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WEEK'S EVENTS IN REVIEW

ENVOY TO YUGOSLAVIA: The Secretary of State for External Affairs announced to-day the appointment of Emile Vaillancourt as Canadian Minister in Yugoslavia. Mr. Vaillancourt, who is at present Canadian Minister at Havana, Cuba, will take up his new post at Belgrade in February.

Mr. Vaillancourt was the first Canadian diplomatic representative in Cuba and presented his Letter of Credence to the President of Cuba on May 8, 1945. He will now open the first Canadian Diplomatic Mission in Belgrade.

Canada has had direct diplomatic relations with Yugoslavia since the exchange, during the war, of diplomatic representatives between Canada and the Yugoslav Government in London. In 1942, General George P. Vanier was accredited as Minister to Yugoslavia, and Dr. Izidor Cankar was Minister of Yugoslavia in Ottawa. Mr. Mato Jaksic has been nominated as Yugoslav Minister in succession to Dr. Cankar and will take up his duties at Ottawa in the near future.

Mr. Vaillancourt was born in Montreal on March 23, 1889, the son of the late Mr. and Mrs. J.A. Vaillancourt. He was educated in Montreal; after graduation from St. Mary's College he took up journalism. He is a member of the Royal Geographical Society and of the Academy of Rouen. In 1932 he received a Doctor's degree "honoris causa" from the University of Caen. Mr. Vaillancourt was the first Director General of Tourism for the Province of Quebec, a post which he held for five years. He was Manager of the Montreal Tourist and Convention Bureau and Director of the Quebec Division of the Health League of Canada. He is the author of several publications on Cana-

dian history and art and of works on political science. In 1916 he married Blanche Jeannotte. They have two sons and two daughters.

CANADA AT THE UNITED NATIONS: Canadian activities in the United Nations will increase during 1948. Canada's two-year term as a member of the Security Council began yesterday. Canadian three-year membership of the Economic and Social Council of the United Nations does not terminate till the end of 1948. Canada is already a member of the Atomic Energy Commission. As a member of the U.N., Canada will be represented on the Interim Committee of the Assembly (generally known as the Little Assembly). At the recent meeting of the U.N. Assembly, Canada was appointed to the Korean Commission.

To meet the increase in activities, a Canadian office has been organized in New York. The Canadian delegate to the Security Council will, it is expected, be named shortly. Gen. McNaughton continues to represent Canada on the Atomic Energy Commission. It is customary to name a representative on the Social and Economic Council as Sessions are called.

In the Canadian office, chief adviser will be George Ignatieff, who has been adviser to Gen. McNaughton on the Atomic Energy Commission. With Mr. Ignatieff will be John Stames, H.H. Carter, G.K. Grande and S.G. Le Feuvre.

PAPER CONTROLS LIFTED: Wartime Prices and Trade Board announces revocation of remaining orders governing supply, manufacture and distribution of wood pulp, paper board and all other types of pulp and paper.

YEAR END FOREIGN TRADE REVIEW

By

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Minister of Trade and Commerce

The post-war channels of Canada's foreign trade, which were developing in 1946 as an aftermath of war, continued along the same direction during the past year. The strains on our economy and on our foreign trade were intensified, and reached a climax toward the end of the year when drastic emergency controls on import trade were reimposed. That restraint, unfortunate as it may seem at the moment, may be logically considered as part of the difficulties inherent in the post-war readjustment. The universal shortage of U.S. dollars is the inevitable result of the deficiency of production in the rest of the world. When rehabilitation in non-dollar countries is achieved, and their production is back to pre-war levels, it is hoped that this shortage will be relieved, and the normal flow of world trading may be resumed.

In the meantime, the restrictions which have necessarily been imposed on Canadian imports, in order to save U.S. dollars, should not be allowed to overshadow other achievements during 1947. The most hopeful development this year was the successful completion of the Geneva Conference on trade and employment, which drew up the charter and the trade agreements defining the guiding principles of international trade for the future. These agreements may well outweigh any other developments in the field of international trade during the year.

PRINCIPLES OF TRADE CHARTER

The Geneva Conference drew up the charter for the International Trade Organization of the United Nations for presentation and final ratification at the World Trade Conference meeting now in Havana. Until it is ratified there by nations making up between them 85% of the foreign trade of all negotiating countries, the I.T.O. will not be set up as a separate body. However a general agreement has been drawn up, incorporating many of the principles laid down in the charter, and will be put into effect provisionally on January 1, 1948, by Australia, Benelux (the Belgium, Netherlands and Luxembourg Customs Union), Canada, France, the United Kingdom and the United States. These countries will also put into effect the specific trade agreements which were negotiated following the general agreement. The concessions obtained in the separate tariff agreements will be extended to all members signing the general agreement. For example, the reduction obtained by Australia in the United States tariff on fresh beef and veal, extends automatically to Canada and all other signatories.

Canada obtained some major adjustments in tariffs and quota restrictions currently in effect in the United States and certain European countries, particularly for her agricultural goods, but also in a worthwhile measure for manufactured products. These concessions will have a favourable effect in expanding our exports in general and to the United States in particular.

FREEDOM FROM DISCRIMINATIONS

Inherent in the general agreement is the paramount principle of freeing international trade from restrictive and discriminatory regulations. Future trade agreements made by the signatory countries will be of a multi-lateral character and future tariff concessions are to be applied in equal measure to all participating nations. Quantitative restrictions (such as import quotas) are to be relinquished except in certain specified cases, notably when imposed by countries involved in balance of payments difficulties. It is this exception which permits Canada to adopt the current emergency measures to curtail expenditure on imports from hard-currency areas. Canada is one of the countries in which the general agreement and the specific trade treaties will go into effect on January 1, 1948.

The reason for the import restrictions temporarily imposed for balance of payments reasons arises from the pattern of our foreign trade over the past two years. During this time we extended loans to a number of European countries badly in need of Canadian food and all manner of durable goods and capital equipment, to help them in their reconstruction programme. At the same time we continued to supply large quantities of food and other goods on credit to the United Kingdom. These large export commitments to Europe, in addition to the volume of post-war demand in Canada for consumer durables, resulted in a high level of employment during the post-war period, with an equally high level of income. The result was a large volume of export trade with Europe, and a large volume of imports for which our chief source of supply was the United States.

TRADE PATTERN UNBALANCED

The direction of trade was similar to the pre-war period when we were accustomed to export more to Britain than we imported from her, and imported more from the United States than we exported to that country. Two major differences, however, intensified the unbalanced nature of this pattern of trade. First was the fact that the volume of imports from the United Kingdom had sharply declined, and secondly, only a proportion of the proceeds

from our sales to European countries were paid in currency freely convertible into U.S. dollars.

During the last year, half of the net trade balance with the United Kingdom has been paid in United States funds, and for a few weeks during the summer sterling was freely convertible. With these exceptions the drain on our American dollar exchange has been constant and had reduced our holdings from \$1,250 million last January to \$500 million at the middle of November. This rate of expenditure in the United States could not have continued without putting us heavily in debt to them, despite the fact that we are substantial creditors of the European nations. In brief, what we have been doing is selling the major part of our exports for credit, and buying the major part of our imports for cash - and we're running out of cash!

POSITIVE MEASURES ADOPTED

But the regulations recently imposed do not merely conserve foreign exchange by restrictive measures. There are positive measures designed to give the fullest possible support to fostering and developing Canadian industry to enable it to increase its exports to areas which are able to pay in dollars or currency convertible into dollars.

Curbs have been placed on the very sharp post-war increase in imports of durable consumer goods, and an excise tax has been placed on Canadian manufactures which are still heavily dependent upon the import of components from hard currency areas. At the same time imports of capital equipment have been put under permit control in order to eliminate all unnecessary expenditures, but allow all essential imports such as equipment to build up export industries in accordance with the government's long term policy. The full co-operation of businessmen and manufacturers will be needed in order to make the restrictions workable without imposing further strain on the economy. If manufacturers, particularly in branch plants, can replace a large part of their imported supplies from Canadian sources, it will save substantial amounts of foreign exchange to the advantage of the country as a whole.

STIMULUS TO EXPORTS

The import trade is only one side of the picture, and the outlook for adjustments on the export side is good. Since the end of the war Canada has been deliberately channeling her exports to Europe. Contracts for many staple commodities have kept the bulk of the export surplus off the world market, and strict embargoes on shipments have kept others from more lucrative markets. In proportion to her population Canada has played a part second to none in extending post-war aid as a practical step in the establishment of peace. The prospect of financing some part of our necessary exports to Europe under the Marshall plan is hopeful. The United States has done a very

great deal to aid in the recovery of European countries, and the Marshall plan proposes a great deal more. Canada can still help others, and herself as well, by participating in this programme through the export of food and other commodities needed for the reconstruction of war-shattered economies abroad.

During the past year many of our post-war loans to European countries have been used up, and more supplies will be available for export to hard currency areas. Exports of some commodities to the United Kingdom are likely to diminish as Britain has had to adjust her imports to her current and immediately prospective exchange balances. The flow of Canadian goods from now on must be more evenly balanced between hard and soft currency countries in order that our international obligations may be kept within the limits of our capacities.

COOPERATION WITH PRIVATE BUSINESS

An example of how Government and private business have been co-operating to this end was the Canadian Trade Mission to South Africa, when a party of Government officials and prominent Canadian industrialists joined forces to pay a three week visit to the Union of South Africa, Canada's third best customer. The Mission visited eleven countries in Africa and the Mediterranean during the course of the tour and accomplished much in developing future favourable trade relations in those areas. There were also concrete results, as exemplified by very substantial orders for Canadian equipment and supplies.

Another related development will be the first Canadian International Trade Fair, to be held under Government sponsorship in Toronto from May 31 to June 12, 1948. Almost half the exhibitors will be from countries other than Canada, and individual invitations have been extended to 120,000 buyers and buying organizations throughout the world. It is confidently expected that this further example of co-operation between Government and private business will result in substantial benefits to Canadian industry and the wider distribution of our foreign trade.

This year has been a momentous one in Canadian trade. The decisions taken will lead to changes, which we hope will work toward a better balance in Canada's trade with foreign countries. In the international field the decisions have been equally important, and we expect they will provide the basis for re-establishment of freer and fuller trading among countries to the mutual advantage of all.

FISH LANDINGS LOWER: Landings of fish and shellfish in the sea fisheries of Canada during November amounted to 90,900,000 pounds, a decrease of almost 14 per cent from November last year, according to the Dominion Bureau of Statistics. During the eleven months ending November, landings aggregated 1,038,600,000 pounds, a decrease of eight per cent from 1946.

ARMED FORCES REORGANIZATION YEAR

RECORD OF 1947: In the Canadian Army, Navy and Air Force alike, the past year was one of reorganization, of changeover from wartime to peacetime basis. The changeover was accomplished officially on Sept. 30, 1947, when the three Defence services were ordered to stand-down after eight years and one month of active service in World War II.

One function after another common to the Navy, Army and Air Force was amalgamated under a single Service head. This was especially true of medical and dental services and hospital accommodation, transport services, identification bureaus, provost and public relations duties. In general, the great sprawling organization that was National Defence Headquarters at the height of the changeover from war to peace was cut, molded and integrated. Now nearly all the branches, directorates, units and sub-units necessary to defence are housed in three big temporary buildings on Ottawa's Cartier Square.

SET-UP OF NEW ARMY

The strength of the Army was greater in January than it is at the present time. Speaking at a press conference a year ago, the Minister of National Defence, Mr. Brooke Claxton, gave the strength of the Army as 21,475, but intimated that approximately 9,000 soldiers were due to be released -- the majority of them by March 31, and all of them by the end of September. And that is exactly what happened. The number of men still serving in the Army is approximately 15,000. There is no mystery connected with the difference in figures, as, in addition to some 2,500 men in the Interim Force at the start of the year, many more were over-age, medically unsuited or in other ways incapable of meeting the rigid peacetime standards of enlistment. Although the strength of the peacetime Active Army was set tentatively in 1946 at 25,000, it was decided early this year to recruit not more than 75 per cent of this figure for the time being. At year's end the Army is somewhat short of its manpower requirements but recruiting continues satisfactorily.

Defence Minister Claxton, at the end of February, issued an important statement detailing the various headquarters, commands, units and schools of the Canadian Army Active Force. He said that the Army, already operating on its postwar basis, was comprised of Headquarters in Ottawa, five regional Commands which included subsidiary Area Headquarters, a Brigade Group of all arms, and some 18 corps and special schools.

CADETS' RESERVES' NEW DEAL

Both the Royal Canadian Army Cadets and the Canadian Army Reserve Force received a face-lifting during 1947.

The new deal for the cadets involved the complete reorganization of the corps so that

the old pre-war conception of cadet training solely to promote citizenship and patriotism was broadened to include, among other things, preparation for service, when old enough, in the Reserve Force. This new programme was initiated at the start of the current school year.

Much concern was shown during the year for the future of the Reserve Force and the amount provided for reserve training in the year 1947-48 estimates was more than four times that allocated in 1938-39 for the same purpose. Training facilities and syllabi were streamlined and brought up to date. Ample clothing and equipment was made available and full-time administrative and technical officers and NCOs from the Active Forces of the Navy, Army and Air Force were attached to Reserve Force units. All in all, every effort was made to lower the barriers which might have existed in the past between the Active and Reserve Forces.

JOINT AIR SCHOOL OPENED

During 1947, considerable progress was made in connection with the opening of the Joint Air School at Rivers, Man., where eventually, it is planned to train all Canadian Army and Air Force units, together with Navy personnel, in combined air operations. The school's chief task will be the training of Canada's Active Force Brigade Group for air-transported and airborne operations. Whole companies at a time will go for their complete air school training and eventually all arms will become air trained.

To further this important project, nearly 50 gliders, to be used for basic airborne instruction, have been distributed to Brigade Group units.

In November, a Special Air Service Company formed of volunteers from the Group's three infantry battalions, commenced training at Rivers. Members of the Company are being trained in parachute and glider work, demolitions, first aid and medical care, mechanical transport and small boat handling, rescue work and the evacuation of casualties. It will be permanently stationed at the Joint Air School from where any point in Canada can be reached in a matter of hours.

In the Far North, the only winter manoeuvre of any importance carried out by the Active Force during the year was Exercise "Haines" -- a tough, month-long battle between the mountainous, snow-covered country of the Whitehorse, Y.T. district and men of the PPCLI. A small but arduous scheme, Exercise "Haines" was carried out with none of the mechanical aids of former winter exercises. During the manoeuvre the men completed snowshoe hikes of eight and 10 days' duration, over 40 to 90 miles of unbroken trails, in virtually uncharted country.

The Reserve Force also held a couple of winter training exercises. These were Exercise "Husky", a 12-day winter camp conducted in the

Wainwright area in February, and Exercise "Mountain Goat". "Mountain Goat" was a hazardous six-day ski trek across the treacherous Yoho Glacier by 14 men of the Calgary Highlanders (Reserve Force).

Later on, in April, a party of Royal Canadian Engineers shoved off from Churchill on a 360 mile, six-week mapping survey of the Barren Lands in that vicinity. At one time the small force of 12 soldiers and two civilian trappers was forced to dig in and wait out a week-long blizzard before continuing the survey.

During the summer months Fort Churchill was the scene of considerable construction designed to convert the cold-weather testing station into a permanent camp. The project called for a group of married quarters, a barrack block, a hangar, a workshop, a pumphouse, a road to Lake Isobelle, the water source, and a water line from there to the camp.

In May, residents of Aklavik, N.W.T., and the Delta area of the Mackenzie River, heard the first official broadcast of the Canadian Army's station CHAK, North America's most northerly radio station. Last October the station undertook, at the request of the Department of Mines and Resources, the broadcast of a series of CBC educational programmes for the benefit of children for whom no schools are available in the district.

A second party of Army Engineers and 10 University students set out in June along the Northwest Highway System for a four-month mapping survey of the Northwest. The survey formed part of the military mapping programme of Canada's unmapped regions which was started when aerial photographs of these areas were taken by the RCAF in 1946.

Throughout the year other Army Engineers were active along the 1,200 miles of the Northwest Highway System, maintained by the Canadian Army. Operating as "trouble-shooting gangs" they built and repaired bridges, gravelled and graded the road, speedily repaired washouts that occurred, and kept the snow-blocked mountain passes open in winter.

Construction of new radio installations for the Northwest Territories and Yukon Radio System in three northern Canadian points was rushed during the summer months. New buildings were erected in Yellowknife and Hay River, N.W.T., and at Mayo, Y.T.

CANADIAN AIR FORCE CHANGES

Administration changes in the RCAF itself were announced shortly after the beginning of the new year. The five Air Commands, located at Halifax, Trenton, Ont., Winnipeg, Edmonton, and Vancouver, were consolidated into two--one at Trenton and one at Edmonton--the other three becoming Group Headquarters. The changes were made to consolidate administrative staff services to ensure economical supervision of the Air Force in its peacetime role.

The last year was a busy one for the RCAF's training establishments. Ground training swung into full stride during the year and flying training commenced, for the first time since

the war. Schools at Trenton, Aylmer, Camp Borden, Rockcliffe, Clinton, and Centralia worked to capacity instructing new recruits in the skills of the various Air Force trades, and at the same time giving additional courses to many veteran airmen who had re-engaged in the peacetime Air Force. Ground schools were run for officers also, and large classes were graduated by No. 1 KTS a school of administration for junior officers, most of whom had no chance during their wartime flying days to learn the administrative jobs required of the peacetime officer. At the same time senior officers were busy at the Royal Canadian Air Force Staff College, Toronto.

SUMMER EMPLOYMENT PLAN

Initiated during the year was the RCAF's Summer Employment Plan, under which veteran officers now attending university were brought back into uniform, to work and train with the Air Force during the Summer months. Eighty-four such students from leading Canadian universities returned on a Reserve basis, and were engaged in medical and technical research and survey work. The plan is designed to train the students in the various specialist branches of the Service during their university careers, and the type of work done by each fits in as closely as possible with the course taken by the student. Qualified students may be offered commissions in the RCAF upon completion of their professional training.

Flying training stations saw increased activity during the year, as new entries began aircrew training. The first class of 21 young flight cadets started their careers as aircrew officers during the Autumn, having qualified for short service commissions in the RCAF. Out of the 21, 15 were former airmen who had been selected from the ranks after enlisting in 1946, carrying out previous announcements that members of the ranks would not be overlooked when selections for aircrew training were made. The first group, small by comparison with wartime but to be followed by further intakes at regular intervals, passed through No. 1 Manning Depot, Toronto, to Flying Training School, Centralia, Ont., or to the Radar and Communications School, Clinton, depending upon whether the cadets were taking pilot or radio-navigator training. Flying began for them before the end of the year, and upon completion of their training they will become pilot officers.

TRAINING FOR UNDERGRADS

Flying training was also given to university undergraduates, who entered under the new University Summer Flying Training Scheme, which began during 1947. Thirty-six such undergraduates from 10 universities across the country took pilot or radio-officer training. Such students, after spending three summer training periods with the Air Force, and successfully finishing their university course, are offered commissions in the Regular, Auxiliary, or Reserve Air Forces.

Of interest to veteran aircrew was the announcement that all pilot training was to be done from the start on Harvards, used during the war as advanced trainers. It was found shortly before the end of flying training during the war that more satisfactory progress was made by starting embryo pilots on Harvards from the beginning, instead of starting on light aircraft, and later changing to heavier and faster planes.

AUXILIARY SQUADRONS ACTIVATED

Additional Auxiliary Squadrons were activated during 1947, and the end of the year found eight in operation, 400 Squadron, Toronto; 401 and 438, Montreal; 424, Hamilton; 402, Winnipeg; 406, Saskatoon; 418, Edmonton; and 442, Vancouver. Flying took place with Harvard trainers, Mitchells and Expeditors, and the squadrons lent colour to various civic occasions, staging fly pasts on Battle of Britain Sunday and at other times. Special signals equipment installed by the Auxiliary Squadrons during the last year has allowed them to carry out interceptor exercises. Refresher courses were held during the Summer and were attended by officers and men of the Auxiliary Squadrons. Regular Summer Camp periods for the Auxiliary Squadrons will commence in 1948.

A unique course graduated 21 para-rescue jumpers. Held at Henry House field, near Jasper, Alta., the course was given to hand picked men, chosen for their bush experience, fitness, mental alertness, and general ability to cope with situations varying from succoring victims of an aircraft crash on a mountain top to delivering a baby in a region quickly accessible only by parachute. The men have since been posted to stations across Canada, ready to parachute to aid persons in distress, who cannot be given aid by normal means.

NEW EQUIPMENT ARRIVES

New equipment arrived for the RCAF during 1947. The Air Force took delivery of its first helicopters, to be used for Search and Rescue work, and the first of the huge North Star transports--Canadian built four-engine aircraft--were delivered. Also arriving in the country before the end of the year were the first of the Vampire jet-fighters, to be used both by the Regular Air Force and various Squadrons of the Auxiliary.

The RCAF had a busy year operationally. The two Photographic Squadrons of No. 9 Transport Group, 413 and 414, ranged over almost the entire Dominion during the Summer, from the 49th parallel to the Far Arctic, taking pictures for the aerial photo survey of Canada. In all, 22 aircraft and more than 250 air and ground crew personnel took part in the work directly. Operations were hampered by extremely bad weather conditions in the North, but even so the photo crews ran up a gross coverage of 435,000 square miles--the greatest coverage in a single season since the work was begun in the early 20's. The first aircraft left Rockcliffe to begin the season's work in April,

and the work went on in the field until October. A prototype Lancaster, specially equipped for long-range photo work, was used during 1947, and it is intended that further aircraft of this type will be used next year.

While the photographic squadrons of No. 9 Transport Group were helping to push back the Dominion's frontiers through aerial photography, the two transport squadrons, 426 and 435, and the communication squadron, 412 were busy carrying freight and passengers back and forth across Canada. Notable among the many flights made was that to Japan and back, to carry General Crerar to the Japanese peace talks.

RELOCATE MAGNETIC POLE

No. 9 Group furnished a long range amphibian Canso flying boat which took a party of Mines and Resources scientists to the North during the Summer, to relocate the Magnetic North Pole. Various magnetic observations were made by the scientists, and the expedition, termed Operation Polco, was a success. In addition, aerial reconnaissance by the crew members of the Canso revealed numerous errors in maps of the Arctic Islands.

The RCAF's Search and Rescue organization was also busy, and the smooth and complete co-operation of the three Services was made evident in this respect. Approximately 40 operations were carried out by Search and Rescue during the 12-month period, highlighted by the hazardous rescue of Canon Turner, the wounded Church of England missionary who was brought back from his isolated mission on northern Baffin Island. Aid was first given by an Army jump team which parachuted to the scene after it was found impossible because of "in-between" weather conditions to land a plane immediately. First aid was given and landing strip prepared, and the entire party was later picked up by an RCAF Dakota and brought back to civilization.

Attention was focussed on the RCAF's marine craft provided for Search and Rescue work when the 70-foot "Takuli" made a voyage of more than 7000 miles from Patricia Bay, B.C. to Dartmouth, N.S. to bring the Marine Squadron on the East Coast to required strength. Too large to ship by rail, the Takuli was taken around through the Panama Canal by an Air Force crew, and completed the voyage without mishap.

NAVY'S PEACETIME FRAMEWORK

The peacetime framework of the Royal Canadian Navy settled firmly into place during 1947 as the final demobilization of the wartime force was completed.

Through the greater part of the year the Navy had known definitely what it was working towards, Mr. Claxton having announced the composition and disposition of the future operational fleet on February 25th. The plan called for an almost equally balanced force on each coast, both as to ships and men. Where at all possible, men were assigned to bases in closest proximity to their homes.

On the east coast, the senior ship sailing out of Halifax was the aircraft carrier "Warrior", whose captain, Commodore H.G. DeWolf, is also Senior Canadian Naval Officer Afloat. Three Tribal class destroyers were also assigned to Halifax, two Halifax-built vessels, "Nootka" and "Micmac" and the war-seasoned "Haida". In addition the Algerine escort vessels "New Liskeard" and "Portage" were maintained, confining themselves to the training of Reserves. "Warrior", is destined to go into reserve some time in 1948, when her place will be taken by H.M.C.S. "Magnificent", a carrier of approximately the same tonnage but more modernly equipped, which is near completion in a Belfast shipyard.

At the time the makeup of the peacetime fleet was announced, the far-travelled cruiser "Uganda" was senior vessel on the West coast. On July 28th, however, her more modern sister, "Ontario" returned to full commission after two years of extensive alterations and "Uganda" went into reserve. Destroyers assigned to the Pacific squadron were the modern "Crescent", already in operation in that area, and the two newest Canadian-built Tribals, "Cayuga" and "Athabaskan", completed during the latter part of the year in Halifax. The frigate "Antigonish", also operating out of Esquimalt, was primarily concerned with the training of Reserves.

Another frigate that became operational during the year was "St. Stephen", though with somewhat different duties. Extensively recon-verted, with her armament removed and a large amount of special gear in its place, she put to sea from Halifax on November 22nd to play her part in the North Atlantic weather reporting service, her complement swelled by the addition of several Department of Transport meteorologists. "St. Stephen" took her position in station "Baker", midway between the southern tip of Greenland and Labrador.

EXERCISES OVER WIDE AREAS

A variety of smaller craft were also in commission during the year.

Training cruises and tactical exercises carried the ships over wide areas. "Warrior", for instance, found herself on the West coast when the year opened. Before it was over she had swung back into the Atlantic via the Panama Canal, had exercised with the Royal Navy's America and West Indies squadron off Bermuda, had transferred her flying personnel to the Old Country (carrying contingents of Canadian Navy League cadets and Boy Scouts in the process) and had made several training cruises, one of which carried her as far north as Labrador.

Cruises that carried them as far down the south Pacific coast as Panama and as far north as Alaska were undertaken by the cruiser "Uganda" and the destroyer "Crescent", while on the Atlantic side, in addition to "Warrior", the destroyers "Nootka", "Micmac" and "Haida" ranged widely between the Caribbean, Bermuda and the St. Lawrence. For "Haida" it was a

return to operational service after a considerable period out of commission following her exceptionally fine war career. Smaller vessels such as "Antigonish", "New Liskeard" and "Portage" also steamed many thousands of miles in the training of reserves.

An estimate of the spirit and efficiency of the Canadian ships was obtainable in a message sent to Naval Service Headquarters by the Commander in Chief of the British America and West Indies squadron after R.C.N. vessels had exercised under his command. From his flagship, H.M.S. "Sheffield", Vice Admiral Sir William George Tomnant, signalled:

I want to thank you most warmly for allowing "Warrior" and "Nootka" to join up in the exercises with my squadron. Under their able commanding officers they have taken part most efficiently and whole heartedly, and given us the experience of working with aircraft, of which we have been so greatly in need. I hope that your ships have obtained some benefit and I should be grateful if my appreciation may be passed to the vessels concerned.

On October 21st, Trafalgar Day, a most satisfying exercise was carried out when R.C.N. ships and aircraft combined in the sinking of the ex-German submarine U-190. The U-190 had torpedoed H.M.C.S. "Esquimalt" off Halifax in April, 1945 and, in the same waters, rocket projectiles from R.C.N. planes and shells from the guns of H.M.C.S. "Nootka" made short work of the captured submarine when it became the target for the 1947 operation.

FLYING SIDE DEVELOPED

The flying side of the Navy continued to develop steadily. Both on board "Warrior" and at the Naval Air Section at Dartmouth, the new squadrons of the 18th Carrier Air Group, 883 (fighter) and 826 (fighter-reconnaissance), kept their Seafires and Firefly I's aloft to good effect. Overseas, preparing to join the "Magnificent", the seasoned airmen of "Warrior's" original squadrons, 803 and 825, were acustoming themselves to the new and powerful Sea Fury and Firefly IV aircraft they would bring to their newest vessel. During the year 27 pilots were trained to "wings", standard and 19 new entries completed refresher courses to increase the addition to 46.

A radical change in the accessibility of commissions to young Canadians came with the institution of short service commissions for R.C.N. pilots and observers. Senior matriculation became sufficient scholastic standing for a limited group between the ages of 18 and 20-1/2 who were able to pass stiff physical and aptitude examinations.

The fountainhead of young officers in the executive and other branches, H.M.C.S. "Royal Roads" near Victoria, B.C., graduated 44 candidates to swell the ranks of both permanent and reserve forces. Royal Navy ships and establishments advanced the intensive training of 77 Canadian midshipmen, while at "Royal Roads", beginning its new role as a combined

R.C.A.F. - R.C.A.F. college with the Fall term, 113 naval cadets were undergoing the ground-work of careers in the sea-going service.

Replacements for the men below officer rank who had been demobilized or were leaving the service were being steadily trained at the Esquimalt and Halifax bases. Something over 600 new entries alone received training during the year.

It was a big year for trainees of the Royal Canadian Navy (Reserve) -- the biggest, in fact, on peacetime record. From every province of the Dominion the "part time sailors" found their way to the two big naval bases for their annual training at sea. Some confined themselves to the two-week minimum period, but of the 1,600 who reported for salt water duty large numbers remained afloat for extensive periods, contributing materially to the manning of ships.

A large number of the 800 members of the University Naval Training Divisions spent the entire summer on active service. Payment at regular naval rates assisted them financially in preparing for the next university term and their courses were so arranged that they served in as close relationship as possible to their regular academic interests. Apart from practical experience obtained in all of Canada's operational units, reservists also were to be found in vessels of the Royal Navy's America and West Indies squadron.

TARIFF CUTS EFFECTIVE

SECUEL TO GENEVA PACTS: The Prime Minister, Mr. Mackenzie King, has announced the passing of an Order in Council bringing into effect, from January 1, the tariff concessions granted by Canada in the General Agreement on Tariffs and Trade concluded at Geneva on October 30, 1947. Eight other countries, including the United States and the United Kingdom are similarly bringing their concessions into effect on the same date.

The tariff changes made at Geneva are of particular importance in the trade between Canada and the United States. Practically the entire range of American tariff restrictions against Canadian goods has been reviewed and very substantially reduced. In general the largest reductions will apply to exports that are already entering the United States on a competitive basis. There were also many tariff reductions made by Commonwealth countries at Geneva and the volume of trade between Commonwealth countries should rise. In the immediate future, however, it is the United States reductions which are of most significance and it is noteworthy that the United States tariffs have been reduced on over 80% of Canadian exports subject to United States duty and continued free entry has been guaranteed on virtually all of our exports which have hitherto entered the United States free of duty.

The Canadian concessions are set forth in Schedule V of the Agreement and consist of

some 1,050 items, of which 590 provide for reductions in the most-favoured-nation tariff below existing rates, and about 460 for the binding or consolidation of the present most-favoured-nation rates. The concessions include also about 100 items in the British Preferential Tariff in regard to which reductions were made in favour of British Commonwealth countries.

A small number of items in the Canadian schedule, respecting which reductions were negotiated with countries that have not undertaken to bring their concessions into effect on January 1st, are being withheld until such time as those countries are in a position to make their concessions available to Canada.

The Canadian tariff concessions, operative on January 1st, will be accorded to each of the 44 foreign countries to which Canada at present grants most-favoured-nation tariff treatment and to all parts of the British Commonwealth of Nations.

NEW B.C. PREMIER: Eyron L. Johnson has been sworn in as Premier of British Columbia, succeeding Premier Hart who resigned after heading the Liberal-Progressive-Conservation coalition since its formation in 1941.

Mr. Hart reached agreement last week with Herbert Anscomb, leader of the Progressive-Conservative bloc in the Legislature for continuation of the coalition.

Premier Johnson's government will be known as the Johnson-Anscomb Government.

REVISION OF RADIO FREQUENCIES: Complete revision of radio frequencies involving re-allocation on an international scale will be undertaken by a Board of the International Telecommunication Union to be convened shortly in Geneva, Switzerland. Canada's representative to the Provisional Frequency Board will be Charles J. Acton, Radio Division, Department of Transport.

Assisting Mr. Acton will be four technical advisers from each of the defence services and the Defence Research Board. Lt. Col. F. D. W. Wethey, (Army), Lieut. A. R. Hewitt, (Navy), F/L B. R. Rafuse, (R.C.A.F.), and J. C. W. Scott, of the Defence Research Board; Canadian Radio Wave Propagation Laboratory, make up Canada's representation with Mr. Acton.

The purpose of this meeting will be to prepare an engineered frequency assignment plan for the world's radiocommunication services. The Provisional Frequency Board is the outcome of the recent International Telecommunication Conference which was held at Atlantic City, New Jersey, when seventy-nine participating nations recognized the imperative need for an international body of experts to review the problems of radio frequency allocation.