLY BULLETIN

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 DEPARTMENT OF EXTERNAL AFFAIRS
 OTTAWA - CANADA

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WEEK'S EVENTS IN REVIEW

DISARMAMENT TALKS PROPOSAL: Canada proposed before the U.N. General Assembly's Political Committee on October 13 that the five atomic powers meet once more in private in an effort to reconcile disarmament proposals.

"If some abridgement of the gap between our respective points of view is possible," said the Acting Chairman of the Canadian Delegation, Mr. Paul Martin, "agreement will, I submit, be easier to reach in private informal meetings of the powers the Disarmament Commission considered 'principally involved'; France, USSR, United Kingdom, United States and Canada."

Mr. Martin emphasized that Canada had tried in the resolution submitted "to avoid asking the Assembly to take up a substantive position on the specific proposals of either side on questions where detailed clarification is still needed and where many difficulties are still to be resolved."

"We have tried to provide what seems to us the most effective machinery for future progress-- that is the same machinery to which I think we owe the substantial progress which we have made since the last session of the General Assembly."

"It should not be forgotten that it was precisely in the Sub-Committee of the Disarmament Commission that there were worked out the significant advances in the Western position embodied in the Anglo-French memorandum,

which the Soviet Government has now agreed to take as the basis for a convention."

In an address devoted largely to an analysis of the Russian plan recently submitted by Mr. Andrei Vishinsky, Mr. Martin spoke on the control problem, in part, as follows:

"Mr. Vishinsky on Monday conceded that there could be no simultaneity between the declaration of a total prohibition of nuclear weapons - which might take only five minutes - and the establishment of effective controls to ensure the implementation of effective controls to ensure the implementation of that prohibition - which he suggested might take six months or a year. During that period of six months or a year he seemed to be saying that we would be moving towards effective controls as the permanent control organization was established and trained but for most of that time a prohibition would be in force before effective control had been established."

"Apart from our worries over the timetable envisaged in the Soviet Union proposals, the point on which I feel the greatest uncertainty and uneasiness is whether the 'necessary powers' which Mr. Vishinsky says the permanent control organ would be given would include the power not only to verify information submitted by governments but to determine whether the information submitted was complete."

"Mr. Vishinsky said on Monday that the Soviet position has always been that 'to control

is to verify'. That is just the problem. In the first phase of control, and apparently in the second, the Soviet proposals seem to conceive of control as a process of checking up on the correctness of information submitted by governments rather than of actively investigating, anywhere at any time and by any means, whether the information submitted to the control authorities is not only correct but complete. For us, control is more than verification.

"A control organ to be effective must have authority to go wherever it wishes not in order to pry into the economic activities of any country but because it must make sure that, to use Mr. Vishinsky's own example, a button factory is not secretly making lethal weapons which have not been reported to the control organ. As Mr. Vishinsky said, button factories can make things to kill people, and it is essential that the control authority be empowered to make a check, at any time on any plant where weapons could be manufactured.

CONTROL ORGAN

"This is not economic espionage but it does involve a good deal more authority for the international control organ than mere verification of data submitted. I think it is in the interests of reaching agreement that this point should be clearly stated. This is the kind of question to which a simple 'yes' or 'no' answer can be given. I hope Mr. Vishinsky will give it.

"There is another aspect of the control problem which may be raised by the new Soviet proposals. It is proposed to take December 31, 1953, as the date fixing the levels of forces from which the reductions are to be made. This date was also suggested in the Anglo-French proposals. But I think we should be clear that this would not mean the exclusion from the disarmament programme, as understood by either side, of new weapons developed since that time.

"The question of the extent of the permanent control organ's powers is also raised in an acute form by the well-known Soviet reservation which Mr. Vishinsky mentioned earlier in his statement of September 30, that states must adhere to the principle of sovereign equality and non-interference in the internal affairs of states. If inspection on a continuing basis means permanent inspection with the right to go anywhere at any time in the territory of all states who have signed the agreement, that is all to the good.

"We have yet to hear, however, from any Soviet spokesman, that this is what they mean by inspection on a continuing basis. If the Soviet Union's Government has not modified its doctrine of total national sovereignty and adapted it at least partially to meet the exigencies of an interdependent world, agree-

ment on effective safeguards - and therefore on a disarmament treaty - is virtually inconceivable.

"I have tried to state some of the difficulties still inherent in the control problem and to state them frankly because I believe with Mr. Lloyd that this is the crux of our problem. When the Anglo-French and Soviet proposals are considered in greater detail, I think we shall find that if agreement on control can be achieved the other aspects of the problem will fall into place. I would, however, agree with Mr. Vishinsky when he said that there was no insuperable contradiction between the two positions.

ADEQUATE MACHINERY

"The creation of adequate and authoritative machinery for inspection and control of disarmament is not any more disturbing to Soviet interests than to the interests of any other country. The Governments of the Western Powers have proposed only what they themselves are prepared to accept in their own countries. Mistrust is not the exclusive property of one or the other side of the Iron Curtain. A prerequisite of any disarmament system is certainly that no state should have cause to fear that its security would be endangered by the operation of the control system or by any other feature of the programme.

"If we are to have serious and informal examination of the Anglo-French and the Soviet proposals and all other proposals which have been or may be submitted, then I think we must all agree that upon the conclusion of the disarmament debate in the First Committee there should be an early opportunity for the further examination of the problem by a smaller group. For the reasons I have given earlier in my statement, my Delegation believe that the most appropriate group for this purpose would be the Disarmament Commission's Sub-Committee where the Anglo-French proposals, now accepted by the USSR as a basis, were presented.

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LESS ON IMPLEMENTS: With farm cash income down 3%, Canadian farmers last year spent about 5% less on new implements and equipment and slightly more on repair parts than in 1952. The Dominion Bureau of Statistics reported October 13 that the wholesale value of farm implement and equipment sales fell to \$238,050,354 in 1953 from \$250,277,241 in the preceding year, while sales of repair parts rose to \$31,818,818 from \$31,231,946.

On the basis of an average reported mark-up of 22.8%, the Bureau estimates the retail value of farm implement and equipment sales at \$292,326,000 last year as compared with an estimated \$307,000,000 in 1952 when the average reported mark-up was 22.6%.

CANADIAN AVIATION: Speaking in Los Angeles on October 8 on the occasion of the presentation to him of the David Guggenheim Gold Medal for his contribution toward the development of aviation, the Minister of Trade and Commerce, and Minister of Defence Production, Mr. C. D. Howe, in an address entitled, "Progress Report on Canadian Aviation," reviewed the development of aviation in Canada and went on to outline some of Canada's hopes and plans for the future.

He said at the conclusion of his review:

"Now that the build-up necessitated by Korea has been completed, we are undertaking new tasks. We are preparing for production of two types of anti-submarine aircraft, to strengthen our forces engaged in this important work. One of these aircraft is for the use of the Royal Canadian Navy. This marks the first time that production in support of Canadian naval aviation has been undertaken. We are also much concerned with future fighters, in order to keep the quality of our forces up to the required standard.

"Finally, we are beginning to tackle, in a small way, guided missile problems. For the present our attention is restricted to missiles of the air to air variety, but we expect to produce these devices in any form, when acceptable types are available, and when our requirements reach a level at which production in Canada becomes economically sound.

FOR NATO ALLIES

"Our recent military aircraft programme has not been confined to supplying aircraft to our own military forces. For several years, some 15% of the Canadian defence budget has been spent on equipment for our NATO allies. Canada has supplied to the United Kingdom 370 F-86 aircraft, and, more recently, approval has been given to the supply of 164 additional aircraft of the F-86 type to other allies. We, on our part, have never accepted military aid from the United States, but have purchased our requirements from your country at going prices.

"You will realize from the review I have given of Canadian aviation that there has been, during most periods, a certain amount of design and development activity. Development of modern military equipment is an expensive process, and I would like to review briefly our thinking on this matter.

"We have decided that our major military effort will be in the field of aviation, and the sharing of tasks arranged through NATO is such that our contributions to the common effort will be in the fields of training, anti-submarine patrol, and fighter forces. Therefore, our industrial effort is concentrated on aircraft for these duties. Support operations are carried out using aircraft purchased from other countries, or with aircraft developed from existing types available to us. In our specialized fields, we do not seek to develop our own equipment if we can obtain a

satisfactory type elsewhere. If such a type is available, we normally obtain a licence to manufacture in Canada. If our military advisers decide that Canadian problems require a solution different from that needed elsewhere, then we undertake the necessary development.

"In addition, the Government is supporting aircraft developments which are useful to the military and which may have commercial possibilities. There is thus a possibility of reducing the Government outlay needed to keep the industry in a state of readiness. In summary, our policy on development is to undertake such work when it is necessary to meet our military situation, or when it appears to be economically sound. National pride is not permitted to stand in the way of sensible policies. This policy applies to civilian type aircraft as well. Trans-Canada Air Lines, although Government-owned, is free to purchase its aircraft as its management may decide.

"You will perhaps be inclined to agree that developments over the past nineteen years may justify Canada's claim to a place in world aviation consistent with its population, both in civil and in military aviation. I take some satisfaction in the fact that our progress on the physical side is backed up by skilled operation by our air personnel. Canadian air crew have a reputation for efficiency of which Canadians are proud. . . ."

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PRINCESS PATS CEREMONY: Two people - a former princess and a retired army officer - met on German soil last weekend to see a famous Canadian infantry regiment, which they founded 40 years ago, carry out the impressive ceremony of Trooping the Colour.

Lady Patricia Ramsay, youngest daughter of the Duke of Connaught, Canada's 10th Governor-General and a granddaughter of Queen Victoria, reviewed, as Colonel-in-Chief of the Princess Patricia's Canadian Light Infantry, the 2nd Battalion of her regiment now stationed near Soest.

Standing by the Princess will be Brig. A. Hamilton Gault, DSO, ED, of Montreal, Honorary-Colonel of the regiment and the man who, in August of 1914, offered the Canadian Government \$100,000 to raise a small mounted corps to place at Britain's disposal.

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APPLE CROP UP: The hurricane which struck the apple orchards of Nova Scotia's Annapolis Valley in mid-September reduced the estimated 1954 apple crop by about 11%, but the yield is still expected to top last year's, the Dominion Bureau of Statistics has reported.

Allowing for a minimum of 850,000 bushels in Nova Scotia, total Canadian production is estimated at 11,800,000 bushels for this year, slightly above the 1953 crop of 11,700,000 bushels.

MEDICAL RESEARCH: "Our general approach has been to encourage 'supported' rather than 'directed' (medical) research; in other words we try to give maximum federal support with minimum government interference," explained the federal Minister of National Health and Welfare, Mr. Paul Martin, at the official opening ceremonies of the Blood Fractional Building, Connaught Medical Research Laboratories, Toronto, on October 9.

An excerpt from his extensive review of Canada's health programme is as follows:

"Surely, one of the great stories of our time and one that holds rich promise for the years ahead is the story of Canadian achievement in health research. It is a story of co-operation and friendly collaboration between governments at the various levels, institutions like the Connaught Medical Research Laboratories, voluntary health agencies, the Universities and the great private research foundations.

"The record of Canada's contribution to medical discovery should be a matter of pride to all Canadians. We have only to think of the discovery of insulin by Sir Frederic Banting and his colleagues, or the development of the Cobalt 60 Beam Therapy Unit for cancer treatment by Canadian Government scientists, or the pioneering studies on stress and strain that have been carried out by Dr. Hans Selye.

LIVING SUTURE

"Everywhere that men are fighting disease and pain, Canada's medical pioneers are remembered with gratitude. It was a Canadian surgeon who first developed the idea of a mobile blood bank. Because another Canadian scientist broke some test tubes in his Toronto laboratory, the Franks Flying Suit was developed to protect the lives of pilots flying at high altitudes and speeds. The name of Dr. W. E. Gallie of this city will always be associated with the revolutionary surgical technique which now bears his name - Gallie's Living Suture. And Montreal General Hospital will be remembered as the first place in North America - and second in the world - to use X-rays on a patient.

"While Canadian medicine has enjoyed an international reputation ever since the days of Sir William Osler, it is only in very recent years that medical research in Canada has received substantial and continuing support and encouragement. Six years ago, Canada's annual expenditures on health research were estimated at not more than a million dollars; today they are about seven times that amount and expenditures by the Federal Government alone now approximate \$4,000,000 a year. . . ."

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Hotels in Canada operated at an average of 58% of capacity during 1952, the percentage of room occupancy ranging from 49% in Quebec to 65% in British Columbia and Alberta.

LABOUR INCOME HIGHER: Labour income received by Canadian paid workers in July was estimated at \$1,010,000,000, up \$10,000,000 from the preceding month and \$27,000,000 above last year's July total. This brought the cumulative income for the January-July period to \$6,777,000,000, up \$120,000,000 or 1.8% from a year earlier.

Labour income in manufacturing continued to fall, dropping to \$323,000,000 in July from \$325,000,000 in the preceding month and \$330,000,000 in the corresponding month last year. The January-July total declined to \$2,260,000,000 from \$2,297,000,000 a year ago.

In utilities, transportation, communication, storage and trade July's labour income rose to \$262,000,000 from \$259,000,000 in June and \$253,000,000 in the same month last year, and the 7-month total climbed to \$1,762,000,000 from \$1,715,000,000. Most of the rise over June occurred in transportation, storage and communication.

The seasonal rise in outdoor activities in agriculture, fishing and logging mainly accounted for an increase in July to \$80,000,000 in the primary industries from \$74,000,000 in June. This was \$3,000,000 more than in July last year. However, the 7-month total was down to \$475,000,000 from \$485,000,000 last year.

A large part of the increase in labour income in construction in July to \$77,000,000 from \$70,000,000 in June was due to a step-up in residential building. Last year's July wage bill for construction was \$76,000,000. In the cumulative period it was down to \$437,000,000 from \$453,000,000.

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PETROLEUM PRODUCTS RISE: Boosted by large increases in motor gasoline, stove oil, diesel fuel, furnace oil, and heavy fuel oil, June's output of refined petroleum products rose 15.5% to 14,221,235 barrels from 12,311,375 in the corresponding month last year. Receipts of crude advanced 8% to 15,927,395 barrels from 14,714,192, and July 1 inventories of refined products climbed 21.5% to 22,269,764 barrels from 18,319,829.

June's output of motor gasoline rose to 6,172,048 barrels from 5,407,148 a year ago, stove oil to 805,843 barrels from 525,850, diesel fuel to 1,395,861 barrels from 1,334,542, furnace oil to 1,544,358 barrels from 1,081,092, and heavy fuel oil to 2,375,135 barrels from 2,325,027.

Supplies of crude petroleum from domestic sources rose 23.4% to 8,606,272 barrels from 6,970,908, but imported crude dropped 5.5% to 7,321,123 barrels from 7,743,284. Venezuela accounted for the bulk of the imported supplies, rising slightly to 5,357,418 barrels from 5,274,799. Imports from the United States were cut to 776,283 barrels from 1,314,206, Arabia to 643,146 barrels from 731,222, but supplies from Mexico rose to 544,276 barrels from 423,057.

IMPORTS DOWN NEARLY 16 PER CENT IN JULY

IRON AND STEEL PRODUCTS: Reduced purchases of iron and steel products, particularly such items as farm machinery, motor vehicles and parts, and engines and boilers, of fibres and textiles, both raw materials and finished products, and a further larger decrease in coal were responsible for the greater part of the drop in Canada's July imports, according to final summary figures for the month released Oct. 8 by the bureau. The greater part of the decline occurred in imports from the United States.

Total imports in the month fell 15.8% to \$341,246,000 from \$405,435,000 in July last year, the decrease of \$64,189,000 being the largest in dollar value this year. The index of average prices (on the base 1948 equals 100) was up slightly to 110.8 from 109.8 last year, so that volume was down 16%. In the seven months ended July imports aggregated \$2,391,358,000, down 8.8% from \$2,261,998,000 for the like 1953 period.

IMPORTS FROM U.S.

Imports from the United States dropped 16% in July to \$240,557,000 from \$286,528,000, the decrease representing about seven-tenths of the total decrease. In the seven months United States imports were down 11% to \$1,743,338,000 from \$1,958,941,000, the decline of \$215,603,000 comparing with the drop of \$230,640,000 in imports from all countries. In July the values of imports were lower in 1953 in all main commodity groups except agricultural and vegetable products, the sharpest decreases being in the iron and non-metallic mineral groups; the same was true for the seven months except that wood and paper products showed a small increase.

Purchases from the United Kingdom in July fell to \$34,989,000 from \$47,070,000 a year earlier, a sharper decline percentagewise than imports from the United States, but in the seven months showed a smaller decline of 10% to \$239,118,000 from \$266,660,000. The decreases in both periods were spread through most of the main commodity groups with the sharpest

declines in the fibres and textiles and iron and steel products groups.

Imports from all other Commonwealth countries were down moderately in July to \$16,303,000 from \$17,916,000, but for the seven months were up to \$97,111,000 from \$94,373,000. Purchases from the West Indies group showed a substantial gain in July, and those from Asia slight rise, while others were lower. Over the seven months there have been increases for the West Indies group and the African countries as a whole, and declines for the Asia and Oceania groups but gains for India and Australia.

Purchases from Latin America declined in July to \$25,109,000 from \$31,096,000, but in the seven months rose slightly to \$169,973,000 from \$168,824,000. July imports from Europe were moderately lower at \$15,079,000 against \$15,953,000, the seven-month total showing a smaller decrease at \$95,688,000 compared to \$96,220,000. For both geographic areas there were mixed gains and losses in the month and seven months for major supply sources. Imports from the remaining foreign countries as a whole again advanced in July to \$7,483,000 from \$5,950,000, raising the cumulative total to \$38,573,000 from \$32,230,000.

IRON AND PRODUCTS

July imports of the iron and products group fell to \$114,302,000 from \$150,241,000, the seven-month total declining to \$849,950,000 from \$980,757,000. Major factors in the month's drop were sharp declines in rolling-mill products, engines and boilers, farm machinery, non-farm machinery, automobiles and automobile parts. Pipes, tubes and fittings was a main exception to this trend.

Purchases of the non-metallic minerals group decreased in the month to \$54,382,000 from \$64,589,000 and in the seven months to \$328,479,000 from \$361,366,000, reduced imports of coal and petroleum products accounting for most of both declines.

Imports in the fibres and textiles group dropped in July to \$25,132,000 from \$31,539,000, and in the January-July period to \$193,334,000 from \$247,217,000.

* * *

Canadian air carriers increased their net income by almost 31% in June to \$1,393,660 from \$1,065,055 in the corresponding month last year. This was the first increase since September 1953 and was the result of a reduction in total operating expenses to \$8,547,117 from \$8,823,194, and a small rise in operating revenues to \$9,940,777 from \$9,888,249.

* * *

Teachers in city schools across Canada last year averaged 14 years of teaching experience, 3.7 years less than in 1946.

Production of wheat flour rose 27% in August to 1,812,296 barrels from last year's 1,423,562, but declined slightly from the 10-year average for the month of 1,867,083 barrels. The month's exports dropped to 751,126 barrels from 827,588.

* * * *

Five industries, slaughtering and meat packing, petroleum products, flours mills, butter and cheese, and railway rolling stock - account for about half of the total manufacturing production of the Prairie Provinces.

3-NATION ARMY CONFERENCE: Army engineers from Canada, the United States and the United Kingdom will meet at the Royal Canadian School of Military Engineering at Chilliwack, B.C.; from October 18 to October 20 at a tripartite engineer panel, it was announced at Army Headquarters on October 12.

The purpose of the annual conference is to discuss engineering problems common to the three nations, and to review the progress made in standardization of equipment and procedures among the engineers of the three armies.

The discussions will review progress in the fields of mine warfare, demolitions, water supply, airfield construction and use of army vehicles in cold weather operation. Field demonstrations will include heavy bridging and mine warfare equipment and procedures.

A feature of this year's panel will be held on the final day when an air-drop exercise will be carried out by 1 Airborne Troop, Royal Canadian Engineers, at Sumas Airfield.

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GRAIN POOLS PAYMENTS: The Minister of Trade and Commerce on October 12 announced that the Canadian Wheat Board 1953-54 Western Barley Pool had been closed as at September 30, 1954. The final payment for distribution to producers is \$9,833,495. During the crop year 1953-54 producers delivered 101,193,953 bushels of barley to the Board. The average net final payment to producers is 9.71747 cents per bushel after deduction of payment expenses and the Prairie Farm Assistance Act levy.

Mr. Howe stated that The Canadian Wheat Board would commence issuing final payment barley cheques on October 19.

The 1953-54 Oats Pool will be closed immediately and final payments on this Pool will be made following the completion of the barley payment.

* * * *

ADMIRAL WRIGHT'S VISIT: Admiral Jerauld Wright, Supreme Allied Commander Atlantic in the North Atlantic Treaty Organization, visited Ottawa this week.

Greeted by the Minister of National Defence, the Under-Secretary of State for External Affairs, and by the Chiefs of Staff of armed services on his arrival on Oct. 12, he later met Ambassadors of NATO countries to Canada and military attachés.

During his two-day stay Admiral Wright had discussions with the Minister of National Defence, the Canadian Chiefs of Staff and with the Cabinet Defence Committee.

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Home nursing and health counselling services were rendered by the Victorian Order of Nurses for Canada to 124,164 cases last year, 5,303 fewer than in 1952, but a larger proportion of chronic or long-term illness cases increased the number of visits by 12,115 to 911,414.

COAL INDUSTRY: The Canadian coal industry in 1953 continued to show the effect of increasing competition from other fuels. Production at 15,896,194 tons was 9.6 per cent below that of 1952, and 16.9 per cent below the record 19,139,112 tons in 1950. All producing provinces showed some reduction, by far the greatest being in Alberta where the output was about 18 per cent lower than in 1952. That Province contributed about 37 per cent of the total, Nova Scotia 36, Saskatchewan 13, British Columbia and Yukon 9, and New Brunswick 5.

About 39 per cent of the output in 1953 was produced by strip mining which is practised in all provinces with the exception of Nova Scotia. In Saskatchewan, practically all the output is strip mined, in Alberta 57 per cent, in New Brunswick about 73 per cent, and in British Columbia about 19 per cent.

Apparent consumption decreased from 41,353,105 tons in 1952 to 38,140,497 tons in 1953, the decrease being split fairly evenly between Canadian production and imported coal. Imports made up 60.0 per cent of coal consumed compared with 59.5 per cent in 1952. The decrease in consumption was again due mainly to the substitution of fuel oil, diesel fuel and natural gas for coal in domestic and building heating, railway use and power production.

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MINESWEEPERS FOR FRANCE: Two new minesweepers constructed in Canadian shipyards were formally transferred to France in a brief ceremony at Halifax on October 9. The ships, HMCS Chaleur and HMCS Miramichi, were the last of six to be turned over to France under the Mutual Aid Agreement of the North Atlantic Treaty Organization. The first four, HMC Ships Fundy, Cowichan, Thunder and Guignecto, were transferred last April.

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HMCS QUEBEC CRUISE: The cruiser HMCS Quebec will sail from Halifax October 15 on a six-week cruise to the Caribbean and to ports in South America, it is announced by Naval Headquarters. First port of call for the 8,000-ton cruiser will be Port of Spain, Trinidad, where she will arrive October 22.

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Creamery butter production in September amounted to 34,492,000 pounds as compared with 31,629,000 in the same month last year, bringing the January-September total to 256,849,000 pounds as compared with 247,357,000.

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Production of margarine rose 22% in September to 10,755,000 pounds from 8,795,000 in the corresponding month last year. This raised the cumulative output for the first nine months of the year 7% to 83,346,000 pounds from 77,683,000 in the like 1953 period.



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WEEK'S EVENTS IN REVIEW

POPULATION 15,313,000: Canada's population rose by 118,000 in the three months from June 1 this year, bringing the total to 15,313,000 at September 1, according to the Bureau's quarterly estimate. This compares with an estimated 14,893,000 at the same date last year, making an increase of 420,000.

The estimated gain in the months of June to August this year is the largest numerically for any quarter since the Bureau began the issue of quarterly figures in 1951. It compares with a previous quarterly peak of 114,000 for the March 1 - June 1 period of 1952, and with 113,000 for the June 1 - September 1 quarter of 1951 and 104,000 and 112,000 for the corresponding 1952 and 1953 periods respectively.

The quarter's increase was equivalent to an annual rate of 3.1%, which has been exceeded only in the corresponding 1951 quarter and the March 1 - June 1 quarter of 1952, in both of which the increase was equal to 3.2%. The aggregate gain of 420,000 in the twelve months ending September 1 was at the rate of 2.8%, and compares with increases of 359,000 or 2.5% in the previous twelve months and 412,000 or 2.9% in the twelve months ending September 1, 1952.

The Bureau's quarterly estimates do not give any breakdown of population changes by provinces.

NEW HEALTH RECORDS: Canada's position as one of the world's healthiest nations was confirmed by the 1953 official report of vital statistics, yardstick of the nation's health, released October 11 by the Dominion Bureau of Statistics. Previous records toppled as new marks were set last year for the rates for deaths, infant mortality, natural increase and other health indicators. Only two important rates fell short of past records - the marriage rate and the birth rate, which reached postwar peaks in 1946 and 1947 following the return of armed forces from overseas.

The new death rate, an all-time low of 8.6 per 1,000 population, puts Canada well ahead of the United States (9.6), United Kingdom (11.4), France (12.3), and an impressive list of other European and Commonwealth countries including Denmark, Sweden, Switzerland, Australia and New Zealand. Only two European countries have lower death rates - the Netherlands (7.3) and Norway (8.3).

The infant mortality rate, generally looked on as a sensitive indicator of community health status, fell to a record low of 35 per 1,000 live births after having remained stationary at 38 for the past two years. This compares with rates of 28.5 in the United States, 28.6 in the United Kingdom, 23.8 in Australia and 21.8 in New Zealand.

MANUFACTURING RECORD: Canada's manufacturing industries set another new production record in 1953 for the seventh straight year, according to preliminary figures released by the Dominion Bureau of Statistics.

The year's factory shipments were valued at \$17,771,758,000, up \$789,071,000 or 4.6% from 1952's \$16,982,687,000. Preliminary estimates place the value of shipments in the first half of this year at \$8,607,736,000, down 4% from last year's January-June value of \$8,974,157,000. The first-quarter value fell to \$4,181,071,000 from \$4,284,124,000, and the second quarter's value to \$4,426,665,000 from \$4,690,033,000.

The number of employees in manufacturing also climbed in 1953 to a new record total of 1,325,820, from the previous peak in 1952 of 1,288,382, and their earnings were boosted to \$3,948,039,000 from \$3,637,620,000. Material costs were up to \$9,327,510,000 from \$9,146,172,000 the year before, the cost of fuel and electricity rose to \$414,926,000 from \$392,981,000.

In 1953 there were increased values for all but three of the main industrial groups, the declines being in iron and steel products, textiles and tobacco. Foods and beverages again headed the list with shipments valued at \$3,479,000 as compared with \$3,472,517,000. Transportation equipment was next in order at \$2,094,175,000 as compared with \$1,803,700,000, followed closely by iron and steel products at \$2,090,093,000 as compared with \$2,135,032,000. Paper products was fourth at \$1,552,797,000 (\$1,510,149,000 in 1952), and wood products fifth at \$1,279,573,000 (\$1,167,629,000).

In this year's first-half period all groups were lower except foods and beverages, paper products, products of petroleum and coal, printing and publishing and tobacco.

* * * *

WORLD WHEAT: Supplies of wheat remaining on or about September 1 in the four major wheat exporting countries for export and carry-over at the end of their respective crop years amounted to 2,148,400,000 bushels, some 5.5% greater than the 2,036,500,000 bushels a year earlier.

Estimated supplies in each of the four countries on September 1 with a year earlier figures in brackets, were as follows: United States, 1,167,000,000 bushels (1,067,800,000); Canada, 792,800,000 (820,100,000); Australia, 115,700,000 (56,600,000); and Argentina, 72,900,000 (92,000,000).

The 1954 Canadian crop, estimated at 277,900,000 bushels on the basis of conditions at September 1 is now taken into account in these calculations. However, due to adverse harvesting conditions in the West, a further substantial reduction may be anticipated in the size of the current Canadian wheat crop.

INDUSTRIAL EMPLOYMENT UP: Industrial employment showed a further though slight improvement at the beginning of August and the Bureau's index rose 0.4% to 112.1 from 111.7 a month earlier. There was, however, a decline of 3% from last year's August 1 figure of 115.6. The payrolls index moved up to 155.0 from 153.9 at the beginning of July but declined from last year's 155.3. Weekly wages and salaries rose on average to \$59.12 from \$58.98 a month earlier and \$57.52 a year ago.

The changes in employment in the major industrial divisions at August 1 as compared with July largely followed the seasonal pattern established in recent years. Manufacturing, in which the postwar midsummer indexes have risen and fallen in an equal number of years, showed a decline of 0.8%, slightly exceeding the reduction at August 1 last year when the index was 6% above its present position. The loss as compared with July 1 took place in plants producing durable manufactured goods, there being little change on the whole in the non-durable group.

There was a below-average contraction in the staffs of logging camps, the decrease being the smallest in many years.

The gain in mining was the largest for midsummer since 1949, while that of 5.2% in construction, which was the greatest shown by any industrial division at August 1 was rather below average.

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PETROLEUM, GAS SOAR: Nine of Canada's 16 leading minerals were produced in greater quantity in the first 6 months this year than in the first half of 1953, the Dominion Bureau of Statistics reports. Petroleum and natural gas output continued to soar, but for most other minerals changes from last year were moderate to slight.

The flow of petroleum from Alberta and other Canadian fields was stepped up to 42,232,615 barrels from 33,391,423 in the first half of 1953, and natural gas output climbed to 65,107,621,000 cubic feet from 52,376,435,000. Also showing production gains in the first 6 months this year were cement (to 10,568,303 barrels from 10,437,674), clay products (to \$13,690,920 from \$12,844,654), copper (to 144,715 tons from 135,368), gypsum (to 1,597,779 tons from 1,490,277), lead (to 110,076 tons from 100,635), lime (to 609,366 tons from 607,607) and nickel (to 77,436 tons from 70,294).

First-half output was reduced this year for asbestos (to 434,823 tons from 458,209), coal (to 7,430,188 tons from 7,735,747), gold (to 2,092,087 fine ounces from 2,204,037), iron ore (to 1,756,047 tons from 2,425,494), salt (to 456,516 tons from 460,214), silver (to 14,828,903 fine ounces from 15,308,361) and zinc (to 172,279 tons from 202,931).

NATO MINISTERIAL MEETING: The Department of External Affairs announced on October 19 that the Ministerial Meeting of the North Atlantic Council in Paris, on October 22, will consider the recommendations prepared on the basis of the decisions reached at the recent Nine-Power Conference in London regarding the association of Germany with the West and arrangements for a German defence contribution. This Meeting will be preceded by a meeting on October 21 of the nine Foreign Ministers who attended the London Conference.

Canada will be represented at both these meetings by Mr. L. B. Pearson, Secretary of State for External Affairs; he will be assisted by Mr. L. D. Wilgress, Permanent Representative of Canada to the North Atlantic Council, Dr. R. A. MacKay, Associate Under-Secretary of State for External Affairs; General Charles Foulkes, Chairman, Chiefs of Staff and Air Vice Marshal D. M. Smith, Chairman of the Canadian Joint Staff, London. Mr. J. G. H. Halstead of the Department of External Affairs and Mr. A. B. Hockin, of the Department of Finance, are accompanying the delegation.

The NATO Ministerial Meeting will consider reports on the arrangements for the admission of Germany to NATO, on the reinforcement of the NATO machinery, and on the association of other NATO countries with the Three-Power Declaration on Germany made at the London Conference.

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AMBASSADOR: The Department of External Affairs announced on October 20 that Mr. H. A. Scott, Canadian Ambassador to Cuba, has been appointed Canadian Ambassador to the Dominican Republic and the Republic of Haiti. Mr. Scott, who will continue as Ambassador to Cuba, is expected to present his Letters of Credence to the Presidents of the Dominican Republic and Haiti later this year.

The decision to exchange diplomatic missions with the Dominican Republic and Haiti was announced earlier this year; the missions will be opened about the middle of November. The Commercial Counsellor in the Dominican Republic, Mr. M. B. Bursey, and Mr. E. R. Bellemare, First Secretary of the Embassy in Haiti, will act as Chargés d'Affaires ad interim during Mr. Scott's absence from these two posts.

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OPERATION "REDUCE": Familiar sites of 25th Brigade elements in the Canadian-occupied sector of Korea have taken on a new appearance recently, as Operation "Reduce", the plan whereby two thirds of the force will be home by year's end, gets into full swing.

Teams of work parties have been busy over the 20-square-mile area dismantling scores of quonset, nisson and tropical shelters. They are being replaced with rows of tents, temporary accommodation until trans-Pacific shipping facilities become available and the move back to Canada begins.

RCN HALF WAY AROUND WORLD: The Royal Canadian Navy's operational and training activity has increased sharply during the month of October, Naval Headquarters has announced.

More than a score of Canadian warships, from coastal minesweepers to the 18,000-ton aircraft carrier Magnificent, are scattered half-way round the globe engaged in widespread training exercises and operational duties.

The RCN's largest warship, the aircraft carrier Magnificent, is in San Francisco on her way northward to Esquimalt. The 18,000-ton ship, with two air squadrons embarked, is on her first cruise to the west coast and is due in Esquimalt on October 25. She is carrying out flying operations enroute. The west coast frigate HMCS Stettler joined the Magnificent at Balboa.

The cruiser Quebec sailed from Halifax on Saturday for a two-month training cruise to Trinidad and South America waters.

Four ships of the First Canadian Escort Squadron left UK waters for the Mediterranean October 17 after participating in NATO exercise Morning Mist in the Northeast Atlantic.

The frigate Jonquiere and the coastal escorts Digby and Brockville are en route to the West Coast from Balboa to join the RCN's Pacific Command.

The destroyer Micmac is on a training cruise to southern United States ports, and Cuba. She is scheduled to return to Halifax on October 23.

The destroyers Huron, Iroquois and Cayuga are in the Far East on Korean patrol and the Haida is en route to Halifax via the Mediterranean after completing her second tour of duty in the Far East.

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GATT DELEGATION: The Department of External Affairs announced on October 18 that the Minister of Trade and Commerce, Mr. C. D. Howe, will be the Minister in Charge of the Canadian Delegation to the Ninth Session of the Contracting Parties to the General Agreement on Tariffs and Trade which will convene in Geneva on October 28, 1954.

It is expected that at this Session the Contracting Parties will review the operation of the Agreement and formulate more permanent rules for international trade.

In addition to Mr. Howe, other members of the delegation will be as follows:

Chairman of the Delegation: Mr. L. D. Wilgress.

Delegates: Mr. A. F. W. Plumtree, Department of Finance; Mr. L. E. Couillard, Department of External Affairs; Dr. A. E. Richards, Department of Agriculture; Mr. A. W. Brown, Department of National Revenue; Mr. B. G. Barrow, Department of Trade and Commerce; Mr. A. Annis, Department of Finance; Mr. M. Schwarzmann, Department of Trade and Commerce.

Secretary of Delegation: Mr. W. Lavoie, Department of Trade and Commerce.

RESEARCH CONFERENCE: The most recent developments in the fields of armaments, explosives and propellants will be discussed October 18 to 29 at Quebec City when 150 scientists and Service technical officers representing Canada, the United Kingdom and the United States will participate in a series of closed sessions. The delegates, attending the Sixth Tripartite Armaments, Explosives and Propellants Conference, last held sessions in Canada in 1950 at Quebec City.

Dr. Omond M. Solandt, Chairman of the Defence Research Board, welcomed the visitors to Canada at Laval University on October 18. All technical discussions will be held at the Canadian Armament Research and Development Establishment, (CARDE) Valcartier, DRB's largest research laboratory, with the delegates returning to Laval University on October 29 for the closing ceremonies.

Conference members meet every 18 months with each of the three countries acting as host in rotation.

Heading the Canadian delegation will be Dr. H.M. Barrett, Chief Superintendent of the Canadian Armament Research and Development Establishment.

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MANUFACTURING NATION: Canada is no longer on the fringes of industrialization but ranks among the world's most important manufacturing countries, states the latest General Review of the Manufacturing Industries of Canada published by the Dominion Bureau of Statistics. The 167 page report provides a general analyses of manufacturing development with detailed treatment of current production by individual industries and such principal factors as physical volume of production, capital, employment, salaries and wages, size of establishment and power and fuel. The report also deals with the provincial and local distribution of manufacturing production, and provides an alphabetical list of products manufactured in Canada.

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STORE SALES UP 23.3 P.C.: Department store sales rose 23.3% during the week ending October 9 as compared with the corresponding week last year. All provinces shared in the rise, Manitoba leading with a sharp gain of 49.6%, followed by British Columbia with an increase of 40.3%, Alberta 23.2%, Quebec 17.6%, Ontario 14.8%, the Atlantic Provinces 14.2%, and Saskatchewan 12%.

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It is presently estimated that more will be spent on street lighting construction in Canada this year than in the two preceding years combined. Expenditures are expected to total \$5,214,000 as compared with \$2,044,000 in 1953 and \$1,995,000 in 1952.

EMPLOYMENT MAINTAINED: Employment was maintained in most of Canada during September although there were indications that the usual seasonal peak in labour demand had been reached during the month, the Department of Labour and Dominion Bureau of Statistics announced jointly on October 20. This annual peak in employment occurred somewhat later this year than last. The high level of fall construction activity and the larger than usual increase in logging employment during the month were important factors affecting the situation.

Coincident with the seasonal easing in labour demand was the withdrawal from the labour force of students and other short-term seasonal workers. The extent both of this withdrawal and of the decline in the number of jobs available was less than a year ago. The fact that there were more people leaving the labour force during the month ending September 18 than the decline in the number of jobs available, resulted in a lower level of unemployment than in August. This development in turn was reflected in an improvement in local labour markets.

Compared to a month ago, the number of areas in balance increased from 68 to 73 and those in the moderate labour surplus category decreased from 38 to 34; those in the substantial surplus category remained at two.

The civilian labour force totalled 5,483,000 in the week ended September 18, 1954, compared with 5,569,000 in the week ended August 21, 1954.

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AUTO SALES DROP NARROWS: Sales of new motor vehicles continued to decline in August but the drop was the smallest this year, according to the Dominion Bureau of Statistics. The month's sales were down 5.5% from a year ago, while January-August sales were reduced 16.6%.

Total number of new vehicles sold in August was 27,439 as compared with 29,040 in the corresponding month last year, bringing cumulative sales for the January August period to 289,015 as compared with 346,501. Retail value in August was \$69,772,000 as compared with \$73,145,000, and the aggregate for the 8 months was \$743,351,000 as compared with \$868,276,000.

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Initial and renewal claims for unemployment insurance benefit increased in August to 112,659 from 106,269 in the preceding month and 74,052 in the corresponding month last year.

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The average number of employees per manufacturing firm ranges from 10.4 in the wood products group to 308.3 in the rubber products group.

AMBASSADOR TO EGYPT: The Department of External Affairs announced on October 21 that Mr. Kenneth P. Kirkwood has been appointed as Canada's first Ambassador to Egypt and concurrently as Canada's first Minister to Lebanon.

Mr. Kirkwood, who is at present serving with the Canadian Delegation to the Ninth Session of the United Nations General Assembly, will proceed about the end of November to Egypt and to Lebanon to present his letters of credence.

In the meantime, the Canadian diplomatic missions, which have now opened in Cairo and Beirut, will each be under the direction of the senior officer of the mission, serving as *Chargé d'Affaires ad interim*.

Mr. Kirkwood was born in Brampton, Ontario, on April 14, 1899. He attended the University of Toronto, the London School of Economics and Columbia University. During the First World War he served with the Canadian Army, the Royal Naval Air Service, and the Royal Air Force. From 1923 to 1928 he taught history in Turkey, Canada and the United States.

Mr. Kirkwood joined the Department of External Affairs as a Second Secretary in 1928 and has served in Washington, Tokyo, The Hague, London, Greenland, Rio de Janeiro, Buenos Aires and Warsaw. In Warsaw, Mr. Kirkwood was *Chargé d'Affaires a.i.* from 1947 until 1950. He was appointed Canadian High Commissioner in Pakistan in November 1951 and returned to Ottawa in June of this year.

Mr. Kirkwood has attended a number of international conferences and is the author of several books of verse, essays and travel.

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NORTHERN SERVICE OFFICERS: Nearly three hundred Canadians from every part of Canada have volunteered to serve as Northern Service Officers in the Canadian North. "Now", Northern Affairs Minister Jean Lesage announced, "the long task of selection is completed and six adventurous Canadians will soon begin training for their new life on the roof of the world."

Each new Northern Service Officer will come to Ottawa for a period of training as soon as he can be released from his present employment. He will study the background of the problems of Eskimo society which he will later help to solve. Within the next few months all the Northern Service Officers will have set forth for their new homes in remote places from the mouth of the Mackenzie River in the Western Arctic Ocean to the shore of Hudson Bay. In each place the pattern of work will be generally similar. The Northern Service Officer will move among the people, get to know them, gain their respect and co-operation, and help them to help themselves.

AMBASSADOR TO ISRAEL: The Department of External Affairs announced on October 21 that Mr. T. W. L. MacDermot, the Canadian Ambassador to Greece, has been appointed as Canada's first Ambassador to Israel. Mr. MacDermot, who will continue to be accredited to Greece, will shortly proceed to Israel to present his letter of credence. In the meantime the Canadian Embassy, which has already been opened in Tel Aviv, will be under the direction of the Counsellor, Mr. George P. Kidd, who will act as *Chargé d'Affaires ad interim* during Mr. MacDermot's absence from this post.

Mr. Terence W. L. MacDermot's appointment as Canadian Ambassador to Greece was announced on March, 1954. He was born in Jamaica in 1896 and is a graduate of the Universities of McGill and was Principal of Upper Canada College, 1935-42.

He served overseas in the Canadian Army during the First World War and during the Second World War was in charge of the Civil Affairs Staff Course at the Royal Military College.

Mr. MacDermot joined the Department of External Affairs in 1944 and was appointed High Commissioner for Canada in South Africa in August 1950.

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RCN MEDITERRANEAN CRUISE. Ships of the Royal Canadian Navy's First Escort Squadron sailed from Londonderry, Northern Ireland on October 17 for a two-month operational cruise to the Mediterranean, Naval Headquarters announced today. The squadron is composed of the destroyer escort HMCS Algonquin and HMC Ships Lauzon, Prestonian and Toronto (frigates).

First port-of-call for the ships was to be Lisbon, October 21. The squadron will enter the Mediterranean next week and will pay formal and informal visits to ports in several NATO countries.

After leaving the Mediterranean early in December the ships will call at Ponta Delgada in Azores, enroute to Halifax.

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1953 RAILWAY RECORDS: Canada's two major railways made and spent more money in 1953 than in any other year in history, the Dominion Bureau of Statistics reports. Operating revenues of the Canadian National Railways climbed to \$696,622,000 from \$675,219,000 in 1952 and operating expenses to \$659,049,000 from \$634,853,000, while operating revenues of the Canadian Pacific Railway Company rose to \$509,314,000 from \$492,982,000 and operating expenses to \$456,652,000 from \$438,344,000.

Both lines transported less freight and fewer passengers than in 1952, but while passenger revenues declined freight revenues reached new records.

TORONTO AREA FLOOD DISASTER: Sweeping northwards through the Carolinas and Pennsylvania, Hurricane 'Hazel,' as it had been designated by meteorological authorities, on Friday night, October 15, struck across Lake Ontario with its full force of wind and torrential rain hitting the Toronto area. It left a toll of 79 known dead and maybe \$100,000,000 damage. It was one of the worst disasters in Canadian history.

The Humber River, on the western outskirts of Toronto, drowned at least 57 persons, according to mid-week compilation, with more than 30 of the deaths occurring at a bend of the river where 19 homes were swept away on two short streets - Raymore and Gilhaven Drives.

The Humber and the Don River, on the eastern side of Toronto, and other streams, smashed 50 bridges and culverts, paralyzing travel. At Holland Marsh, 35 miles north, 7,000 acres of the most fertile farm land in Ontario was turned into a lake and almost 2,000 left homeless.

Governments at all levels were organizing aid throughout this week. The Ontario Hurricane Relief Fund had reached a total of \$2,000,000 toward its \$10,000,000 objective near the week-end. A plan of relief distribution was announced which would provide immediate emergency assistance in cash advances, provide immediate relief of needs of dependents of flood victims, and provide compensation to flood victims for household effects, clothing and living requirements lost or destroyed.

The federal Government was in consultation with the Ontario Government as to required rehabilitation aid and Prime Minister St. Laurent stated that sympathetic consideration would be given to any request by the Province. Federal aid toward rehabilitation would follow the principle applied in aid granted for the Winnipeg floods and other disasters.

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First of two volumes containing the final results of the 1951 Census of Distribution, the Bureau of Statistics has released 1951 Census Volume VII dealing with retail trade. Its companion Volume VIII, which deals with wholesale trade and service establishments, is in the hands of the printer.

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MINISTER-COUNSELLOR, TOKYO: Theodore F. M. Newton, at present Head of the Information Division of the Department, has been appointed Minister-Counsellor, Canadian Embassy, Tokyo, effective in November. The Ambassador Designate to Japan is the Hon. T. C. Davis.

Mr. Newton, formerly on the staff of McGill and Harvard Universities, was associate chairman of the United Nations Information Board in New York from 1943-1946. A former member of the Wartime Information Board, he later became supervisor of the Canadian Information Service in the United States. In 1946 he was appointed to the Canadian Embassy, Washington, as First Secretary.

When Canada opened its Consulate in Boston in 1948, Mr. Newton became the first Canadian Consul for the New England States.

Subsequently, he was loaned by the Department in 1950 to the North Atlantic Treaty Organization to organize an international information service for NATO. After a three-year period in London and Paris as NATO's first Director of Information, he returned to departmental duties in Ottawa in June 1953.

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INVENTORIES DOWN: Total value of manufacturers' investment in inventory declined \$31,000,000 during August to reach \$3,456,500,000, according to advance figures released by the Dominion Bureau of Statistics. This was 99.2% of the December, 1952 value, down 1% from July and 4.5% lower than in August 1953.

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NEW HOUSING: With increases in Ontario, the Prairie Provinces, British Columbia and Newfoundland more than offsetting declines in the Maritimes and Quebec, starts on the construction of new dwelling units in August climbed to 10,978 units from 10,883 in the same month last year. This raised the number of starts in the January-August period to 71,567 units from 69,463 a year earlier.

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The trend was to fewer but more powerful tractors on Canadian farms last year. Farmers bought over 11% fewer new standard and row-crop wheel tractors than in 1952, but purchases of models of over 27 H.P. increased nearly 2½ times to 16,709 from 6,702.



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WEEK'S EVENTS IN REVIEW

THE RULE OF INTERNATIONAL LAW: "In this complex, interdependent world of the Twentieth Century, lasting peace can only be achieved in the context of law and its realization must therefore depend to a great extent on the increased willingness of states to accept and to apply the principles of international law in their dealings with one another," said the Minister of National Health and Welfare, Mr. Paul Martin, in addressing the Fall Convocation of the University of Western Ontario, London, Ontario, on October 22.

"Surely this concept of peace through law is not impractical or visionary," he added. "In modern civilized states the conviction that a lawful order is essential to their internal government has been long established. Should we not recognize that the same morality and respect for law is equally necessary in inter-state relations?"

He remarked near the outset of his address: "It has been my privilege to serve from time to time on Canadian Delegations to the United Nations and some of its associated bodies, most recently, during the past few weeks, at the Ninth Session of the General Assembly. I have therefore had an opportunity to view at first hand the interplay between the slow, but I think inevitable, development of the rule of law in international relations and the attempt

on the part of some states to make international law subservient to their political aims."

Mr. Martin, who spoke during the previous week for the Canadian Government at the United Nations General Assembly in the disarmament debate, touched on those discussions as follows:

"The current debate in the United Nations on disarmament, from which I have just come and to which on Monday I will return, has made it crystal clear that the gap which still divides us from the Government of the Soviet Union, on the nature and scope of an acceptable disarmament program, remains deep and wide. In a few particulars that gap has been narrowed. That is heartening. But facile optimism, or wishful irresponsibility, could be a grave disservice to the cause of peace. So too, I think, would be cynicism or despair at the admittedly great and vital points on which major differences remain."

On his main subject, the rule of international law, he said, in part:

"The truth surely is that international law is not just a subject for books but is a system that is practised - though imperfectly - and will continue to be improved and extended, for it is the only means of marking out the sphere within which each state may exercise

its governmental powers without trespassing on the sphere of other states. It is the basis for positive peaceful co-existence and its progress is therefore the measurement of successful international co-operation.

"We look forward to the day when national policies of all countries will conform more closely with international law. We recognize, of course, that we have not yet reached the stage where peoples and governments are prepared to be governed exclusively by the standards of international law. But we must relentlessly pursue the ideal of the rule of law in international affairs. Only when we have accorded to international law the same authority that has been acquired by domestic law can we hope to achieve the peace described by St. Augustine as 'the tranquillity which comes of order'.

"In our attempts to bring law and order into the relationships between states, we are carrying on an assault upon perhaps the last frontier of our anarchistic beginnings.

MEETING PLACE

"Although the United Nations has not achieved the universal respect for the rule of law that is essential to true peace, can we honestly say that the United Nations has failed? If the United Nations had done nothing else it could command our support for providing a common meeting place between East and West. The opportunity of constantly exchanging views has prevented the two blocs from withdrawing into a state of hostile seclusion in which disagreements could the more readily lead to conflict.

"Although it has not fulfilled all of the high hopes of its founders, the United Nations has a solid core of substantial achievement to its credit. It was the United Nations that got the Soviet troops out of Iran. It was the United Nations that brought an end to large scale hostilities in Palestine. It was the United Nations that effected a cease-fire in Kashmir and brought the dispute between India and Pakistan within a framework of negotiation. It was the United Nations that created the independent state of Indonesia, and, in so doing, not only halted a serious war but assisted a rich and ancient civilization in taking its place in the family of nations. It was the United Nations that finally solved the problem of the disposition of the Italian colonies. It was the United Nations that took the first international collective action against aggression in Korea.

"In addition to these achievements in the political sphere, the United Nations has helped to feed millions of hungry mothers and children. It has shown dozens of regions with low standards of living how to increase their productivity. It has wiped out malaria in

large areas and has drastically reduced the ravages of tuberculosis and other menaces to human health. It has improved schools and helped the cause of democratic self-government by encouraging literacy wherever the handicap of illiteracy has been prevalent.

"When we consider the bitterness, the poverty, the rivalries, threats and fears, that have gripped the world in the past nine years, it is remarkable how much the United Nations has accomplished. It would surely be unreasonable to expect that, in less than a decade, the United Nations should be able to solve problems that in many cases are the legacy of centuries of mistrust, ignorance or outright hostility.

"And standing behind the achievements of the United Nations, providing the basis of all its discussion and negotiation, influencing its desire to provide a better life for peoples in every quarter of the globe, there remains the central objective of achieving respect for the rule of law. Law breeds a social order that in all human relationships is the antithesis of chaos. And these are times when chaos could mean disaster.

PEACE THROUGH LAW

"I am convinced that there is no false idealism in the concept of peace through law. Within civilized states we have built upon the conviction that lawful order is essential to the successful management of internal affairs. The same principle of morality and respect for law can be carried forward into international relationships - and particularly as they are reflected in the United Nations which is the mirror of our times.

"This old world of ours has not known much peace in our time. It is a tribute to the resiliency of the human spirit that, in the midst of so much tension and conflict, we have relentlessly continued our search for peace. We must not abandon that search, for through the United Nations we have the means of achieving a world community in which nations will one day recognize in their dealings with one another the same obligations as individuals of the same state do today. In that way we can yet achieve peace in the world - and we can keep the peace - not through fear and the iron fist - but through the order that comes from the law."

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Fewer foreign vehicles entered Canada on traveller's vehicle permits in August and the first 8 months this year as compared with a year earlier. In August the entries numbered 289,936, down 5% from last year's 305,212, and January-August entries aggregated 2,119,729, down 2% from 2,160,100.

INTER-AMERICAN E. AND S.C.: The Acting Secretary of State for External Affairs announced on October 22 that a telegram has been received from the President of the Inter-American Economic and Social Council inviting the Government of Canada to attend as an observer the Council's Fourth Extraordinary Session to be held in Rio de Janeiro on November 22, 1954, and that, on behalf of the Canadian Government, he has accepted the invitation and has informed the President of the Council that Canada's observer at the Session will be Mr. S. D. Pierce, Canadian Ambassador to Brazil.

At the Tenth Inter-American Conference of the Organization of American States, held at Caracas, Venezuela, in March, 1954 it had been agreed that consideration of major economic problems would be referred to a special economic conference to be held in Rio de Janeiro during the last quarter of 1954. This special conference will be the fourth session of the Inter-American Economic and Social Council to be held since 1948.

The Inter-American Economic and Social Council, a dependent organ of the Council of the Organization of American States, is composed of representatives of each member state and assists the Council of the Organization of American States. In the past, the Canadian Government has followed with interest the activities of the Inter-American bodies and has in fact participated in the activities of a number of the subsidiary technical bodies related to the Organization of American States.

At this meeting of the Inter-American Economic and Social Council important trade and economic problems will be discussed and Canada has accepted the invitation to attend in view of its position and interest in world economic affairs. Trade between Canada and the American republics has, in recent years, become of increasing importance to Canada and to these countries.

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INDUSTRIAL DISPUTES: The time loss arising from industrial disputes in Canada was 127,582 man-working days, compared to 48,210 man-working days for the previous month according to a preliminary survey of strikes and lockouts released by the Minister of Labour. More than 72 per cent of the total time loss was accounted for by two industrial disputes.

Of the 21 disputes in existence during September the two which accounted for more than 72 per cent of the total time loss were farm implement factory workers in Toronto and plumbers and steamfitters in Montreal. These two work stoppages were responsible for a combined time loss of 92,000 man-working days and involved a total of 6,500 workers.

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Last year newspapermen in Canada wired 61,010,460 words, about 1,607,040 more than in 1952.

DECISIONS ACCLAIMED: The Prime Minister, Mr. St. Laurent, in a statement issued October 23, said that, on behalf of the Government and people of Canada, he welcomed the signature in Paris of protocols extending the Brussels Treaty and providing for the accession of the Federal Republic of Germany to the North Atlantic Treaty.

Mr. St. Laurent said that he was confident that the protocols would be approved by the Parliaments of the countries concerned within a very few months, thus opening the way for the Federal Republic to enter into full partnership with like-minded countries in the organization of peace and security.

Canadians, he said, acclaimed the decisions reached at the recent nine-power conference in London, and the further steps taken this week in Paris, as heartening evidence of progress along the road to European unity within the wider community of the North Atlantic countries.

The Prime Minister declared that Canada looked forward to continued fruitful collaboration with her partners, old and new, in the North Atlantic Treaty Organization.

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HIGH COMMISSIONER OF INDIA: His Excellency Dr. Mohammed Abdul Rauf on October 26 presented to His Excellency the Governor General his credentials as High Commissioner of India to Canada. The ceremony of presentation took place at Government House.

Dr. Rauf, who was born in 1901, is a graduate of Oxford University (B.A. with honours in Jurisprudence; B.C.L.) and of Trinity College, Dublin (LL.D.). He practiced law in his country from 1925 to 1945 and served as a judicial member of the Income-tax Appellate Tribunal from 1945 to 1946. From 1946 to 1952, he represented India in Burma under the successive titles of Representative, High Commissioner, and Ambassador. Prior to his appointment to Canada, Dr. Rauf was Ambassador to Japan.

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WINS U.S. AIR MEDAL: Flight Lieutenant William H. Bliss, of Toronto, an RCAF exchange officer stationed with the Royal Air Force near Luffenham, Rutland, was recently presented with the United States military award of the Air Medal at an investiture in the office of the U.S. Air Attaché in London, England, Brigadier General John M. Sterling. The award, authorized by President Eisenhower with the consent of Her Majesty the Queen, is for outstanding achievement while participating in the Korean War.

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Wholesalers in nine lines of trade increased their sales by an average 2.9% in August as compared with a year earlier and the value of their month-end inventories was reduced 1.2%, according to the Bureau's monthly survey.

SEPTEMBER DEFICIT: For September, the Government's budgetary revenues were \$296 million, a decrease of \$28.7 million from September 1953, while budgetary expenditures were \$380.6 million or \$27.2 million less than expenditures in September a year ago. For September, the budgetary deficit was \$84.6 million compared with a deficit of \$83.1 million for September 1953, the Minister of Finance, Mr. Walter Harris, announced October 23.

For the first half of the current fiscal year budgetary revenues amounted to \$1,935.2 million and budgetary expenditures to \$1,871.8 million and the budgetary surplus was \$63.4 million. For the same period in 1953, revenues amounted to \$2,088.6 million and expenditures to \$1,888.4 million and the budgetary surplus was \$200.2 million.

Pension payments out of the old age security fund which are not included in budgetary expenditures, amounted to \$29.4 million in September, while tax receipts credited to the fund were \$21.2 million resulting in a deficit of \$8.2 million for the month.

For the first six months of the current fiscal year pension payments amounted to \$175.1 million and tax receipts credited to the fund to \$145.5 million and a temporary loan of \$29.6 million was made by the Minister to the fund in accordance with the terms of the Old Age Security Act to cover the amount by which pension payments exceeded tax receipts. For the first half of the previous fiscal year pension payments exceeded tax receipts by \$30.1 million.

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HARVESTING PROGRESS: Despite adverse weather conditions which seriously delayed harvesting in the Prairie Provinces this Fall, an estimated 86% of the acreage in the 5 major grains had been cut and 63% threshed by October 15, according to the Dominion Bureau of Statistics. Generally good weather conditions have prevailed throughout the prairies since October 15 and further progress has been made towards the completion of harvest in most districts.

For the prairies as a whole, 98% of the rye, 87% of the barley, 86% of the oats, 83% of the wheat, and 51% of the flaxseed had been cut or swathed by October 15. Proportions threshed were smaller, with rye averaging 87%, wheat 63%, barley 62%, oats 59%, and flaxseed 42%.

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Bakeries across Canada baked \$138,449,876 worth of bread and other products in the first 6 months this year, \$9,526,442 or over 7% more than in January-June last year and \$15,686,249 worth or 13% more than in the first-half of 1953.

ALL-TIME PETROLEUM PEAK: Canadian production of crude petroleum reached an all-time monthly peak in July. The month's output amounted to 9,181,780 barrels, nearly 14% above last year's 8,065,316. This brought cumulative production for the January-July period to 51,412,162 barrels, a 24% increase over last year's 41,456,739 barrels.

Alberta's output rose in July to 8,427,246 barrels from 7,724,794 a year ago, boosting January-July production to 47,448,186 barrels from 39,446,628. In Saskatchewan July's output advanced to 492,380 barrels from 254,858, and the 8-month total rose to 2,508,092 barrels from 1,453,435. Manitoba's production in July increased to 198,022 barrels from 33,314, and the cumulative output advanced to 985,080 barrels from 229,141.

July's production of natural gas rose to 6,848,287,000 cubic feet from 5,526,752,000 in the same month last year, and the January-July output advanced to 71,957,186,000 cubic feet from 57,903,187,000.

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INDUSTRIAL PRODUCTION: Canada's composite index number of industrial production for August stood at 244.2, down nearly 2% from last year's 248.6, according to preliminary figures released by the Dominion Bureau of Statistics. During this year's January-August period the index averaged almost 3% lower than at the same time last year.

The manufacturing component of the index, at 249.0 in August, was 5% below last year's, but the index of mineral production rose nearly 13% to 227.0 in the same comparison. The sub-index measuring output of electricity and gas stood at 233.9, 7% higher than one year ago.

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WHEAT SUPPLIES: Visible supplies of Canadian wheat on October 13 totalled 325,331,000 bushels, slightly below October 6 stocks of 329,317,000 bushels, but moderately above last year's 316,642,000 bushels. Overseas export clearances during the week ending October 13 dropped to 3,606,000 bushels from 5,070,000 last year, and the cumulative total for the August 1 - October 13 period fell to 49,657,000 bushels from 54,747,000.

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TV SALES JUMP: TV receiving set sales took another big jump in July over a year earlier but radio sales were cut almost one-third, according to figures released by the Dominion Bureau of Statistics. Sales of television receiving sets rose to 26,361 units valued at \$8,904,132 from 9,344 sets valued at \$3,522,019 a year ago and radio sales dropped to 25,047 sets worth \$1,841,482 from 36,650 valued at \$2,810,178.

WILL STRONGLY SUPPORT GATT RENEWAL

MR. HOWE ON TRADE: Speaking before the Canadian Exporters' Association at the Seignior Club, Montebello, Que.; on October 26, the Minister of Trade and Commerce, Mr. C. D. Howe, urged Canadian firms to increase efforts to sell Canadian goods in other countries.

He said Canada will strongly support the renewal of the GATT and the strengthening of the rules of trade.

Following are some excerpts from Mr. Howe's address:

"The fact that Canada is one of the world's leading export nations, both in volume of total exports and per capita, is evidence that this knowledge of how to compete successfully in export markets is not as widespread as it might be, to the detriment of Canadian trade

ATTENTION TO EXPORTS

"The very fact that there is now a Canadian Exporters' Association is an indication of growing interest in exporting among Canadian business generally. It is my impression, however, that in many of the firms represented here, which are in the domestic market at least as much as they are in the export market, the export manager is still fighting for his place in the sun. . . . If Canadian producers are to compete successfully in export markets, they cannot afford to look upon exports as a by-product of production for the domestic market. They must devote just as much attention to exports as they do to domestic sales.

"It will be answered by some, I know, that Canadian manufactures are at such a disadvantage in export markets; either because of trade barriers or because of price competition, that the effort to cultivate export markets isn't worth the candle. As Minister of Trade and Commerce, I am fully aware of these handicaps against our exports of manufactured goods. After all, most of the complaints land on my doorstep. However, in my official capacity, it has also been my privilege to see some Canadian manufacturers doing an increasing business abroad, because they were alert to seize opportunities that presented themselves and because they spent time and money in cultivating export markets.

"I am not suggesting that all Canadian manufacturers can compete in foreign markets. This is patently absurd because, after all, a good many of our manufacturers are having difficulty in meeting foreign competition even with the protection of the Canadian tariff. To a very large extent Canada will continue to trade raw and semi-processed materials against manufactured goods. This does not mean, how-

ever, that we cannot continue, as we have in the past, to export an important quantity of particular kinds of manufactured goods in competition with the world.

"The opportunities for trade in manufactured goods, it seems to me, are increasing

"True, many restrictions remain, some of which in my opinion are no longer justified for exchange conservation reasons, but even these are under review and we can be hopeful that before very long all except the 'hard core' will be removed.

"The competition is going to be stiff, perhaps fierce is a more appropriate word. Canadian manufacturers will have to sharpen their pencils. They may have to concentrate on particular lines for export so as to reduce unit costs. To an increasing extent they may have to try to produce something distinctively Canadian in order to attract buyer interest. It does seem to me, for example, that Canadian producers have not always exploited to the full the value of the word 'Canada' in their efforts to sell in the United States.

OPPORTUNITIES LOST

"Apart from these more or less obvious points, I come back again to the even more general observation that I think opportunities are being lost because Canadian manufacturers are simply not paying enough attention to export markets.

"It is a popular pastime to attack the General Agreement on Tariffs and Trade, or, what is worse, to damn it with faint praise. Most of this attack is based on ignorance, although some of it is based on a desire to see the world revert to restrictionism. The GATT is not a perfect document from Canada's point of view. It has not always been observed as strictly by other countries as by Canada. When everything has been said, however, it remains true that the GATT represents the only possibility of preserving the gains that have been made in the postwar period, the only possibility of preserving a code of rules by which a country's trading practices can be judged. When people attack the GATT, I ask them for their alternative proposals. Invariably they have none.

"The Canadian Government will strongly support the renewal of the GATT and the strengthening of the rules of trade. It will be fighting to preserve the gains that have been made in the form of lower barriers to trade in the postwar period. As exporters, I believe that you will profit to the extent that we are successful, and suffer to the extent that we fail to achieve our objectives."

SMALL EXPORT SURPLUS: Canada's commodity export trade during September was down slightly more than 2% in value from September last year, while the value of commodity imports declined over 9%, according to preliminary figures released by the Dominion Bureau of Statistics. The result was a small overall export surplus, the second this year.

Total exports in September amounted to \$336,700,000 as compared to \$343,800,000 last year. Shipments in the month were higher to the United Kingdom, but lower to other Commonwealth countries, the United States and other foreign countries taken together. Commodity imports declined more substantially to an estimated \$333,000,000 from \$367,500,000, with decreases from the United Kingdom and the United States but increases from other Commonwealth and foreign countries. The small credit balance of \$3,700,000 compares with an import surplus of \$23,600,000 last year.

In the nine months ending September, exports this year aggregated \$2,864,500,000, down 7.8% from \$3,108,700,000 last year, and imports declined 8.2% to an estimated \$3,059,600,000 from \$3,334,700,000. The cumulative import surplus thus fell to \$195,100,000 from \$226,100,000.

SHIPMENTS TO U. S.

September shipments to the United States fell moderately to \$203,900,000 as against \$211,400,000 a year ago, while purchases from the United States dropped to an estimated \$235,100,000 from \$268,000,000, producing a reduced import surplus of \$31,200,000 compared to \$56,600,000. In the January-September period, aggregate exports were down \$94,000,000 to \$1,739,600,000 from \$1,833,600,000, while aggregate imports fell \$254,300,000 to an estimated \$2,217,400,000 from \$2,471,700,000, the cumulative import surplus declining to \$477,800,000 as against \$638,100,000 last year.

Total commodity exports to the United Kingdom climbed in September to \$60,900,000 compared to \$45,100,000 a year ago, but imports from the United Kingdom eased down to \$30,400,000 compared to \$34,300,000, the export surplus rising to \$30,500,000 against \$10,700,000. In the nine months, exports were down to \$462,600,000 from \$509,300,000, and imports somewhat less to an estimated \$300,700,000 from \$339,400,000, the result being an export surplus of \$161,900,000 as against \$169,900,000 last year.

September exports to other Commonwealth countries dropped sharply to \$13,400,000 compared to \$24,900,000 last year, making a reduced nine-month total of \$143,200,000 against \$186,900,000. Estimated imports in the month were up to \$18,900,000 from \$16,900,000, the January-September total being also higher at \$134,800,000 against \$125,900,000.

Exports to all foreign countries other than the United States declined in September to \$58,500,000 compared to \$62,400,000, and in the nine months were down to \$519,100,000 compared to \$578,900,000. Estimated imports, on the other hand, were practically unchanged in September at \$48,600,000 (\$48,300,000 last year) and in the nine months amounted to \$406,700,000 against \$397,700,000.

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WORKERS' BETTERMENT: More than half the plant employees in Canadian manufacturing were on a 40-hour work-week; as of April 1954, according to the results of a survey, released Oct. 28 by Hon. Milton F. Gregg, Minister of Labour. The survey conducted by the Economics and Research Branch of the Department of Labour showed that approximately 53 per cent of the plant workers covered in the survey were on a standard 40-hour week, compared with 43 per cent a year earlier. There was a rise from 79 to 83 per cent in the proportion of plant workers on a five-day week.

Over 90 per cent of the employees could receive annual two-week paid vacations, provided they had worked for the same employer long enough to qualify. The trend is for two-week vacations to be granted after fewer years of service than formerly. In 1950 about one-third of the plant employees covered by the survey were in plants where they could become eligible for such vacations after 3 years of service or less. By April 1954, more than half the employees could become eligible after service of three years or less.

The practice of granting three-week vacations also widened in scope. Fifty-four per cent of the employees were in plants where they could become eligible for vacations of this length. The service requirement for two-thirds of these eligible workers was 15 years. In 1950 fewer than forty per cent of the workers were in plants granting three-week vacations, and the service requirement was more likely to be 20 or 25 years.

The survey dealt for the first time with year-end Christmas bonuses. It was found that 22 per cent of the workers were in plants where bonuses were customarily extended.

This annual survey of working conditions covered more than 800,000 plant workers in about 6,500 manufacturing establishments, which represented about two-thirds of the total workers employed in manufacturing.

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The average work week in manufacturing has been trimmed almost 14% since 1935, while average hourly earnings have been raised more than 3½ times and average weekly wages over 3 times.

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There were 433 airports in operation in Canada at the close of last year, 18 more than at the end of 1952.

