



## C.I.S. WEEKLY

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## WEEK'S EVENTS IN REVIEW

**PARLIAMENT PROROGUED:** The third session of Canada's twentieth Parliament ended at an early hour this morning. The session, which began on January 30, had lasted for 115 working days. On the closing day, Trade Minister MacKinnon, replying to Donald Fleming (P.C. Eglinton) said that Canada's growing adverse trade balance with the United States was causing great concern to the Government. Efforts were being made to make more purchases from sterling countries and less from the U.S. but it was not possible to stop Canadian purchasing in the United States except, possibly, by the erection of tariffs.

Finance Minister Abbott again denied rumors that the Canadian dollar is to be devalued as a means of arresting the adverse trade balance with the U.S.

(Speech from Throne reviewing work of session on P. 8-10).

**DESTROYER IN COLLISION:** Six of her crew were killed, five are missing and sixteen were injured when the Canadian destroyer Micmac collided with the freighter Yarmouth in a thick fog outside Halifax harbor on Wednesday night. It was the Canadian navy's worst peacetime accident. The destroyer ripped through the plates of the freighter and telescoped her own bow back to number five bulkhead, crushing naval ratings in their mess decks. None of the freighter's crew was injured. According to

Press reports, the destroyer's radar scope failed to register the freighter.

In the House of Commons, Defence Minister Claxton said that from present indications there was no truth in reports that the Micmac would be a total loss. Examination by the naval staff showed there was no damage to the destroyer amidships and in her afterparts which shelter her important engines and electrical equipment.

Investigation into the collision is proceeding.

**PRICE CEILINGS LIFTED:** Ceiling prices have been removed on home-made wearing apparel or home-made textile products, home-made raspberry or strawberry jam or jelly, home-canned fruits and vegetables and home-made bread and rolls when sold at certain designated fairs or exhibitions.

Also released from control when sold at such exhibitions are manufacturers' samples of packaged foods, soaps, soap-based detergents or soap compounds packaged in smaller than normal size containers.

The fairs or exhibitions affected are the Toronto Canadian National Exhibition, the Central Canada Exhibition in Ottawa, the London Western Exhibition or any other exhibition or fair designated by a prices and Supply Representative of the Board.

## ARMY APPOINTMENTS

**TO CAMBERLEY:** Major D.N.D. Deane-Freeman, Royal Canadian Armoured Corps, of Calgary and Ottawa, has been appointed to the directing staff of the Camberley (England) Staff College, and leaves in September to take over his duties. He will be on a two-year attachment from the Canadian Army.

**TO FORT LEAVENWORTH:** Major E.A. Olmstead, Royal Canadian Artillery, of Ottawa, and at present serving in the Directorate of Military Operations and Plans at Army Headquarters, will begin in September next a 10 months' course at the United States Command and General Staff College, Fort Leavenworth, Kansas.

**TO NORFOLK VA.:** Lt.-Col. G.M.C. Sprung, M.C., B.A., Ph. D., of Winnipeg and Ottawa, has been selected to attend the United States Armed Forces Staff College at Norfolk, Virginia, and will leave Army Headquarters here in August for this five months' course.

**TORONTO AIRPORT EXTENSION:** Approval had been given to plans for the construction of two new administrative buildings at Toronto Airport (Malton, Ont.), as well as alteration and extensions to the existing main building in view "of the greatly increased volume of domestic and international passenger traffic, cargo and airmail at that airport". The total cost for providing the additional facilities is estimated at \$760,000, extending over a two-year period. The work will be undertaken by Trans-Canada Air Lines.

## READY FOR ADVENTURE

**KETCH WITH WAR RECORD:** Suggested as a craft for adventure, officials of the Ship's Sales Division of War Assets Corporation, say the motor ketch "Culver", now released from duties with the Royal Canadian Navy, could be adapted for a new lease of sea life. All vessels processed from surplus to new ownership possess some individual appeal, and in the instance of the motor ketch "Culver" the present Corporation custodians remark that when properly recommissioned "..... possession would present an opportunity for some adventurous young people who wish to see the world leisurely".

Meanwhile, the ketch is moored at Eastern Passage, near Halifax, N.S. where she may be inspected. She is handy to shipyards ready to undertake any plan of conversion.

For the information of those living away from coastal and Great Lakes waters, a ketch is a two masted sailing vessel similar to a yawl but in the former the mizzenmast is stepped farther forward, the mizzen itself is larger and this rig became popular with yachtsmen, particularly in British waters, earlier in the present century. The "Culver" also

possesses an auxiliary 80 h.p. Diesel engine so that she can move out of the doldrums and search for wind. Her rig consists of a foremast 70 feet 6 inches and a mizzen mast 40 feet, above the deck; both spars constructed of Douglas Fir.

The hull is considered a prize. It is of teakwood on a complete steel frame with three steel transverse bulkheads. The "Culver" was built in Calcutta, India, hence the use of teak. There is accommodation for ten in fore-castle bunks and main cabins. Galley, store-room, provision room, main saloon and bathroom are included. Her length is 73 feet; breadth 19 feet 3 inches; depth 11 feet 3 inches; gross tonnage 74.22.

The "Culver" sailed from Bombay, India, to Jamaica, B.W.I. Early in the war she was purchased by the Canadian Government and a Canadian crew sailed her to Halifax where she served as an auxiliary training ship for naval recruits.

## CANADIAN COMMERCIAL CORP.

**FIRST ANNUAL REPORT:** The diversified activities of the Canadian Commercial Corporation were revealed when the first annual report of the Crown-operated agency was tabled in the House of Commons by the Minister of Trade and Commerce, Mr. MacKinnon.

Covering the period from May 1, 1946, the date of its establishment, to March 31, 1947, the report outlines the Corporation's activities as a procurement agency in Canada for foreign governments and UNRRA, and the assistance it has given to Canadian importers in their purchases abroad. Since February 1, 1947, the Canadian Commercial Corporation acting for the Minister of Trade and Commerce has taken over from the Department of Reconstruction and Supply the additional duties of purchasing for the Department of National Defence, and in this connection has placed orders amounting to almost \$11,000,000.

Contracts for more than \$152,000,000 have been placed by the Corporation during the period under review on behalf of UNRRA and the governments of the United Kingdom, China, France, Czechoslovakia, Belgium, the Netherlands, Finland, Greece, Iceland and South Africa.

The diversity of the Corporation's buying is illustrated by examples of orders filled, such as radium and radium accessories for UNRRA in Europe and China, valued at \$1,000,000; automotive spare parts for UNRRA to a value of \$4,000,000; and steel bridging material for China, valued at \$4,000,000. Some 800 head of purebred Ayrshire, Hofstein and Jersey cattle and Yorkshire hogs valued at \$265,000 were exported to China; various chemical fertilizers for use in Europe and the Orient, valued at \$10,000,000, and foodstuffs, such as fish and canned meats, amounting to approximately \$15,000,000, were exported.

Most of these purchases have been made with

loans and credits extended by Canada to foreign governments, and it has been the responsibility of the Canadian Commercial Corporation to ensure that all such purchases were of Canadian manufacture or origin. The Corporation's services involve the calling forward of the goods from suppliers, and transportation arrangements, including inland and ocean shipping, as well as temporary warehousing in certain cases.

The illustration of these services, 18,000 horses were exported to Europe for breeding purposes, with a loss of only 1/30 of 1%, after being brought from western and eastern Canadian sources, inoculated, fed and transported to their distant destinations. There was the case, also, of 12,000 one-day old chicks, which were carried by truck to Buffalo, N.Y., express to Newport News, Virginia, and by air to Poland. Rinderpest vaccine was packed in dry ice and flown to Greece to help combat an epidemic.

New ship construction was contracted for by the Corporation on behalf of France, involving expenditures of some \$62,000,000. The Corporation purchased surplus stores valued at \$60,000,000 from War Assets Corporation. These included ships, clothing, vehicles, machinery and tools. The entire export production of synthetic rubber was purchased from the Polymer Corporation Ltd., to the amount of \$4,200,000.

As the Canadian Commercial Corporation is self-supporting, appropriate charges have been made to UNRRA, foreign governments and other organizations using its services. In the period ended March 31, 1947, these have aggregated \$376,577.74. Against this revenue, the Corporation incurred expenses of \$316,860.72.

**END OF U-BOAT:** The ex-German submarine U-190 which torpedoed and sank H.M.C.S. "Esquimaux" April 16, 1945 in the eastern approaches to Halifax harbour will be destroyed by the R.C.N. by means of explosives.

Naval authorities have indicated that this will probably take place in the early fall, and that it is possible that both surface craft and aircraft will play a part in sending the one time sea raider to its last account in a realistic anti-submarine exercise.

U-190 was commissioned in the German Navy on September 29, 1942, and is thus not of a recent type, and possesses no equipment of interest or value to the R.C.N. She made six patrols during the war, two of which were in the Atlantic on operations concentrated in the Halifax and Newfoundland areas.

**P.P.C.L.I. BAND:** Army Headquarters announce the formation of the Princess Patricia's Canadian Light Infantry Band, at Calgary, Alta.

It is the fourth military band authorized for the Canadian Army Active Force, others organized earlier this year being the Royal Canadian Artillery at Shilo, Man.; the Royal Canadian Regiment at Brockville, Ont.; and the Royal 22e Regiment, in Quebec City.

## EXTERNAL AFFAIRS CHANGES

**NEW INFORMATION HEAD:** The Department of External Affairs announces the following personnel changes:

S.F. Rae, head of the United States Section of the American and Far Eastern Division to succeed G.C. Andrew as head of the Information Division. Mr. Rae assumed his duties on July 15 at which time Mr. Andrew left the Department to take up his new post at the University of British Columbia.

Allan Anderson, Assistant Head of the Information Division, appointed Information Officer at the Canadian Embassy at Buenos Aires with general responsibility for information duties at other Canadian diplomatic missions in Latin America. Before proceeding to his new post he will be attached for a short period to the American and Far Eastern Division.

Marcel Cadieux has been transferred from the Division of International Organization to the American and Far Eastern Division.

## WAR SURPLUS IN FAR NORTH

**ARCTIC REGION SALES:** During the war every section of Canada was organized for industry, defence, training or observation and the extent and diversity of that organization is indicated by a directive just issued by War Assets Corporation over the signature of E.R. Birchard, vice-president in charge of merchandising. The purpose of the document is the allocation of sales responsibility in the country reached by the Alaska Highway and throughout the Northwest Territories. These vast arctic regions are unknown to the majority of Canadians, yet, despite their remoteness from the populous industrial and agricultural areas they were exceedingly active during the emergency period. Airfields and other stations were developed, and great quantities of stores and equipment were brought into the Yukon and the North plains.

Many of the sites have been reduced in importance, and now buildings, stores and equipment have been declared surplus to War Assets Corporation which has a sales job on locations far from railhead or ports.

The Corporation's Branch sales office at Whitehorse has the task of selling surplus along the Alaska Highway from Smith River to Snag, on White River, south of Dawson and near the border. Last winter the bottom dropped out of the thermometer at Snag to establish new marks in sub-zero records. Whitehorse office also covers the Yukon north to the Arctic waters and to date the staff has sold more than \$300,000 of surplus material.

From Grand Prairie, Alberta, and Dawson Creek, B.C., the Smith River along the Highway, a special sales force located at the Corporation's sub branch sales office at Edmonton, Alberta, is responsible. This staff also sells throughout the Mackenzie River Basin and the Northwest Territories. Prospective buyers and

salesmen must frequently take to the air in order to complete transactions or use the Mackenzie waterway steamers to Aklavik. On occasion salesmen travel by canoe, and on the Highway Corporation representatives employ six wheel vehicles stocked with food, sleeping bags, and carry rifles as precaution against the Grizzlies whose curiosity brings them to the road.

## BAY ROUTE OPENING

**MIXED CARGO FOR WEST:** Carrying a mixed cargo of British and European goods for western Canada, the Essex Trader, first ship to steam into Port Churchill this summer, is scheduled to dock August 9.

Docking of the ship is planned to coincide with the arrival at Churchill of the special five-day railway excursion trip from Regina.

Included in the ship's cargo are 2,000 cases of Scotch whiskey for the Saskatchewan liquor board, English automobiles and bicycles, electric dynamos and diesel tractors, and window glass from Belgium. There will be two escalator systems for stores at Edmonton and Vancouver, and a consignment of industrial felt for Vancouver.

**STERLING OR DOLLAR TRADE:** The Foreign Exchange Control Board has announced that the following countries have been added to the list of those with which trade with Canada may be carried on on either a sterling or U.S. dollar basis: Ethiopia, Iran, Uruguay, Bolivia, Chile, Peru.

## NORTH MAGNETIC POLE

**CHECK ON ITS WANDERINGS:** Canada's North Magnetic Pole, which has been wandering from its position as established over one hundred years ago, will be checked up this summer by Mines and Resources scientists of the Surveys and Engineering Branch. The Acting Minister of the Department, Mr. C.D. Howe has announced a Magnetic Survey Expedition to the Northern Mainland of Canada, and the Arctic Islands on Lancaster Sound for the purpose of more accurately locating the Pole's position.

It has been known for many years that the Magnetic Pole has been moving northward from the position in Boothia Peninsula determined by Ross more than a century ago. The present expedition, organized in co-operation with the Royal Canadian Air Force, is being undertaken to determine the area that the Pole actually occupies at the present time.

The magnetic observations are being made by two scientists from the Dominion Observatory, J.F. Clark and P. Serson, while air transportation and subsistence of all personnel is being provided by the Royal Canadian Air Force, making use of a Canso Seaplane. It is planned to occupy 14 ground magnetic stations sur-

rounding the general area in which the magnetic pole is believed to be located. At each station not only the bearing of the compass but the magnetic dip (the angle which the magnetic force makes with the horizontal) and the strength of the magnetic field will be observed.

### NEW ELECTRONIC DEVICE

The instruments used will include not only magnetic compasses of high sensitivity but also a new electronic instrument recently developed by the Surveys and Engineering Branch which records with great precision both the strength and the direction of the earth's magnetic field. The usefulness of these instruments for the purpose depends primarily on the fact that all compass readings at surrounding stations should point directly at the magnetic pole, although readings of the strength of the earth's field and its angle with the vertical are also important indications of the pole's location.

In selecting the area of the Arctic to be explored this summer an analysis was made of several hundred magnetic observations north of latitude 60° secured by Departmental Observers during the past five years. These observations indicate a position of the magnetic pole in the vicinity of Somerset Island, latitude 73° 15' N. longitude 94° 30' W. and this is considered to be the most reliable estimate of position now available in spite of the fact that the calculations of a number of English and United States Scientists had placed it several hundred miles further north. It is expected that the present summer's observations will remove doubts as to the pole's position and permit the accurate location of maximum magnetic force with only a limited number of additional ground observations.

## HALIFAX BY-ELECTION

**LIBERAL VICTORY:** Liberals won a three-cornered fight in the Halifax federal by-election July 14. On the basis of 343 polls reporting out of 359, the result was:

John Dickey (Lib)	23,130
H.L. MacIntosh (C.C.F.)	14,840
A.A. McDonald (P.C.)	13,038

Halifax is a two-member constituency. In the general elections of 1945, results were:

Isnor (Lib)	26,407
Macdonald (Lib)	23,616
MacKeen (P.C.)	18,182
Dwyer (P.C.)	18,035
Shaw (C.C.F.)	8,941
Rooney (C.C.F.)	8,777
Murray (Lab. Prog)	560
Regan (Ind)	488

The by-election made no change in the party representation. Both seats remained Liberal as in the general election. But the C.C.F. replaced Progressive Conservatives for second place.

**HOW PARTIES STAND:** Standing in the House of Commons following the election of John Dickey, Liberal, in Halifax riding is as follows:

Liberals	127
Progressive Conservatives	67
C.C.F.	28
Social Credit	13
Independent	4
Bloc Populaire	2
Independent Liberal	1
Independent Prog. Cons.	1
Independent C.C.F.	1
Union des Electeurs	1

**DELEGATES TO F.A.O.:** The Department of External Affairs announces the composition of the Canadian delegation to the third session of the Conference of the Food and Agriculture Organization of the United Nations which opens in Geneva on August 26. The Conference is expected to last between two and three weeks.

The delegation which the Canadian Government will be sending is as follows:

Right Hon. James G. Gardiner,  
Minister of Agriculture,  
Head of the Delegation.

G.S.H. Barton,  
Deputy Minister of Agriculture, Alternate

J.A. Chapdelaine,  
Department of External Affairs

J.D.W. Cameron,  
Deputy Minister of National Health and Welfare (Health)

D.G. Wilder, Department of Fisheries

J.P. Manion, Department of Trade and Commerce

E.S. Archibald, Department of Agriculture

J.F. Booth, Department of Agriculture

S.C. Hudson, Department of Agriculture,  
Secretary.

## REDISTRIBUTION AND C.B.C.

**HEATED COMMONS DEBATES:** In the early part of the week, there were heated debates in the House of Commons over redistribution and the C.B.C.

Under constitutional amendments made last year, the membership of the House of Commons, after the next general elections, will be 255 instead of the present 245.

During a large part of session, a House Committee considered redistribution of seats, giving effect to the increased membership. In the process, boundaries of a number of existing constituencies were changed.

Second reading of the Redistribution Bill

passed after two days of wrangling. Argument turned largely on changes in the boundaries of five seats. Four of these are presently held by Progressive Conservative leader John Bracken, John Diefenbaker, J.M. Macdonnell, and David Fulton. The fifth is that of Independent Ligouri Lacombe, of Laval-Two Mountains.

The Bill went through Committee of the whole with only one amendment -- an amendment which retains Halifax as a two-member seat.

M.J. Coldwell, C.C.F. leader, termed the debate "scandalous" and argued for redistribution by independent commission.

Prime Minister Mackenzie King repeated his own personal preference for having redistribution placed in the hands of a commission of judges. He had, however, he said, accepted the will of the House in retaining study by committee.

### UNDER OPPOSITION FIRE

The C.B.C. came under Progressive-Conservative fire.

A Progressive Conservative move to kill a Bill to give the C.B.C. the full amount of the \$2.50 fee collected from individual radio owners was defeated on a vocal vote. The Bill, which had given rise to sharp debate, was then given third reading.

At present, the C.B.C. receives \$2.15 of the collected \$2.50, the remainder being deducted for costs of collection and administration. Total deductions for 1946-47 were \$544,673.

John Bracken, Progressive Conservative leader, held that the granting of the full \$2.50 would in effect be a hidden subsidy to the C.B.C. and would violate the principle that the C.B.C. should carry its own weight.

Revenue Minister Dr. McCann said an "unscrupulous" programme had been unleashed by private interests in an attempt to usurp powers held by the C.B.C.

Private radio wanted more freedom on the air and to exploit its listeners.

### NATIONALLY-OWNED RADIO

The government believed in a nationally-owned and operated radio for all Canada. It should be responsible to Parliament. This policy was clear-cut. The Progressive Conservatives had individual policies depending on which interests they were champions.

Replying to other statements made during the debate Dr. McCann said it would constitute a "legal selling out" of the interests of the public if private stations were allowed to develop certain air channels now retained by the C.B.C.

He also took exception to statements made by Norman Jaques (SC-Wetaskiwin) inferring that some C.B.C. commentators were communistically-inclined and objected to "slurs" on C.B.C. employees who were unable to reply.

He said the C.B.C. chairman had asked him to deny a charge by Mr. Fulton that certain documents in connection with the granting of a license for C.F.R.A., newly-established Ottawa

private station, had been "suppressed" by the corporation in a presentation to the Commons radio committee.

His personal view, he said, was that the legislation was a "sensible way" of providing funds for the C.B.C. at a time of extra cost.

Rodney Adamson (P.C. York West) said the C.B.C. was outstripped by private stations in the highly competitive Toronto field and urged that a thorough probe of its service should precede any further grants.

E.D. Fulton (P.C. Kamloops) charged that "political considerations" were involved in C.B.C. policy.

Mr. Fulton said a C.B.C. national news broadcast had ignored an important Commons debate in which the government defeated a motion to give merchant seamen preference in Civil Service employment. The debate had occurred during a by-election campaign in the

Maritime riding of Halifax.

He also charged that the Commons radio committee had not been given full details behind the granting of a station license to Frank Ryan for station C.F.R.A., Ottawa. The documents related to the new station were "suppressed" by the C.B.C. and were "distorted" when tabled for the committee.

M.J. Coldwell, C.C.F. leader, criticized the brief presented to the radio committee by the Canadian Association of Broadcasters, adding that he understood some member-stations of the C.A.B. did not concur in its contents. He urged that the C.B.C. establish a station in Windsor, Ont., and suggested the committee should have recommended separation of radio stations from newspaper owners.

The C.B.C. was providing an "excellent service" generally, and had contributed to raising the level of national culture.

## CANADIAN EDITORIAL COMMENT

(July 8 to July 14, 1947)

**ECONOMIC FUTURE OF EUROPE:** Much of the available comment antedated the opening of the Paris conference and the last-minute decision of Czechoslovakia not to attend. It differed little on the whole, from that reported last week. Even among this group of editorials, however, there occurred several that indicated pretty clearly that Canadian newspaper opinion had reached at best an uneasy equilibrium on questions raised by Soviet non-participation in the "Marshall plan." Thus, the LONDON FREE PRESS (July 8), citing the statement of Mr. Tagliatti that Italy would be willing to take part in the discussions "providing the nations participating do not form a political bloc against Russia, that they do not divide Europe into two blocs, that there is no political intervention in the affairs of the participating lands, and that the scheme does not lead to their economic subordination," said: "It would then be up to Britain and France, as well as the United States, to work out a formula by which acceptance of aid would not imply political subordination. This might clear up the question of whether the Marshall plan is a genuine effort to aid the rebuilding of Europe or merely an economic and political weapon against the spread of Communism." The HALIFAX CHRONICLE (July 7) commented: "...there must be more than 'dollar diplomacy' behind any variant of the Marshall Plan to be adopted. The real task is that of permanent rehabilitation, and we must be prepared in some measure at least to surrender economic principles of the past, as well as some of our surplus production." It was suggested by several papers that the policy of keeping the door open for the USSR might meet with success; the Saint John TELEGRAPH-JOURNAL (July 9) said: "If her dependents prove willing to attach their eco-

nomies to Europe's overall welfare, if they promise to institute personal freedom as a condition, Russia will have to do some explaining or admit a diplomatic defeat. As the plan takes shape without her, she may possibly think it well to reconsider her initial refusal to join. First there will be an attempt by her and her dependents to play both sides, but that cannot be allowed to succeed. The switch-over is what is going to be interesting to watch." The coincidence of Anglo-Soviet trade talks and the growth of Soviet economic relations with so-called "satellites" of the USSR with the Paris conference of the Western European nations outside the "iron curtain" gave rise to a small but perhaps significant amount of comment. The VICTORIA TIMES (July 12) discussed the Czechoslovak five-year trade compact with the Soviet Union as follows: "...the peoples of the western world will not be unmindful of the manner in which Great Britain and France treated the young eastern European democratic states when dictators Hitler and Mussolini drove their bitter bargain at Munich. Only time will tell... whether the deal consummated with the Soviet Union by the younger Masaryk will result in the 'furtherance and consolidation' of European peace..." The CHARLOTTETOWN PATRIOT (July 16) was the sole paper received giving full discussion to the Anglo-Soviet Trade negotiations. "Harold Wilson, British Secretary for Overseas Trade, said that so far as he could see the failure of the Paris conference (of foreign ministers) would not interfere with the country's plans for trade development with the Soviets." The SASKATOON STAR-PHOENIX (July 11) was alone in discussing the relation of the UN Economic Commission for Europe to the "Marshall plan."

**INDIA AND PAKISTAN:** A small amount of comment on this topic during the week was almost equally divided between pessimism and optimism regarding the future of the two new dominions. The Toronto EVENING-TELEGRAM (July 9), discussing the statement of Mr. Gandhi that "the history of Europe will be repeated in India," said: "It will be hoped that his latest melancholy prophecy will prove to be untrue, but if the disasters which he foresees come to pass he will have to bear the blame. If his forecast is justified the masses of India will have cause to regret the departure of a power that preserved them from such disasters as have afflicted distant Europe or nearby China." The heading of another editorial on Mr. Gandhi, in the VICTORIA COLONIST (July 10), indicated its tenor "Home To Roost." The OTTAWA CITIZEN (July 12) doubted the wisdom of the appointment of Mr. Jinnah as governor-general of Pakistan: "A governor-general of Mr. Jinnah's autocratic temperament is unlikely to let his ministers pay much attention to the legislature should he himself hold differing views. What then happens to the theory of responsible government that underlies Dominion status as it is known in Canada?" The EDMONTON JOURNAL (July 11) commented: "In spite of communal and racial rioting in some cities, the division of India and the setting up of the new dominion governments there is proceeding with a smoothness and a swiftness that is as amazing as it is reassuring." A similarly optimistic tone was adopted by the KINGSTON WHIG-STANDARD (July 11).

**"SECRET SESSION":** A small group of newspapers, including the Toronto GLOBE & MAIL (July 10), the LONDON FREE PRESS (July 10) and the PETERBOROUGH EXAMINER (July 12) expressed concern about the "secret session" at which Mr. Pearson spoke to members of the House of Commons and the Senate. Said the EXAMINER: "...because there are no new developments and because the meeting was closed to permit freer expression, a complete record of the conversations should have been released to allay suspicion. Promoting suspicion by holding closed sessions, without any plausible excuse, can do nothing but encourage distrust for the members of our brand new Department of External Affairs from whom we expect so much." The GLOBE adopted a somewhat sterner attitude: "...unless the public is to conclude that the secret session also cloaked the government's explanation of why it has not a policy, members of Parliament who do not wish to appear as 'conspirators in silence' will insist that a statement be made before Parliament rises." The OTTAWA JOURNAL (July 10), under the heading "It's In All The Newspapers," treated the matter with some humor, on the ground that "cabinet ministers and diplomats, like the rest of us, find most of what they know in the newspapers."

It is estimated that the grand total of recovery from Canada's surplus war material, when completed, will be over \$450 million.

## CROP CONDITIONS IN CANADA

**RAPID GROWTH PROMOTED:** Above-normal temperatures throughout the Prairie Provinces have promoted rapid growth, but in areas where moisture reserves were deficient the crops have deteriorated, according to the Dominion Bureau of Statistics. This applies particularly to southwest, west-central and northern parts of Saskatchewan, and to south-eastern Alberta. Rains are urgently needed in these areas. Elsewhere in the Prairies good to excellent prospects have been maintained.

Extremely hot weather over most of Manitoba has promoted rapid growth of all crops during the past ten days. Wheat and coarse grains are heading, with up to 50 per cent of the wheat crop headed in southern and central areas. Flood damage has proven to be considerable along the Assiniboine Valley and in the Dauphin area, but fortunately the acreage involved is not great. Pastures and hay crops vary from good to excellent over the greater part of the province. The crop outlook generally in Manitoba remains very good, although more rain will be needed to bring crops to full maturity.

Excellent growth has been maintained in southern and most of the central districts of Saskatchewan. Continued drought in northern areas, however, has further reduced prospects and large areas there anticipate only poor to fair returns. Rains are urgently needed in the south-west and west-central areas to carry the crop. Considerable local hail damage is reported in widely scattered areas from storms July 4, 6, 10 and 11. Wheat is about 33 per cent in head compared with over 50 per cent at this time last year.

### SOME DETERIORATION CAUSED

Hot dry weather over most of Alberta during the past two weeks has caused some deterioration of crops, particularly in the south-east. Scattered showers and some heavy local rains in the northern districts were exceptions to the general pattern of weather over the province. Moisture reserves are still satisfactory in most districts but in the south-eastern districts crops on stubble land are reported to be burned. Rain is urgently needed in these districts and will be needed in all districts to support the relatively heavy stands. The warm weather caused rapid crop growth and wheat is heading out in all districts although coarse grains are not as far advanced over the province as a whole. Haying is general in the south and will become general in the central districts shortly.

In Ontario, heavy rains during the past week have improved the outlook for grain and pasture crops throughout much of the province. Excessive rainfall in the extreme eastern counties caused some damage to crops and delayed haying. An acute labour shortage is also hampering the hay harvest. Fall wheat and rye are turning colour and promise good yields with harvesting expected to become general during the last ten days of July. Tobacco is growing well but corn is late and slow in

developing. Spring grains still vary greatly in condition, and with acreage much reduced, production is expected to be considerably below normal.

Haying has commenced throughout Quebec but hot, humid weather is delaying operations. Favourable growing weather during the past two weeks has promoted good growth of grain crops and pastures, but continued hot weather is required by the cereals which are late. Some acreage in the upper St. Lawrence River counties remains unseeded as a result of the late spring.

In British Columbia, moisture supplies are generally satisfactory. A limited area of winter barley has been cut and yields are better than average. Picking of loganberries is well advanced and early varieties of plums and apples are now being harvested. In spite of heavy losses from splitting, shipments of cherries have exceeded early estimates.

The weather during the past two weeks has favoured all crops in the Maritime Provinces. Haying is now under way but humid weather in some areas had made curing difficult. Yields generally are good but not as heavy as expected because of a lack of clover. Grains, potatoes and root crops are all promising but the apple prospects in Nova Scotia are variable.

**NEWFOUNDLAND DISCUSSIONS:** Replying to a question by John Bracken, Progressive Conservative leader, in the House of Commons, the Secretary of State for External Affairs, Mr. St. Laurent, said there had been several meetings with the delegation from Newfoundland, and at the last general meeting of their delegation with Canadian representatives, several subcommittees were established to consider various aspects of the problems being explored.

Mr. St. Laurent added: All I can say is that on both sides there is evidence of the sincerest desire to get at all such facts as it would be important for the citizens of the two countries to consider in drawing their conclusions as to whether at this time it is possible to find a basis of closer union that would be of mutual advantage to the two countries. There is the sincerest desire on both sides to smooth out all suggestions of what at first might appear to be difficulties standing in the way. The matter has not progressed to a stage where anything definite can be stated about it, but it is further advanced than it was when this delegation came here, and the advance has been in the right direction. There are still very cordial and hopeful efforts being made on all sides to arrive at something that would appeal to the citizens of both countries.

**FARM LIVING COSTS UP:** Composite index number of prices of commodities and services used by farmers, on the base 1935-1939=100, including living costs, moved up 7.6 points to 148.5 between January and April, 1947, according to

the Dominion Bureau of Statistics. This figure was 9.9 points above that of April a year ago and 11.6 points above that of August, 1945. Increases were recorded for equipment and materials, for farm living costs, and for farm wage rates.

April index of farm family living costs showed a further rise, standing at 136.1 compared with 132.2 in January, 126.1 in April 1946, and 99.5 in 1939. Tax and interest rates index, at 109.9, remained unchanged from April last year, but was 0.7 points lower than in August, 1945. Equipment and materials index stood at 138.5, compared with 130.4 in January, 128.3 in April last year, and 96.1 in 1939.

## PARLIAMENT PROROGUED

**SPEECH FROM THRONE:** Mr. Justice Patrick Kerwin, Acting Administrator, formally prorogued Parliament early this morning. Royal Assent was given to about 300 public and private Bills.

Text of the Speech from the Throne, reviewing the work of session, follows:

Honorable Members of the Senate:

Members of the House of Commons:

The restoration of peace and world recovery have not proceeded as speedily as had been hoped for. Failure to conclude peace settlements with Germany and Austria has complicated the political and economic situation, not only in Europe, but throughout the world. Several countries, including Canada, have approved treaties of peace with Italy, Roumania, Hungary and Finland.

In Europe, the delay in the re-establishment of industries has continued to affect adversely the balance of foreign trade and of international payments. The severe winter and the shortage of necessities, particularly of food, have added to human suffering, and aggravated the problems of relief and rehabilitation.

Unsettled world conditions have been reflected in many of the measures you have been called upon to consider at the session now being concluded.

On June 30, the United Nations Relief and Rehabilitation Administration came to an end. The need for relief, however, has not ended. In recognition of this need, Parliament has made a substantial appropriation for the purchase of food and other essentials of life required by peoples of war-devastated lands. Parliament has also approved Canadian membership in the International Refugee Organization.

## PARTICIPATING FULLY

Canada is participating fully in the activities of the Economic and Social Council, the Atomic Energy Commission, and other agencies of the United Nations. Our country is also effectively represented at the International Conference on Trade and Employment at Geneva.

As a result of the deliberations of a special session of the General Assembly of the United Nations, a committee, on which Canada

is represented, was created to prepare a report on Palestine.

An important feature of the session has been the removal, in an orderly manner, of the majority of controls and restrictions in force during and immediately after the war. To guard against sudden and excessive increases in the cost of living, and for other reasons, certain emergency orders and regulations have been continued for a further transitional period.

## IMMIGRATION

Another important development has been the action taken to encourage immigration. The government's policy involves the careful selection of immigrants and adjustment of their numbers to the absorptive capacity of the country. Practical steps have also been taken to relieve the lot of many displaced persons and refugees.

Notwithstanding the unsettled conditions abroad, employment and national income at home have remained at high levels. The demand for the products of our primary industries has, in almost all cases, been sustained. Towards stabilizing the incomes of those engaged in agriculture, measures relating to the Canadian Wheat Board, and to the sale and export of certain other agricultural products have been enacted. The Fisheries Prices Support Act is being brought into operation. The maintenance of our prosperity will increasingly depend upon how conditions develop in other parts of the world.

In the past few months, in most industries, Canada has fortunately enjoyed a relatively wide measure of industrial peace. Preliminary consideration has been given in Parliament to an important measure to provide more effective machinery for the settlement of industrial disputes and the adjustment of differences between employers and employees. A similar measure will be introduced at the next session.

## HOUSING

The government has continued to give constant attention to meeting the need for housing. To this end, substantial amendments have been made to The National Housing Act.

A further measure of social security has been provided by important amendments to the Old Age Pensions Act. Increases have been made in the amount of pension, and also in the amount of other income permitted to pensioners. In addition, the pensionable age for blind persons has been lowered from 40 to 21 years.

## C. S. SUPERANNUATION

The Civil Service Superannuation Act has been amended to include additional categories of public servants, and to permit retirement at an earlier age than heretofore. Comprehensive changes have also been made to increase the security provided by the act. Statutory provision has been made for the veterans' preference in appointments to the Civil Service, and to permit of annual increases in remuneration to temporary employees.

Steady progress has been made in placing the defence forces on a peace-time basis. The Department of National Defence Act has been amended to provide for the consolidation of the administration of the Department and for the establishment of a defence research board.

During the session, an important announcement of joint Canada-United States policy respecting co-operation in defence was made at Washington by the President and at Ottawa by the Prime Minister.

Other important measures enacted during the session include bills concerning a Dominion Coal Board, a Maritime Commission, the Canadian Broadcasting Corporation, conservation of natural resources, loan adjustments with certain of the provinces, the Patent Act, penitentiaries and the Criminal Code. A benevolent fund for army canteen and other service funds has been established.

The representation of the people in the House of Commons has been readjusted on a basis which will more effectively maintain the historic principle of representation by population.

## RIGHTS AND FREEDOM

The question of human rights and fundamental freedoms, and the manner in which those obligations, accepted by all members of the United Nations, may best be implemented, has been given preliminary consideration by a special joint committee of the Senate and the House of Commons. It is the intention of my ministers to recommend the re-appointment of this committee at the next session of parliament.

Members of the House of Commons:

I thank you for the provision you have made for all essential services.

A most gratifying achievement of the session now concluding has been the substantial reduction in the level of taxation on personal incomes, which became effective on the first of July, and which was made possible by the drastic reduction of public expenditures. At the end of the year, the tax on excess profits will be removed.

Authority to conclude tax agreements with the provinces has been vested in the government. Seven of the nine provinces have signified their intention to conclude such agreements.

A bill to revise the income tax law was introduced in order to permit of study and consideration of its provisions between now and the next session.

Honorable Members of the Senate:

Members of the House of Commons:

The recent visit of the President of the United States to Ottawa was deeply appreciated by the citizens of Canada. The visit afforded renewed evidence of the close and cordial relations of our two countries.

My ministers have been pleased to welcome a delegation from the national convention of Newfoundland. Members of the delegation are exploring the possibility of finding a basis, which would be mutually acceptable, for the

federal union of Newfoundland with Canada.

The people of Canada have learned with great pleasure of the betrothal of Her Royal Highness the Princess Elizabeth to Lieutenant Phillip Mountbatten. As Her Royal Highness and Lieutenant Mountbatten continue to face the future with its duties and responsibilities,

it will be the wish of all that health, happiness, and Divine guidance may gladden their path through life.

Amid the uncertainties and perils of these troubled times, I pray that the guidance of Almighty God may be vouchsafed to our country and all the nations.

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