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DAILY AIRMAIL BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

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Vol. 1, No. 1

Monday, September 12, 1949.

23 Die In Plane Crash: Sault au Cochon, Quebec, September 9 -- (CP) -- Twenty-three persons died on Friday, September 9, in the crash of a Canadian Pacific Airlines DC-3 plane, the third worst disaster in Canada's air history.

The plane struck a rocky bluff that rises several hundred feet above the north shore of the St. Lawrence river about 40 miles east of Quebec City, the Canadian Press reported.

The 19 passengers and crew of four died instantly.

After striking, the plane plummeted into dense bush.

Pieces of the shattered aircraft were strewn about the ground and hanging in branches of trees.

Most of the bodies were jammed in mangled disorder in a front section of the plane.

There was no fire following the crash, although the few persons who saw the plane strike the cliff said they heard some sort of explosion before it struck. Later reports told of an explosion prior to the crash of the plane.

Ten men, six women and three children made up the passenger complement of the plane. The crew of four--three officers and the stewardess--died with them.

The plane was on a regular flight operated by Quebec Airways, subsidiary of Canadian Pacific Airlines.

An immediate investigation into the disaster was begun by C.P.A. officials, and a Board of Inquiry set up by the federal Department of Transport.

The plane appeared to be in some kind of trouble before it crashed. It suddenly turned north, inland, and ran dead on into the rugged bluff.

It fell about a mile and a half from this little flag stop on the Canadian National Railways branch line that runs between Quebec and La Malbaie.

There are no roads near this little stop; the nearest is about 16 miles away.

Three of the passengers killed were American industrialists, flying into the northeastern Quebec area where deposits of titanium ore have been discovered.

Two others were connected with the Quebec North Shore Paper Company and were from St. Catharines, Ont.

Most of the other passengers were residents of Quebec and other parts of the Province. Two of them were infants in arms and another a young boy.

The Americans killed were E. T. Stannard and R. J. Parker, of New York, President and Vice-President of the Kennecott Copper Company, and Arthur D. Storke, New York, who was to have succeeded Stannard this fall in the presidency of the company.

The three officials are believed to have been on their way to Seven Islands to look over the titanium deposits.

(over)

Washington Conference: The Canadian Press reported in part as follows from the Washington Economic Conference this morning:

Washington, September 11 -- (CP) -- The Anglo-American-Canadian proposal to encourage loan requests to the World Bank and the United States Export-Import bank is a potentially-powerful weapon in the fight against Britain's dollar shortage.

If Britain or any country which uses the pound sterling obtains United States dollars that way, the dollar shortage will be alleviated to some extent.

But there are other ideas behind the decision to encourage loans which was announced Saturday at the three-power financial conference:

1. The original loan, if it is used to establish an industry or to improve existing facilities, may in time attract private investment of dollars. That is one of the sterling area's big needs.

2. Projects for which the loan is used, if they increase production, cut costs and foster up-to-date methods, may enable sterling-area countries to boost exports and therefore earn more dollars.

It is not suggested that loans from the two banks will solve the dollar-sterling difficulty. But expert observers say Saturday's proposal may be a step in the right direction....

Welcome To Marquette Committee: The Department of External Affairs released on September 11 a message of welcome from the Prime Minister of Canada to the President of the Marquette Committee, Senator Louis Ternynck. The message was delivered Saturday afternoon by the Minister of Public Works, Mr. Fournier.

The Marquette Committee consists of a group of some forty French delegates who are making a pilgrimage to Canada to commemorate the 300th anniversary of the discovery of the Mississippi by Father Marquette and of the founding of the Jesuit Missions of Huronia in the vicinity of Midland, Ontario. This group includes several members of the French Senate and Chambre des Deputés, as well as members of French universities and the press. The French Foreign Minister, Mr. Robert Schuman, proposes to join this group at the celebrations to be held in Midland, Ontario, on the 16 and 17 of September. A Canadian reception committee is composed of Senator Thomas Vien, T. Taggart Smyth, Father Pouliot S.J., Gerald Ryan, and others.

New Labrador Islands: Sydney, N.S. - Member of the Peary Expedition which discovered the northpole in 1909, 74-year-old Commander Donald B. MacMillan arrived at Sydney, N.S. from the sub-Arctic on September 9 and told reporters, according to the Canadian Press report, that he had discovered 25 islands - most off the northern ice-ringed Labrador coast - and made 1,000 soundings in the fjords of the Baffin and Ellesmere Islands. These discoveries, he said, would necessitate changes in maps of the district.

Biological Warfare: St. Cergue, Switzerland - Canada's Dr. Brock Chisholm, Director-General of the World Health Organization, was quoted in press reports here as declaring that the atom bomb had been made obsolete by a biological product, seven ounces of which is sufficient to kill everyone in the world. "The atom bomb is obsolete," he was quoted as saying. "Relatively speaking, it is child's play compared to biological weapons." Referring to the new biological product which he said was now in existence, he said, according to the report, "It can kill all living beings within six hours - and leave the area safe for troops to occupy within the 12 hours it takes to oxidize and disappear."

Across Canada: Delegates from 24 countries to the 10th Empire Conference of the British Empire Service League paid tribute to fallen comrades of two wars in an impressive ceremony in Ottawa Sunday night, preceding the official opening of the Conference by Viscount Alexander...Margaret Lynn Munn, of North Vancouver, has been in to audition for the Metropolitan Opera Company, the Canadian Press reported. Miss Munn is Miss Canada of 1949.



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Vol. 1, No. 2

Tuesday, September 13, 1949.

Washington Economic Conference: Britain, the United States and Canada, on Monday, announced a 10-point programme which Sir Stafford Cripps was quoted as saying would bring Britain's dollar crisis under control and pave the way for her economic comeback. The programme announced includes steps to give Britain a freer hand in spending Marshall Plan dollars and opens the doors of Canada and the United States a bit wider for British goods. The aim is to permit Britain to earn more dollars and conserve those she has.

Canada, it was reported has a particular stake in one of the 10 proposals - to give Britain more freedom in the use of Marshall Plan dollars. Paul Hoffman, ECA Administrator said, in answer to a query at a press conference that this freedom would be extended to Canadian wheat which Britain must buy with her own earned dollars. He added that a detailed statement would be issued today.

In announcing their agreement, all three Governments reaffirmed that their plan of action is based on the "assumption that extraordinary aid from the North American continent would have to come to an end by the middle of 1952." This puts Britain and the other western European Governments on notice that the United States intends to end the Marshall Plan on schedule and that they must take immediate steps to become financially independent by then.

The 10-point programme, involves immediate trade concessions by the United States and Canadian Governments. Other points are in the form of promises by the two countries to review and consider changes in such economic policies as tariffs, shipping and general purchasing programmes.

Canada's Minister of Finance, Mr. Abbott, was quoted as saying yesterday that he felt great headway had been made at the Conference. Mr. Pearson left Washington, by train, for Ottawa, last night, and is to return to Washington for a meeting on September 17 of the Foreign Ministers of the Atlantic Pact countries.

(Based on CP and AP despatches).

Atomic Energy Security: It was announced in Ottawa, London and Washington on September 12 that in the interest of continued uniform application of measures for security of the atomic energy information which they hold in common, representatives of the Atomic Energy Agencies of Canada, the United Kingdom, and the United States will hold their third declassification meeting September 26-28 at the Canadian Atomic Energy Research Establishment at Chalk River, Ontario, Canada.

The three nations now use uniform declassification guides in determining what information arising from their atomic energy research and developmental work may be published and what information is to be kept classified and restricted in circulation. These uniform guides were developed at the first declassification meeting of the representatives of the three Governments in November, 1947, at Washington, D.C., and were revised at a second meeting held at Harwell, England, in September, 1948.

(over)

At the forthcoming third meeting, the guides will be reviewed in the light of technical developments of the past 12 months. The purpose of the review is to assist in maintaining maximum security of the information held in common by the participating nations.

Representing the three nations at the declassification meeting will be:

Canada: Dr. W.B. Lewis, Director of the Division of Atomic Energy Research, Chalk River; Dr. W.H. Watson, Director, Physics Sub-Division; Dr. L.G. Cook, Head, Chemistry Branch, Atomic Energy Project, Chalk River, Secretary; Dr. B.W. Sargent, Head, Nuclear Physics Branch; and Dr. Charles Walker, Declassification Officer, Secretary.

United Kingdom: Dr. R.E. Peierls, Professor of Mathematics, University of Birmingham; Dr. H.J. Emeleus, Professor of Chemistry, Cambridge University; Dr. H.W.B. Skinner, Head, General Physics Division, Atomic Energy Research Establishment; and Dr. J.F. Jackson, Technical Administration Office, Atomic Energy Research Establishment.

United States: Dr. W.G. Johnson, Chairman, Department of Chemistry, University of Chicago; Dr. W.F. Libby, Professor of Chemistry, University of Chicago; Dr. J.M.B. Kellogg, Leader, Physics Division, Los Alamos Scientific Laboratory; Dr. R. L. Thornton, Professor of Physics, University of California; Dr. F. De Hoffman, Los Alamos Scientific Laboratory and Secretary, Committee of Senior Responsible Reviewers; Dr. J.Q. Beckerley, Chief, Declassification Branch; Mr. C.L. Marshall, Deputy Chief, Declassification Branch; Dr. H.A. Fidler, Area Manager, Berkeley Area, United States Atomic Energy Commission; and Mr. Bennett Boskey, Deputy General Counsel, United States AEC.

War Medals Distribution: Distribution of campaign stars and medals to the more than one million members of the Canadian armed forces and Merchant Navy who served during World War II will commence about October 1, the Minister of Veterans Affairs, Mr. Gregg, announced on September 10. The distribution will involve a total of approximately 3,100,000 stars and medals with an additional 524,000 clasps signifying at least sixty days service outside Canada.

Battle Of Britain Sunday: Battle of Britain Sunday is to be observed on Sunday, September 18 and RCAF units across Canada will hold special Church parades to commemorate the 9th Anniversary of the culmination of the historic air battle, it was announced on September 12 by Air Force Headquarters. Taking part in the ceremonies with regular force personnel, will be members of the RCAF Auxiliary and the Royal Canadian Air Cadets.

British Empire Service League: The Prime Minister, Mr. St. Laurent, addressed delegates of the B.E.S.L. yesterday and declared that few bodies could do more to preserve democracy than veterans' organizations. Capt. Harold W. Kimpton, of Rhodesia, told the delegates from 25 Commonwealth countries that he considered DVA arrangements among the best for looking after ex-servicemen.

Five Denied Entry To U.S.: Five Canadians, who claimed to be on their way to attend the International Mine, Mill and Smelter Workers' Union Convention in Chicago, were denied entry to the United States yesterday at Sault Ste. Marie, Mich., the Canadian Press reported.

Across Canada: Premier Smallwood left St. John's, Nfld., yesterday for Ottawa, where he will meet with the Prime Minister, Mr. St. Laurent, to discuss housing, trans-Canada highway proposals and industrial problems....The Canadian School Trustees Association at its annual meeting in Fredericton, N.B., yesterday, favoured a programme of sex education in schools across Canada.



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Vol. 1 No. 3

Wednesday, September 14, 1949.

Travel Freedom As Peace Assurance: The Canadian Press reported, in part, as follows this morning on the speech of the Prime Minister before the Annual Convention of the Quebec Chamber of Commerce, on September 13: Hull, September 13 -- (CP) -- Prime Minister St. Laurent today said Canada wants a tourist industry which will lead to peace between nations.

Mr. St. Laurent spoke in French before the Annual Convention of the Quebec Chamber of Commerce. While all forms of external trade were extremely important to Canada, none was more fruitful than the kind of trade the tourist industry represented.

He chided Canadians for thinking of the country's tourist industry in terms of money alone. Canada had great need of American dollars, but had still greater need of the United States' friendship and understanding.

Nevertheless the monetary value of the tourist industry was important. It brought in \$270,000,000 from the U.S. last year, "making the industry one of the most important sources of American dollars."

"This year," Mr. St. Laurent said, "it is expected that the amount will be about 10 per cent higher."

As a background for the settlement of problems between the two countries, Canada-U.S. friendship was of "inestimable value...."

"Closed frontiers create iron curtains. Open frontiers are avenues of peace...."

Church Of England Synod: The Church of England in Canada on September 13 heard one of its committees report that provisions for civil marriages in Canada "would, on the whole, be desirable."

Later, the Church's General Synod defeated a motion which would have asked the Provincial Governments concerned to pass permissive legislation. This automatically throws out the subject until at least the next General Synod.

The Synod also called for a Royal Commission to make a comprehensive investigation of Canada's liquor traffic.

The resolution was one of several adopted by the Church's 17th General Synod during consideration of a wide range of moral and social issues. All these arose during debate on the report of the Council for Social Services.

Air Crash Inquest: The Canadian Press reported, in part, as follows on the impending inquest into the deaths of 23 persons in the recent C.P.A. air crash:

Quebec, September 13 -- (CP) -- A coroner's inquest into the Canadian Pacific Airlines plane crash at Sault Au Cochon, Quebec, 40 miles east of here on the northshore of the St. Lawrence River, is scheduled to open in Quebec City court house tomorrow.

The inquest will be held under Coronor Paul V. Marceau, who said tonight a metal box will be presented as evidence.

The box, found in the thick woods between Sault Au Cochon and Cap Tourmente, scene of the crash, was reported to have fallen from the DC-3 before it crashed, killing 23. It was picked up by Patrick Simard, an eel fisherman, and turned over to investigators.

Synod Debates Divorce Issue: Halifax - The Lower House of the 17th General Synod of the Church of England in Canada voted today to permit the "innocent Party" to a divorce to re-marry and keep all church services and sacraments.

Population Now 13,545,000: Ottawa - Canada's population is now estimated at 13,545,000; the Bureau of Statistics reported. With the addition of Newfoundland's estimated 348,000, and a considerable number of immigrants, the population advanced by 662,000 in the year ended June 1. All Provinces shared in the increase except Prince Edward Island.

Estimates for the provinces and territories are as follows, with 1948 figures in brackets: Ontario, 4,411,000 (4,297,000); Quebec, 3,887,000 (3,792,000); British Columbia, 1,114,000 (1,082,000); Alberta, 871,000 (846,000); Saskatchewan, 861,000 (854,000); Manitoba, 778,000 (757,000); Nova Scotia, 645,000 (635,000); New Brunswick, 516,000 (503,000); Newfoundland, 348,000 (322,000 in 1945); Prince Edward Island, 90,000 (93,000); Northwest Territories, 16,000 (16,000); Yukon, 8,000 (8,000).

Marshall Aid Shipments: Ottawa - Canada shipped almost \$23,000,000 worth of goods under Marshall Aid in August, the Trade Department said on September 14; sending the value of Canadian shipments since the plan began a year ago to more than \$800,000,000.

Explosion Caused Air Crash: Quebec - A coroner's jury yesterday blamed the deaths of 23 persons in last Friday's crash of a Canadian Pacific Airlines plane on a mysterious explosion in a forward luggage compartment.

Election of ICAO Officers: Election by the Council of the International Civil Aviation Organization of three Vice-Presidents, and of Chairmen of ICAO Committees, was announced on September 14 by Dr. Edward Warner, President of the Council. Vice-Presidents of the Council elected for a one-year term are: First Vice-President, Lt. Colonel Jean Verhaegen (Belgium); Second Vice-President, Dr. K.N.E. Bradfield (Australia); Third Vice-President, Commodore D.A.F. Grassi (Argentina). Brigadier C.S. Booth, of Canada, was elected Chairman of the Air Transport Committee, and Admiral Paul Smith, of the United States, Chairman of the Committee on Joint Support of Air Navigation Facilities.

Across Canada: Between 40 and 50 babies are ill with dysentery in the Wikwemikong Indian Reserve near Little Current, Ont., and between 10 and 20 Indian infants are believed to have died of this disease recently. Robert H. Carlin, Canadian organizer of the International Union of Mine, Mill and Smelter Workers (C.I.O.) yesterday was barred for life from the United States. Carlin, who represented Sudbury as a C.C.F. member of the Ontario Legislature in 1943 and 1945 was expelled from the Party before the 1948 election for alleged "communist influence." He was defeated in the 1948 election when he ran as an Independent.

Two dead babies - 30 -



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Vol. 1, No. 5

Friday, September 16, 1949.

Speech From The Throne: The paragraphs in the Speech from the Throne which forecast parliamentary action at the 21st Session of Parliament, opened on September 15 by His Excellency, the Governor General, are as follows:

"....With the admission of the new Province of Newfoundland the Canadian nation attained the geographical limits planned by the Fathers of Confederation. You will be asked at the present Session to approve measures designed to facilitate the attainment of the constitutional limits of our nationhood. To this end, a Bill will be introduced to amend the Supreme Court Act so that the Supreme Court of Canada will become the final court of appeal for Canada.

"You will also be asked to approve addresses praying the Parliament of the United Kingdom to vest in the Parliament of Canada the right to amend the constitution of Canada in relation to matters not coming within the jurisdiction of the Legislatures of the Provinces nor affecting the constitutional rights and privileges of the Provinces or existing rights and privileges with respect to education or the use of the English and French languages.

"My Ministers will seek to arrange for early consultation with the provincial Governments with a view to agreeing upon an appropriate procedure for making within Canada such other amendments to the constitution as may from time to time be required....

"A measure will be introduced to consolidate the legislation respecting the defence forces and the Department of National Defence....

"While more housing units are being built this year than ever before the demand for housing continues. Following discussions with the Governments of the Provinces your approval will be sought for legislation to broaden the scope of the National Housing Act.

"A Bill to provide for the continuance of functions now vested in the Department of Reconstruction and Supply, including the ministerial responsibility for the Central Mortgage and Housing Corporation, will be placed before you for your approval.

"You will also be asked to approve a measure to enable the Government to assist in the provision of a trans-continental highway....

"Measures demanding your consideration will include a Bill respecting a National Trade Mark and True Labelling; a Bill respecting Forest Conservation; a Bill to incorporate the Canadian Overseas Telecommunication Corporation; a Bill respecting assistance to the ship-building industry and merchant shipping; a Bill to extend the life of the Export and Import Permits Act; and Bills to amend the Exchequer Court Act, the Industrial Development Bank Act, the Emergency Gold Mining Assistance Act, the Prairie Farm Assistance Act, the Customs Act, and the Veterans' Land Act of 1942...."

Federal - Provincial Conference: Ottawa, September 15 -- (CP) -- Prime Minister St. Laurent today requested all provincial Premiers to meet with the federal Government to seek agreement on ways of amending the constitution to establish within Canada "full and final responsibility for all our national affairs."

(over)

In a letter sent to the Premiers, Mr. St. Laurent suggested that a federal-provincial conference be held after the current session of Parliament. However, if the provincial Governments wanted it, a preparatory conference would be held immediately by federal-provincial constitutional experts.

The Prime Minister tabled in the Commons a copy of the letter to Premier Frost of Ontario and Premier Duplessis of Quebec. Similar letters, he said, were sent to the other eight provincial leaders.

Earlier, the Government gave notice in the Speech from the Throne that it will ask the United Kingdom Parliament for the right to amend the constitution in relation to such matters which do not come within the jurisdiction of the Provinces.

Mr. St. Laurent said in his letters that the Government only wants authority to amend the constitution on a federal or national level. It did not want to interfere with the rights and privileges of the Provinces....

To Nationalize External Telecommunications: Ottawa, September 15 -- (CP) --

Nationalization of all external telecommunications systems operating in Canada is the objective of a government measure to be presented at the current session of Parliament.

The Speech from the Throne today announced the Government would ask consideration of "a bill to incorporate the Canadian Overseas Telecommunication Corporation."

If carried out the proposal will bring Canada into line with other members of the British Commonwealth which have taken similar action or are in the course of doing so.

The bill would authorize the Government to set up a Crown company to take over the assets and administration of existing Canadian interests carrying on external telecommunications services. It would not involve domestic communications.

Crop Estimates Lowered: Canada's 1949 wheat crop is now placed at 371,-600,000 bushels by the Bureau of Statistics in its second estimate of principal field crops. This estimate is almost 20,000,000 bushels below the first estimate in mid-August. This year's production is being obtained from a seeded area estimated at 27,500,000 acres yielding at the rate of 13.5 bushels per acre.

Oat production is currently estimated at 322,000,000 bushels, barley at 125,100,000, mixed grains at 55,000,000, rye at 10,400,000 and flaxseed at 2,300,000 bushels. The outturn of hay and clover is placed at 11,200,000 tons and alfalfa at 2,500,000 tons.

With the exception of oats and rye, the second estimates of production of grain crops, potatoes and hay and clover are somewhat lower than the estimates released on August 16. In the case of most grain crops, abnormally high temperatures during August caused premature ripening over large sections of the Prairie Provinces with attendant losses in both yield and quality.

Church Of England Synod: Halifax, September 15 -- (CP) -- The Upper House of the 17th General Synod of the Church of England in Canada tonight vetoed two proposed amendments to the Church's marriage laws.

One motion, passed earlier by the Lower Chamber, would have permitted the "innocent party" to a divorce to remarry and keep all Church sacraments.

The Upper House also decided its remarriage laws would not be widened to cover divorce and dissolution. This means the only persons who now can be remarried under Church law are those whose previous marriages have been nullified by a civil court....

Speakers Chosen: Ross Macdonald, Member for Brantford, and former Deputy Speaker of the House of Commons, and Senator Elie Bauregard, were chosen Speakers of the House of Commons and Senate respectively..

GOVERNMENT



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Vol. 1, No. 6

Monday, September 19, 1949.

Foreign Exchange Dealings Suspended: Ottawa, September 18 (CP) -- The Government tonight ordered suspension in foreign exchange dealings until Tuesday, Finance Minister Abbott announced.

The one-day halt in foreign exchange dealings arose out of the decision by the United Kingdom Government to devalue the pound sterling by 30 per cent to \$2.80, Mr. Abbott said.

He issued a brief statement following announcement in the U.K., Western Europe and Commonwealth countries cutting the value of their currency. Mr. Abbott said he would make a statement on government policy in the Commons tomorrow night.

He gave no indication whether the Government will devalue or allow the Canadian dollar to remain on par with the United States dollar.

Text of statement follows:

"In view of the decision reached by the United Kingdom Government to devalue the pound sterling by 30 per cent and similar action which has already been taken by a number of other countries, the Government of Canada has instructed the Chairman of the Foreign Exchange Control Board to advise all authorized dealers and agents of the Board not to deal in foreign exchange in Canada until the rates effective as of the opening of business Tuesday, September 20, are communicated to them by the Board.

"I shall be making a statement as to the policy of the Canadian Government arising out of these changes in the House of Commons tomorrow, Monday evening."

Meanwhile, there was speculation that the official rate of exchange on the Canadian dollar in relation to United States money would be fixed at something closely related to its value in the open U.S. market. It fluctuates there at a discount of between 6 and 10 cents. The Canadian dollar official rate now is at par with the U.S. dollar.

This move, if taken, would be a protection against loss of Canadian markets in the United States for goods which, under the devalued pound, could be purchased more cheaply in the sterling area.

It was believed in some quarters that without devaluation of the Canadian dollar, U.K. exporters might be able to sell their goods at a cheaper price in Canada than could Canadian manufacturers.

The same would hold true for the United States market. Britain would be able to sell goods at a better price than could the Canadian exporter....

Pound Sterling Devalued: London, September 18 (CP) -- Great Britain tonight cut 30 per cent off the value of the pound sterling in a last-ditch bid to spur her exports and ease her dollar crisis. Five other countries devalued at the same rate.

South Africa cut her pound from \$4.03 to \$2.80. Australia dropped her pound from \$3.22 to \$2.24. India, a third country in the sterling area, reduced the rupee from 30.225 cents to 21. Denmark made the dollar worth 6.90714 kroner instead of 4.79901. Norway made the dollar worth 7.14286 kroner instead of 4.96278.

Up to now it has taken \$4.08 to buy a pound at the official rate. Under the new rate it will take only \$2.80.

(over)

Sir Stafford Cripps disclosed in a broadcast that the decision to devalue had been made before he and Foreign Secretary Bevin left London August 31 to attend the British-U.S.-Canadian monetary talks in Washington.

"We did not then announce it because we wanted to tell our American and Canadian friends first and to inform all the members of the Commonwealth, and also because it takes a little time to arrange these matters," he said.

Banks and stock exchanges will be closed in Britain tomorrow as the new rates go into effect....

"Painful Return To Reality" -- Gazette: The lead editorial of the Montreal Gazette this morning, dealing with the devaluation of the British pound and headed, "A Painful Return To Reality," concludes as follows:

"...Not only in Britain, but in many other countries, there will now be a difficult but necessary return to economic reality. The process is certain to be painful to all concerned, but particularly so to those countries that have raised untimely structures upon artificial foundations. For this reason the way may be opened not only for sound economic readjustment, but to unsettling political embarrassment and unfortunate international misunderstanding."

No Half Measures -- The Globe: The Globe and Mail of Toronto also devotes its first editorial this morning to the pound devaluation, commenting, in part, as follows:

"...Actually the announcement was made to the first plenary session of that (Washington) parley, and the atmosphere of extreme optimism which characterized the labours of that week now is wholly understandable. The conference was neither toying with half-measures nor probing for new palliatives. It was arranging a many-sided pattern of international co-operation which would supplement the effects of devaluation and give this drastic step a chance to procure for Great Britain maximum benefits at early dates...."

"Noronic" Burns; Dead Near 200: Fire of unknown origin destroyed the Great Lakes summer-cruise ship "Noronic" in her slip in Toronto Harbour during the early hours of Saturday morning causing, it is now believed, almost 200 deaths. By Sunday night the authorities counted 121 bodies in the morgue and 84 persons unaccounted for. There were 479 survivors out of a total complement of 684; passengers and crew.

It was the worst ship fire disaster in a century of Great Lakes history and it was felt probable Sunday night that the exact death toll would never be known. It was held certain that some of the dead would never be identified. Many parts of the ship remain to be searched. The "Noronic," a great, white, 387-foot-long pleasure ship, was on her last trip of the season, to the Thousand Islands. She had put into Toronto at 6 p.m. Friday evening after picking up passengers at Cleveland and Detroit. Most of the passengers were Americans from the two cities.

Scores of persons jumped overboard in an effort to escape death and lifeguards dragged from a rowboat for bodies of those who might have been drowned.

Four separate investigations were under way today as the authorities probed for evidence as to the cause of the mysterious fire.

The Canada Steamship Lines held that many of the passengers unaccounted for had escaped and left for their homes without reporting their escape.

Schuman Visits Martyrs' Shrine: Midland, Ont. -- Robert Schuman, French Foreign Minister and former President of France, on September 16 visited the Martyrs' Shrine here and unveiled a plaque.

Across Canada: The Minister of Labour, Mr. Mitchell, announced on September 16 that federal labour legislation would come into force in the Province of Newfoundland on September 19.



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Vol. 1, No. 7

Tuesday, September 20, 1949.

Canadian Dollar Devaluation: Following is partial text of the statement made in the House of Commons on September 19 by the Minister of Finance, Mr. Abbott, on the devaluation of the Canadian dollar, following the announcement of the devaluation of the British pound, on September 18:

"...The action which the United Kingdom has now taken constitutes a courageous and positive effort by the British people to do their part in the common endeavours that are necessary to provide the basis for a real and enduring recovery of world trade...."

"The action taken by the Government of the United Kingdom, and followed by many other countries, has, aside from the longer-run effects, important immediate implications for Canada, as well. It is clear, now, that a widespread and substantial readjustment of currencies is under way."

"The Canadian economy is bound to be affected by changes in the exchange rates of countries which take so large a part of our exports. We are bound to be affected also by any changes in prices which prevail in our most important markets and sources of supply."

"In considering the immediate and prospective impact upon Canada we have to look particularly at our balance of payments and foreign exchange position. Because of the dislocations in world trade which have prevailed since the end of the war, foreign exchange policy has been a major factor in our affairs...."

"While....our exchange reserves have recovered substantially since the end of 1947, they have not been restored to the level which is adequate for our needs. In these circumstances it is highly desirable to pursue policies which would help to prevent a deficit in our trading position...."

"In these circumstances the Government has decided to adjust the exchange value of the Canadian dollar to the extent considered necessary."

"Canada's basic position will continue to be strong. Our exports have been and will continue to be competitive. Our production is efficient and our costs are relatively low. Because of these underlying factors the Government has felt that an adjustment of 10% is appropriate. Such a change requires consultation with but not the approval of the International Monetary Fund. This consultation took place today. An Order-in-Council has therefore been passed adjusting our exchange rates on the basis of a 10% premium on the U.S. dollar. The Chairman of the Foreign Exchange Control Board has been instructed to advise all authorized dealers and agents of the Board that rates effective as from the opening of business Tuesday, September 20, will be as follows:

	<u>Buying Rate</u>	<u>Selling Rate</u>
U.S. dollars -	\$1.10 per U.S. dollar	\$1.10½ per U.S. dollar
Sterling -	\$3.07¼ per £	\$3.08¾ per £."

In Parliament On September 19: Transport Minister Chevrier announced the appointment of Mr. Justice R. L. Kellock of the Supreme Court of Canada as Commissioner to investigate the S.S. Noronic disaster.

The House of Commons defeated by a vote of 136 to 50 a CCF want-of-confidence motion expressing regret that the Government has failed to eliminate the means test from old-age pensions provisions.

George Drew, Progressive Conservative Leader, said that devaluation of the dollar was only the beginning of the solution to the problem of finding a way in which sterling countries can buy Canadian products.

Prime Minister St. Laurent outlined the Government's plan to further Canada's constitutional development.

M. J. Coldwell, CCF leader, said the Government's overwhelming mandate had removed any reasons for delay in implementing its social security programme.

Solon Low, Social Credit Leader, criticized the press for suggestions that the smaller parties be denied recognition in the Commons.

"Noronic" Disaster: Toronto, September 19 -- (CP) -- Statistics on the S.S. Noronic fire fluctuated unevenly today.

From a confused picture of ever-changing figures given out by several official sources, the Canadian Press arrived at this summary at 6 p.m. EDT: 119 known dead, 86 missing and 479 survivors from a passenger and crew total of 684.

As official machinery was set in motion for formal investigations into the fire that gutted the luxury Canada Steamships Line cruise ship at her Toronto pier early Saturday, a company executive said he felt certain no more bodies would be found.

In addition to the Commission announced by Mr. Chevrier (see above) Attorney-General Dana Porter of Ontario announced that the Province will appoint a judge to head a special coroner's panel at an inquest....

Canadian Chamber Of Commerce: Montreal -- (CP) -- Prime Minister Louis St. Laurent and Economic Co-operation Administration Director Paul G. Hoffman will be among visitors at the 20th annual meeting of the Canadian Chamber of Commerce here October 25-27, it was announced on Monday.

Export And Import Prices: Prices of Canadian domestic produce exported and those of commodities imported into Canada for consumption during 1948 were both more than twice as great as the average prices of the years 1935 to 1939, the rise in export prices being slightly more than in import prices, according to a new series of price indexes for commodity exports and imports prepared and recently released by the Bureau of Statistics. Both export and import prices advanced considerably more than wholesale prices in Canada over the same period.

Foreign Vehicle Entries: Foreign vehicles entering Canada on traveller's vehicle permits in August totalled 426,700, showing an increase of five per cent over the same month last year, according to the Bureau of Statistics. This raised the cumulative total for the first eight months of this year to 1,453,070 from 1,319,870, or by slightly more than 10 per cent.

Coal Production: Continuing the downward trend of recent months, production of coal in Canada was 10 per cent lower in August than in the corresponding month last year, but was up one per cent in the first eight months of the year. Imports were down 51 per cent in the month and 25 per cent in the cumulative period. According to figures issued by the Bureau of Statistics, the all-Canada output in August totalled 1,243,100 tons as compared with 1,383,700 a year earlier.

Across Canada: Suspension of the Communist-led Canadian Seamen's Union from the Trades and Labour Congress of Canada was confirmed Monday at the Annual Convention of the Congress at Calgary....Devaluation of the Canadian dollar was expected to increase next season's American tourist business....The question of compelling the use of fire resistant paints on all passenger ships was raised in the House of Commons yesterday during discussion of the "Noronic" disaster.... Headed by Mayor Aaron Horovitz, of Cornwall, as President, an incorporated company composed of Cornwall citizens has purchased Roosevelt International Bridge, it was announced on Monday.

GOVERNMENT



OF CANADA

DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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Vol. 1, No. 8

Wednesday, September 21, 1949.

Mr. Pearson Elected Chairman: New York, September 20 -- (CP) -- The Secretary of State for External Affairs, Mr. Pearson, was today elected to one of the highest posts in the United Nations fourth assembly. He will be Chairman of the Political Committee which handles the thorniest UN problems.

Pearson, due to arrive here tomorrow from Ottawa, received 49 of the 56 valid votes cast. Adolph Hoffmeister, Czech Ambassador to France, won five votes. One vote went to Joseph Bech of Luxembourg. Three countries abstained.

Paul Martin, Canada's Health Minister, expressed Pearson's appreciation for the "high honour".

"Mr. Pearson will devote his full time, with full appreciation of the importance and great significance of his high office," Martin said.

Dr. José Arce of Argentina nominated Pearson. Arce previously had been named as the Canadian's strongest contender but he announced last night he would not run.

Paul van Zeeland, Belgium's Foreign Minister, seconded Pearson's nomination.

The 52-year-old Canadian Minister has previously held important jobs in the UN Assembly. He was Chairman of the Political Committee at the special session in 1947 at which a partition plan for Palestine was drafted.

Abolish Privy Council Appeal: Ottawa, September 20 -- (CP) -- The right of every Canadian to an equal opportunity in the courts of law was expounded today by Justice Minister Garson as he opened debate in the Commons on a bill to abolish appeals to the Privy Council.

Moving second reading of the bill, he declared it is one of the steps toward making Canada a truly self-governing country.

Mr. Garson delivered a 2,000-word address on the bill which will make the Supreme Court of Canada the final and highest court to which Canadians may appeal.

It is the first of two steps proposed by the Government toward "complete nationhood of our country."

The other, to be introduced later at this session, will ask the United Kingdom Government to clear the way for Canada, in future, to amend her own constitution on federal matters without any outside permission....

Contending that the bill aims at equality for Canadians, rich or poor, in the courts, Mr. Garson said it will remove the high cost of taking a case to England and paying lawyers to argue it before the Privy Council.

"The extra appeal to the Privy Council gives a great advantage to the wealthy, reckless litigant who having lost his case in our Supreme Court can by the threat of further expensive proceedings force a poor or prudent respondent to choose between having his judgment discounted into an unfavourable settlement, and risking the hazards and the expense of another appeal to a court of another continent."

Mr. Garson supported the measure on other grounds: That the present situation left the interpretation of Canada's laws to a court in which Canada has no representation; and that the existence of the right of appeal to a court in another country -- as highly regarded as it may be -- barred the way to complete autonomy for Canada.

Appeals to the Privy Council was one of the "two badges of colonialism" retained by Canada which the Government proposed to repeal.

The other was the fact that Canada could not alter her constitution without legislation being passed by the United Kingdom to clear the way for such action....

In Parliament On September 20: Agriculture Minister Gardiner said the Government will consider a request for freight-rate assistance in moving feed grain into Prairie drought areas.

The House of Commons considered agriculture estimates, with various members expounding their views.

Senator Adelard Godbout (Lib.--Quebec) and Senator Ray Petten (Lib.--Newfoundland) moved and seconded the Address in Reply to the Speech From The Throne in the Senate.

Quebec Provincial Lottery: Chicoutimi, Quebec, September 20 -- (CP) -- Premier Duplessis tonight announced that his Union Nationale Government during the next session of the Quebec Legislature would present a law to institute a provincial lottery.

The Premier made the announcement during a speech here before the annual meeting of the Union of Proprietors' Leagues at Quebec Province.

The Premier said his Government favoured a state lottery, controlled by the Province for "legitimate purposes, such as education and public health."

"At the next session, we will propose a measure so that Quebec Province may benefit from a lottery of its own," he added.

The Premier's words came after the 400 delegates to the Proprietors' convention adopted a resolution asking the establishment of a provincial lottery for education purposes.

Canadian Commercial Corporation: Business activities of the Canadian Commercial Corporation during the year ended March 31, 1949, involving more than \$200 million, were reviewed in the annual report of the Crown-operated agency, tabled on September 20 in the House of Commons by the Minister of Trade and Commerce, Mr. Howe.

A total of 65,308 contracts, amounting to some \$145 million, were placed by the Canadian Commercial Corporation on behalf of the Department of National Defence. These contracts were for manufactured goods, construction and service, and included \$16.5 million for the construction of 1,624 houses.

Foreign governments and agencies used the services of the Canadian Commercial Corporation to make purchases in Canada valued at more than \$35.7 million.

Buying Absentee Owners' Farms: The Department of External Affairs has been advised that the Japanese Government has enacted special measures for the establishment of owner farmers. The Japanese Government is purchasing agricultural properties of all absentee owners of Japanese nationality.

Exemption is provided, however, for owners of such land who, according to records in Japan, have renounced or lost their Japanese nationality prior to October 21, 1946. (For further details see Press Release No. 61).

Across Canada: Golds and industrial issues dropped sharply in afternoon trading yesterday on the Toronto Stock Exchange. After hesitancy for the greater part of the session, traders apparently decided that Monday's upsurge was more than currency devaluation news justified.... The death toll in the Noronic disaster was sharply reduced to a probable maximum of 150 when the Canadian Press completed independent compilation of the list of victims.... Communists in the Trades and Labour Congress of Canada were beaten down as the T.L.C. Convention at Calgary rejected a series of left-wing resolutions on trade after heated debate.



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Vol. 1, No. 9

Thursday, September 22, 1949.

New Housing Programme: Ottawa, September 21 -- (CP) -- The federal Government today outlined a programme aimed at solving Canada's housing shortage through encouraging home ownership and by providing both low-rental and subsidized-rental dwellings.

The programme read to the Commons by Reconstruction Minister Winters, disclosed that the federal Government plans to amend the National Housing Act to cut approximately in half the down payment now required of prospective home owners.

The Minister's statement included the following points:

One hundred thousand new housing units will likely be built in Canada this year, but this will barely meet current needs and hardly touch demand backlog.

The National Housing Act will be amended to provide loans that will approximately cut in half the down payments on reasonably-priced homes.

There will be amendments later concerning housing co-operatives.

A federal-provincial partnership is envisaged on a 75-25 per cent financial basis to undertake a potential three-point programme of land assembly, construction of houses for sale, and of rental units.

The Provinces would arrange for the land and services, and would get municipal requests for aid. Ottawa would plan, design and construct the projects. There would be joint management of each project.

Municipalities would get in lieu of taxes an amount equivalent to normal revenues. They also could share the Provinces' 25 per cent part of the financing.

It can't be forecast whether all Provinces will accept the partnership proposal, but all have discussed it "in a most friendly manner."

It is hoped that the present form of veterans' rental housing programme can be merged into the plan. Ottawa would be willing to extend veterans' preference to any project.

Foreign Ministers' Visits: The Department of External Affairs announced on September 22 that the Foreign Minister of Italy, Count Carlo Sforza, the Foreign Minister of Belgium, Mr. Paul van Zeeland, and the Foreign Minister of France, Mr. Robert Schuman, are coming to Ottawa at the invitation of the Canadian Government in the course of the next two weeks. Countess Sforza will accompany Count Sforza. The Canadian Government understands that Mr. Ernest Bevin, Secretary of State for Foreign Affairs of the United Kingdom will also visit Ottawa at the beginning of October. (For further details see Press Release No. 63.)

Gold Subsidies Continue This Year: Ottawa, September 21 -- (CP) -- Canadian gold mines will get the benefit of both dollar devaluation and federal subsidies until the end of this year.

Next year, Resources Minister Gibson told the Commons on Wednesday, the amount of the subsidy will be reduced by \$3.50 an ounce--the amount gold increased in price as a result of devaluation of the Canadian dollar....

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U. Of T. \$16,000,000 Building Programme: A building programme to cost \$16,000,000, unmatched in the history of any Canadian university, was announced for the University of Toronto on Wednesday by President Sidney Smith. The President revealed the plans in his opening address for the 1949 academic year to staff and students of all faculties in crowded Convocation Hall.

Among new buildings slated on the campus are an arts building; a new building for medical research to be known as the Charles H. Best Institute; a women's building; a new library building; a men's residence for University College; and an addition to the heating plant.

Radiologists' Conference: Leading radiologists and health physicists of Canada, the United Kingdom and the United States will attend a conference on radiation tolerances to be held at the Canadian Atomic Energy establishment at Chalk River, Ontario, September 29-30, the Atomic Energy Control Board announced today. (For further details see Press Release No. 62.)

Harvesting Report: Harvesting in Manitoba and Saskatchewan is nearly finished, although wet weather has delayed completion of cutting and threshing in some northern areas, particularly Saskatchewan. The harvest is about completed in southern Alberta, but in central and northern areas of the Province cool, wet weather has retarded progress to the extent that threshing will not be finished before early October. Heavy frosts have caused considerable grade and yield loss to coarse grains in this area, the Bureau of Statistics reported on September 20.

Fisheries Commissioner: Announcement was made on September 20 by the Minister of Fisheries, Mr. Mayhew, that George Clark, Director of Pacific and Inland Fisheries, has been appointed a member of the International Fisheries Commission. The Commission is a joint Canada-U.S. body which deals with the preservation of the halibut fishery of the northern Pacific Ocean and Bering Sea. Mr. Clark, whose headquarters are at Ottawa, replaces Steward Bates, Deputy Minister of Fisheries.

Across Canada: An oath of allegiance to the Crown for officers of the Trades and Labour Congress of Canada was ordered Wednesday by the T.L.C.'s convention at Calgary....Amalgamation of Toronto and that city's 12 surrounding suburban municipalities is being discussed.... The Minister of Trade and Commerce, Mr. Howe, was reported to be flying back to Ottawa following the second session of the Anglo-Canadian-American talks on atomic co-operation.



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Vol. 1, No. 10

Friday, September 23, 1949.

8 Per Cent Freight Rate Rise: Ottawa, September 22 -- (CP) -- An eight per cent general freight rate increase -- expected to net the railways about \$30,000,000 in additional annual revenue -- was granted today by the Board of Transport Commissioners.

A Board order, bringing the new rate into effect, likely will be issued within the next 10 days.

The boost was authorized as a temporary measure, pending further consideration of the carriers' application for a general increase of 20 per cent. With it the Board allowed an eight-cent-a-ton increase in shipping rates on coal and coke.

The eight per cent increase is the second rates boost in 18 months. A 21 per cent hoist was allowed in March, 1948. These increases shot the total freight rate climb up 30.68 per cent since March last year.

The 21 per cent increase allowed in March last year--the Board's answer to the carriers' request for a 30 per cent boost--was considered too high in the Transport Commissioners' majority report.

Chief Commissioner M. B. Archibald and Commissioner H. B. Chase said a 15 per cent increase would have been sufficient to meet the roads' operational requirements.

Although allowed to stand, the 21 per cent increase had a bearing in considering the new application, said the Chief Commissioner.

A Transport Board official later explained that when the 20-per cent application is again considered--possibly next spring--the fact that the original 21-per-cent boost was considered too high will have a direct bearing on the Board's final decision.

However, a minority judgment by Hugh Wardrope, one of the three commissioners considering the new, and reviewing the old case, said the 21 per cent increase was not too high....

Canada's Marketing Position: Ottawa, September 22 -- (CP) -- Trade Minister Howe told the Commons today he hopes an improvement in Canada's marketing position will result from deliberations going on in Ottawa between Canadian and United Kingdom officials.

He was replying to a question asked by H. R. Argue (C.C.F. -- Assiniboia.)

"In view of Canada's new disadvantage in the British market, caused by devaluation of the pound, is the Minister in a position to announce what steps are contemplated to maintain the British market and whether negotiations will be entered into with British officials for the purpose of renewing our food contracts?" Mr. Argue asked.

Mr. Howe replied that the question began by making a statement which he hardly thought was correct.

He disagreed that Canada had a disadvantage in the British market.

"I think, if anything, Canada is in a better competitive position in the British market than she was prior to devaluation," he said.

"As far as negotiations between officials being made in regard to trading relations are concerned, I may say that the continuing committee, which was set up at the time of the visit of Sir Stafford Cripps, is meeting in Ottawa at this moment...."

In Parliament On September 22: (CP) Transport Minister Chevrier said he believes the Government has no right to interfere with the Board of Transport Commissioners' award of an eight-per cent freight-rate increase.

John Diefenbaker (PC--Lake Centre) made a plea for government action to protect the rights and privileges of Canadians.

Alistair Stewart (CCF--Winnipeg North) said the Government is toying with the housing situation.

Howard Green (PC--Vancouver) urged the Government to support a Pacific-defence treaty.

Senator Arthur Roebuck (Lib--Ontario) in the Upper Chamber suggested reforms in Canada's system of appointing and paying magistrates.

Canada-U.K. Committee Meeting: The Department of External Affairs announced on September 22 that the Canada-United Kingdom Continuing Committee on Trade and Economic Affairs will meet in Ottawa beginning September 23. (For further detail see Press Release No. 64.)

Campaign Medals: Although a total of eleven campaign stars and medals will be distributed to former members of the Canadian armed forces in the Second World War, the most any one individual can be awarded is eight, according to the Minister of Veterans Affairs, Mr. Gregg. Distribution of the stars and medals is expected to start about October 1, with it being necessary for all veterans to make application in order to insure that addresses are accurate.

"The war service records division of the department, which has been checking the files in order to establish eligibility, has not yet been able to locate a veteran who will receive all eight," Mr. Gregg said. "There are a few we know of who will receive seven, but we can't yet say positively that any Canadian veteran will receive eight."

The rarest decoration for the Canadian forces is the Burma Star. Only 5,200 of these will be distributed by Canada, with the majority of the recipients members of the R.C.A.F. who served in that theatre. Army personnel who receive this star will largely be those of Chinese or Japanese extraction sent to Burma to serve on intelligence duties or as interpreters.

Geology Research: Formation of seven sub-committees to deal with research on the various phases of geology was announced at Ottawa by the Minister of Mines and Resources, Mr. Gibson, following the first meeting of the National Advisory Committee on Research in the Geological Sciences.

The National Advisory Committee, composed of representatives of the larger provincial Departments of Mines, geological faculties of universities, and the Geological Survey of Canada, was established by Order in Council, to set up fundamental research projects, correlate geological research in Canada, and maintain close liaison with the mining industry so that a programme to meet industrial needs to best advantage may be planned.

Across Canada: Visitors to the National Parks and National Historic Parks of Canada during August numbered 485,133, bringing the total for the first five months of the fiscal year 1949-50 to 1,502,650, a substantial increase over the record five-month total of last year.... James M. Macdonnell, financial critic of the Progressive Conservative Party in the last Parliament, was chosen Progressive Conservative candidate yesterday for the riding of Toronto-Greenwood in the October 24 bye-election.



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Vol. 1, No. 11

Saturday, September 24, 1949.

Statement On Atomic Bomb: The Canadian Press reported in part, as follows this morning on Prime Minister St. Laurent's amplification in the House of Commons yesterday of President Truman's earlier announcement that within recent weeks an atomic explosion had occurred in the U.S.S.R.:

Ottawa, September 23 -- (CP) -- Canada's defence planners for some years have assumed Russia would eventually produce an atomic bomb and have known for some time that the development was "getting very close," authoritative quarters said today.

Prime Minister St. Laurent repeated to the Commons President Truman's earlier announcement that "within recent weeks an atomic explosion occurred in the U.S.S.R." and informed sources indicated this picture of what it means to Canada:

1. She will not revise atomic policy and go into A-bomb production, although she is capable of doing so at the Chalk River pilot plant, 125 miles northwest of Ottawa.

2. Key authorities in Ottawa have known for some time the Soviet work was getting dangerously near fruition in atomic experiments. Mr. St. Laurent said the Government concurred in announcement of the explosion.

3. As the crystallization of assumption it will add a new sense of urgency to military preparations, but will neither change the basic concept of defence planning nor provoke any great new rush in the gradual construction of standing forces.

From a defensive standpoint Canada's strategy is based on the belief she should have certain forces ready by a certain time. The strategists still think they have about the same amount of time to get those forces ready. They probably won't be fully ready for at least two years.

There is as yet no indication of official feeling that this development brings war nearer. The stabilized atmosphere created by the Atlantic Pact has not been noticeably shaken.

The Commons heard Mr. St. Laurent's announcement without either unusual interest or great outward concern. Members clapped lightly at the conclusion of a brief statement which he ended with these words:

"May I express the hope that with new knowledge may come a new sense of shared responsibility for, and an equal interest in, agreeing to an effective, enforceable international control of atomic energy, so that this new force can be used solely for peaceful ends."

That is the line Canada has been hammering for years in the United Nations. It has been frustrated by clashing Russian and Western views about the methods and sequence of control.

Mr. St. Laurent went into the Commons from a special brief meeting with a dozen or so cabinet colleagues in his own office near the Chamber. Among them was Trade Minister Howe, the Cabinet's atomic expert.

Mr. Howe is believed to have known of the Russian explosion when he went to Washington early this week for exploratory Anglo-American-Canadian talks reported dealing with renewal of an exchange of atomic information....



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Vol. 1, No. 12

Monday, September 26, 1949

Mr. Pearson Speaks On Atomic Explosion: New York, September 25 -- (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said tonight that knowledge of an atomic explosion in Russia should not come as a surprise or alter Canadian policies.

News of the explosion merely underlines the conclusion that atomic energy must be brought under absolute international control, Pearson said in an address prepared for a CBC Canada-wide broadcast.

Pearson noted that Foreign Minister Vishinsky of Russia made no reference to the news of the atomic explosion in his address Friday before the United Nations General Assembly.

"His speech gave no indication of any change whatever in Soviet policy," said Pearson, head of a 36-man delegation to the Assembly.

Pearson said Vishinsky's speech included "some old Soviet propaganda proposals about disarmament and peace, put forward in a slightly revised form."

"There was nothing new in it--not even the terms of abuse were new," Pearson added.

Meanwhile, small powers in the U.N. were reported putting pressure on the big powers to curb the atomic bomb quickly.

Carlos P. Romulo, President of the Assembly, set the pace with the demand that the present Assembly which he wants to be known as the "Peace Assembly," face up to the problem.

Pearson said any one of a dozen states will have, in the not-far-distant future, the power to threaten the survival of mankind.

"The knowledge that there has been an atomic explosion in Soviet Russia should not surprise us or alter our policies in any way," he said. "Nor should it alarm us any more than we should be alarmed by the very existence of the bomb itself."

He added:

"Friday's news. . .merely underlines and reinforces the conclusion that atomic energy must be brought under international control in such a way that we can be absolutely sure that no bombs are being made and will not be made by anyone; and that this great new source of power is being developed for constructive purposes alone."

In Parliament On September 23: (CP) George Drew, Progressive Conservative Leader, moved to delay abolition of appeals to the Privy Council. He moved the Bill be given a six-month hoist.

Prime Minister St. Laurent said he could not accept the hoist. He was supported by M. J. Coldwell, CCF Leader, and Solon Low, Social Credit Leader.

Agricultural estimates were considered.

World Trade Picture: Ottawa, (CP) -- Canada reduced imports from the United States by more than 10 per cent during July, but still ran \$54,200,000 into the red. For the first seven months of 1949, the Bureau of Statistics reported, Canada continued to buy more in the U.S. than she sold and piled up a deficit of \$362,500,000.

On total world trade, Canada was \$41,900,000 ahead. But this was a sharp drop from the surplus of \$177,200,000 during the first seven months of last year.

The Bureau's trade statistics did not include exports of gold. But during the first seven months of 1949, Canada has exported \$72,800,000 in gold. This has the effect of reducing the U.S. deficit--and increasing the overall surplus--by that amount.

During July, Canada sold the U.S. goods worth \$104,400,000, the lowest total of any month this year. Imports fell to \$160,000,000, a drop of nearly \$17,000,000 from July imports. For the seven months, U.S. imports have been \$1,169,000,000 and exports have been \$795,300,000.

At the same period last year, the adverse balance with the U.S. stood at \$256,800,000 and it was \$572,900,000 in 1947....

Say Bomb Wrecked Airliner: Quebec, September 25.--Police during the weekend extended from a shoddy downtown district in Quebec to remote St. Lawrence North Shore points their investigations into a "love-plot" bomb explosion that allegedly wrecked a CPA airliner on September 9, killing 23 persons. On Saturday they took J. Albert Guay, Quebec jeweller, to court and accused him of murdering his wife via the plane crash in which she was one of the victims. The connection of other persons, who may have unknowingly aided Guay in the plot, is being investigated, press reports say.

Detroit Noronic Inquiry: A second inquiry into the cause of the fire which gutted the steamer Noronic in Toronto harbor September 17 opened in Detroit on Monday.

Coroner Samuel R. Gerber, of Cleveland, ordered the inquest at the request of Attorney General Porter of Ontario. The first hearing concluded in Cleveland last week.

The toll of the ship disaster stood at 139 on Sunday night. Officials at the temporary morgue in the horticultural building of the CNE said 92 victims had been identified.

Nationalize External Communications: Ottawa, September 25 (CP) -- Transport Minister Chevrier said Saturday the Government will spend \$4,500,000 to nationalize all external communications systems operating in Canada. Domestic communications will not be involved.

A Crown company, to be known as Canadian Overseas Telecommunications Corp., will be set up to administer the property and equipment of Canadian Marconi Co. of Montreal and Canadian interests of Cable and Wireless Ltd., a United Kingdom company.

A resolution preliminary to introduction of a bill establishing the company was placed on the order paper of the Commons....

National Library: Montreal, September 24, (CP)-- The first big step towards a Canadian national library will be taken shortly when budget estimates for a bibliographic centre and union catalogue will be presented in Ottawa to the House of Commons, it was announced here.

Dr. William Kaye Lamb, Dominion Archivist who was appointed by the federal Government last January for the purpose of developing a national library, told the third regional conference of the Special Libraries Association that the Treasury Board will consider estimates for the project within the next 10 days....

Across Canada: An Ottawa Valley landmark was destroyed early Sunday in a \$100,000 fire that swept through the Chaudiere Golf Club on the Aylmer Road....Tributes were paid to the memory of Thomas D'Arcy McGee, poet, patriot, and one of the Fathers of Confederation, at a simple ceremony at the McGee vault in Cote des Neiges Cemetery, The Gazette of Montreal reported. The Minister of National Defence, Mr. Claxton, represented the Prime Minister in the unveiling of a plaque....Football scores - Ottawa Rough Riders 14, Hamilton Wildcats 11 and Toronto Argos 29, Montreal Alouettes 14 in the Big Four; Calgary Stampeders 41, Edmonton Eskimos 5, and Saskatchewan Roughriders 24, Winnipeg Blue Bombers 6 in the Western Union.



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Vol. 1, No. 13

Tuesday, September 27, 1949

Mr. Pearson Attacks Soviet Policy: New York, Sept. 26. -- (CP) -- The Secretary of State for External Affairs, Mr. Pearson, bluntly accused Russia today of a new, aggressive imperialism which threatens the world.

He added, however, there is evidence that the new imperialism will not survive because of its own internal weaknesses and contradictions. He delivered one of his most direct attacks on Soviet policy during the general debate of the United Nations Fourth Assembly.

Outlining the problems of international control of atomic weapons, which have become a prime concern of the Assembly, Mr. Pearson said Russia's proposals for such control are "hypocritical and meaningless" if the Soviet Union continues to insist on national sovereignty in atomic questions.

Mr. Pearson said: "It will be small comfort if and when some atomic bomb drops on us to know that while we have lost everything else we have saved our sovereignty to the very end."

At that point the Assembly, which seldom interrupts a speaker, applauded for 15 seconds.

Vishinsky's proposal for Assembly condemnation of preparations for war was obviously meant for propaganda and not for peace, since it singled out the United States and Britain as "war-mongers", Mr. Pearson said.

He said the second Russian proposal - apparently for prohibition of atomic weapons - is in the field of propaganda if Russia is not willing to accept the conditions approved by the Assembly majority for effective control and prohibition.

Also apparently in the field of propaganda, Mr. Pearson said, is the third proposal calling for a peace pact among the Big Five powers.

Foreign Secretary Bevin of Britain and Foreign Minister Edward Kardelj of Yugoslavia also blasted Russia as imperialistic.

War Industry Potential Outlined by Mr. Howe: Toronto, Sept. 26 -- (CP) --

The Government has "well in hand" the establishment of machinery that would begin direction of Canada's industrial effort in any new war, but it can't chart the potential demands on industry itself, the Minister of Trade and Commerce, Mr. Howe, told the Canadian Industrial Preparedness Association to-night.

Nor does Canada know what to stockpile because, industrially, she has "a great capacity and a small requirement which makes it impossible for us to be self-contained in our planning."

Mr. Howe was the second cabinet minister to address the annual meeting of a civilian association designed to advise the Government on industrial war potentials and requirements. Earlier, the Minister of National Defence, Mr. Claxton, called the Defence Department one of Canada's great buyers and told of its purchases, highlighted by radar, aircraft, and naval vessels.

Mr. Howe outlined plans for industrial mobilization. Of special concern were plans for rapid expansion to meet foreign supply demands. No attempt was being made to determine what general orders or controls should be issued industry in emergency. The aim was to have necessary branches of Government capable of immediate function with the best men available to handle them.

(over)

In production, Canada could not base her planning on her own needs because they were relatively so small. Close collaboration was being established with the United States and the United Kingdom and co-operation would be sought from "our other Allies".

Belgian Foreign Minister to Visit Ottawa: The Department of External Affairs announced on September 26 that Mr. Paul van Zeeland, Foreign Minister of Belgium, would arrive in Ottawa on the morning of September 29.

After a luncheon at the Belgian Embassy he will lay a wreath at the National War Memorial, and call on the Governor General and the Speakers of the Senate and the House of Commons. A reception by the Belgian Ambassador at the Embassy will follow his call on the Prime Minister, and Mr. St. Laurent will later entertain at dinner for the Foreign Minister on behalf of the Government of Canada. Mr. van Zeeland will hold a press conference at the Belgian Embassy the morning of Friday, September 30. He will be accompanied on his visit by Baron de Gruben, Secretary General of the Belgian Foreign Office.

Detention an Error: The Department of External Affairs announced on September 26 that on September 11 it learned that Miss Ruth Comfort, daughter of Charles F. Comfort of Toronto, had been detained by the United States Immigration authorities when debarking on that day from the S.S. "VOLENDAM" at New York. Miss Comfort was in transit to her home in Toronto. She was a member of a party of Canadian students, who this summer attended a seminar in Holland, organized under the auspices of the International Students Service. Miss Comfort was released from detention on the morning of September 12.

On September 24, after representations had been made by the Canadian Ambassador, the United States Department of State handed to the Counsellor of the Canadian Embassy in Washington a memorandum, by which the United States Immigration Service acknowledged that Miss Comfort had been detained as the result of a most regrettable and unfortunate mistake and that there was no information in the files of the United States Immigration Service which would render her inadmissible should she apply for entry into the United States in the future.

In Parliament on September 26: Resources Minister Gibson said a bill to revise the Indian Act may be introduced at the current session. Prime Minister St. Laurent said three provincial premiers have sent "provisional answers" for federal-provincial consultation on amending the constitution. Major-General G.R. Pearkes, V.C. (PC - Nanaimo) urged steps to block a gap in Pacific Coast defences. E.D. Fulton (PC - Kamloops) accused Finance Minister Abbott of following a path of inconsistency in currency problems. Jean Lesage (L - Montmagny-L'Islet) said the government should build a home for Canadian Prime Ministers. To-day the Commons will discuss government legislation. The Senate will sit.

Lift Ban on Fruit Imports from U.S.: Canada will open the door next Saturday to unrestricted importation of fresh fruits and vegetables, Finance Minister Abbott announced on September 26 in the Commons. Restrictions first were imposed about two years ago.

Trade and Commerce Appointments: In order that businessmen in areas distant from Ottawa may derive full benefit from the services offered by the Department of Trade and Commerce, Mr. L. Moore Cosgrave has been placed in charge of the regional office of the Department in Vancouver and Mr. W.F. Rendall has been appointed to a similar post in St. John's, the Minister of Trade and Commerce, Mr. Howe, announced on September 26.

Across Canada: An AP despatch from Vancouver reports the worst tie-up in British Columbia's fishing history, which left 4,000 fishermen and plant workers idle ... Premier Smallwood of Newfoundland announced that a paved highway would be built between St. John's and Port aux Basques.



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OTTAWA - CANADA

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Vol. 1, No. 14

Wednesday, September 28, 1949.

Opposes Privy Council Bill: Ottawa, September 27 -- (CP) -- A Vancouver lawyer today accused the Government of weakening the structure of the British Commonwealth at a time when the need for solidarity is at its greatest.

Howard Green, Progressive Conservative member for the new constituency of Vancouver - Quadra, took a firm stand in the Commons in opposition to a bill to abolish appeals to the Judicial Committee of the Privy Council.

Speaking during second reading -- adoption in principle -- of the measure, the veteran parliamentarian contended the Government is "holding a gun to the heads of the provincial governments" by forcing passage of the bill before tackling the more important problem of defining provincial-federal jurisdiction under Canada's constitution.

Voicing support of the amendment, introduced last week by George Drew, Progressive Conservative Leader, which would shelve the bill for six months, Mr. Green said that by abolishing Privy Council appeals, Canada will be adding further to the heavy burdens shouldered by the British Empire.

This step, he said, will be interpreted in every capital of the world as a weakening of the Commonwealth. Particularly would this view be taken in countries behind the Iron Curtain....

In Parliament On September 27: (CP) -- L. P. Picard (L--Bellechasse) said Canada is the only country which goes outside its borders to settle legal disputes.

T. L. Church (PC--Toronto Broadview) described a bill to eliminate appeals to the Privy Council as a "coercion bill."

Justice Minister Garson said legal officials are considering the application of Canadian justice to Newfoundland.

Rodney Adamson (PC--York West) introduced a bill designed to engender compliance with municipal anti-smoke by-laws.

Two senators participated in the throne-speech debate in the Upper Chamber.

Carr Appeal Dismissed: Toronto, September 26 -- (CP) -- The Ontario Court of Appeal today dismissed an appeal by Sam Carr, central figure in the 1946 Russia espionage trial, against his conviction and six-year sentence on a charge of conspiring to forge a Canadian passport for a Russian agent.

The judgment, delivered by Chief Justice R. S. Robertson, said the court did not consider as excessive the sentence given Carr following his trial at Ottawa last January.

Carr had conspired against his adopted country and thus made himself an enemy of the country, the Chief Justice said.

The Court saw no reason to interfere in the verdict of the Ottawa trial jury who had accepted the evidence of Igor Gouzenko, former Soviet Embassy cipher clerk in Ottawa, who revealed the existence of the Russian spy ring in Canada.

Carr's six-year term in penitentiary will start from April 12 of this year, date on which his appeal was first launched.

The former organizer for the Labour-Progressive Party has been in Carleton county jail in Ottawa since January 31 when he was returned to Canada following his arrest in New York City....

(over)

Arrest In Air Tragedy Case: Quebec, September 27 -- (CP) -- Mrs. Arthur Pitre, friend of the man charged with murder following an airline disaster September 9, today was charged with attempted suicide.

Twenty-three persons--19 passengers and four crew members-- died on that date when a Canadian Pacific airliner crashed in heavily wooded country between Quebec and Baie Comeau. One of the passengers was Mrs. Rita Guay, 29. Her jeweler husband, J. Albert Guay, 32, has been accused of murdering her with a time bomb which blew up the plane in midair.

The charge against 42-year-old Mrs. Pitre came suddenly this afternoon after she was taken from her home on lower town Msgr. Gauvreau street, to provincial police headquarters for questioning.

She had been under police surveillance in her apartment since last Friday night when she was discharged from hospital after treatment for an overdose of sleeping tablets. Police said she had been in hospital since September 20 and had been unconscious for 72 hours.

\$1,500,000 Apples Gift: Ottawa, September 27 -- (CP) -- Austerity-clad United Kingdom will receive a gift of \$1,500,000 worth of Canadian apples this year.

The gift forms one-half of a \$3,000,000 Anglo-Canadian apple contract, negotiated among the United Kingdom, British Columbia and Nova Scotia apple growers.

First in three years, the contract was facilitated through the federal Government's decision to put up \$1,500,000 as a means of helping the British and as a price-support measure, said a Government spokesman.

C.F.A. Opposes Higher Freight Rates: Ottawa, September 27 -- (CP) -- The Canadian Federation of Agriculture today opposed before the Board of Transport Commissioners a proposal by Canadian railways to hoist rates on farm implements shipped to the Prairies from Central Canada.

The rate increases sought by the railways would be in addition to general freight-rate increases totalling more than 30 per cent granted by the Board in the last two years.

Lebanon ICAO Member: The Government of Lebanon has ratified the Convention on International Civil Aviation, and this State will become the 55th member nation of the International Civil Aviation Organization on October 19, 1949.

Across Canada: Coffee prices have risen three to four cents per pound as one result of devaluation, The Globe and Mail reports from Toronto.... In Vancouver someone broke into a cage at the Stanley Park zoo and stole an 11-foot python, the Canadian Press reports....Labour should press the Massey Commission for scholarships for talented Canadians who cannot afford a college education, the Convention of the Canadian Brotherhood of Railway Employes was told yesterday....The federal probe into the Noronic disaster opens in Toronto today....The Newfoundland Government recommended yesterday that its 547-mile rail line from Port aux Basques to St. John's be modernized....A monument to Sir Wilfrid Laurier is to stand opposite that of Sir John A. Macdonald, in Dominion square, in Montreal, a civic committee decided yesterday...Described by police as ruler of the Montreal underworld, Johnny Young was arrested by the RCMP in his midtown apartment Monday on a charge of conspiracy to sell narcotics. In his apartment police say they found 50 ounces of heroin with a street selling value of \$140,000.



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Vol. 1, No. 15

Thursday, September 29, 1949.

Canada-U.S. Air Discussions: Ottawa, September 28 -- (CP) -- Canada has decided to give the United States another 30 days in which to show "good faith" under the recently-concluded bilateral air agreement, an informed source said today.

The 30-day extension thus averts for the time being at least a possible air-traffic crisis between the two countries, involving rights by Canada's neighbour to do air-travel business at the trans-Atlantic airport at Gander, Newfoundland, and at other airports across the country.

Had the extension not been granted these business concessions to the U.S. would have ended Friday, September 30. That would mean United States air lines could land and take off from Canadian fields, but could not pick up or drop off passengers or express on Canadian soil.

"It would have been a drastic step to cut off traffic rights on both sides," the source said.

He disclosed that an exchange of notes on a "high level" took place between Canada and the U.S. The United States Government "made strong, urgent representations" to Canada not to throw out the agreement, but to grant the extension....

Supplementary Estimates: Government expenditures for the 1949-50 fiscal year were boosted by \$70,521,000 on Wednesday with the tabling of further supplementary estimates in the House of Commons.

Finance Minister Abbott tabled the appropriations without comment, but as in past years they are for expenditures unforeseen when the main estimates were drafted and passed by the Treasury Board last year.

Practically all departments have a share in the amount, which brings estimated expenditures for the year ending next March 31 to \$2,343,299,281. Expenditures in the 1948-49 fiscal year were estimated at \$2,193,000,000.

Even with the further supplementaries, the expenditures are still below the estimate made by Finance Minister Abbott in his budget speech last March 22. At that time he estimated expenditures at \$2,390,000,000 and revenues at \$2,477,500,000, which would leave a surplus of \$87,000,000 for the year....

In Parliament On September 28: E. D. Fulton (PC--Kamloops) introduced a bill designed to regulate publication and sale of comic books.

Gladstone M. Ferrie (L--Mackenzie) urged the Government to appoint a Minister of Federal Roads.

Several members participated in the Throne-Speech debate.

In the Upper Chamber Senator Arthur Roebuck (L--Ontario) proposed elimination by Canada, Britain and the United States of foreign exchange and tariff controls.

Import controls on certain categories of steel now produced in plentiful supply in Canada will be tightened effective October 1, the Trade Department announced yesterday.

(over)

Survey Of Legal Profession: Toronto, September 28 -- (CP) -- A survey of the legal profession to determine its place in Canada's social and economic life and to appraise its future, was announced by A. N. Carter of Saint John, N.B., President-elect of the Canadian Bar Association.

The project, organized under the leadership of John T. Hackett of Montreal, former CRA President, will be conducted by a panel of 21 men selected from all walks of life and working independently of the bar association.

Mr. Carter said the survey panel is a "completely independent organization with no responsibility whatever to the Canadian Bar Association or any other body."

Its work will be financed by funds from the Carnegie Foundation of New York, the Nuffield Foundation of England and the CBA. Its members will include leaders of the bar, university Presidents, business men and labour leaders. Each of Canada's 10 provinces will be represented on its membership.

Charles P. McTague of Toronto, former Supreme Court Justice in Ontario and wartime Chairman of the War Contracts Depreciation Board and of the National War Labour Board, will preside over the council of survey....

Budget By Mid-October: Ottawa, September 28 -- (CP) -- George Drew, Progressive Conservative Leader, today asked Finance Minister Abbott in the Commons when the Budget will be reintroduced.

Mr. Abbott said he hoped it would be not later than the middle of October.

The Government has said the Budget will be the same as that which announced sweeping tax cuts last spring. It was not passed before the House prorogued for the election.

BCATP Memorial Ceremonies: One of the largest gatherings of top ranking government and military officials ever assembled in Canada will participate in the commemorative services at RCAF station Trenton, Ont., Friday September 30, when the governments of the United Kingdom, Australia and New Zealand present memorial gates to Canada in recognition of the work done by her in the wartime British Commonwealth Air Training Plan, the RCAF announced yesterday.

Across Canada: An investigation is being launched through the efforts of a group of unidentified private citizens into the civilian imprisonment of Maj. Gen. Kurt Meyer, 38, Canada's only war prisoner, the Canadian Press reported from Halifax.... Prof. Glen Shortliffe has been refused entry to the United States to join the teaching staff of Washington University at St. Louis.... The railways will increase commuter fares on all runs, effective October 15, in an effort to help revenues, it was announced by the Canadian Passenger Association from Montreal yesterday.



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Vol. 1, No. 16

Friday, September 30, 1949.

End Throne Speech Debate: Ottawa, September 29 -- (CP) -- Without a formal vote the Commons tonight approved the Address in Reply to the Speech from the Throne.

Several members in the opposition section of the Commons shouted "on division," indicating informal disapproval, as the measure was carried.

Passage of the motion to adopt the reply to the Throne Speech ended one of the shortest Throne Speech debates in the record of the Commons.

It began the second day of this session and lasted throughout about 10 days.

In Parliament On September 29: Opposition parties pressed for establishment of a special committee on atomic energy. Trade Minister Howe said the Government would co-operate.

Stanley Knowles (CCF--Winnipeg North Centre), urged action to reduce the cost of living.

Lt.-Col. Douglas Harkness (PC--Calgary East) called for a statement on equipment being used by the armed forces.

H.H.W. Beyrstein (SC--Camrose) suggested free radio licenses for old-age pensioners.

Senator Iva Fallis (PC--Ontario) in the Upper Chamber criticized the Government's proposal to abolish appeals from the Privy Council "from the viewpoint of a woman."

Royal assent was given a bill providing \$123,475,963 interim supply.

Mr. Bevin's Visit: The Department of External Affairs announced on September 30 that the Rt. Hon. Ernest Bevin, P.C., M.P., Secretary of State for Foreign Affairs of the United Kingdom, would arrive in Ottawa by train from New York at 12:20 p.m. D.S.T. on Sunday, October 2, for a stay of several days. He will be accompanied by Mrs. Bevin, and by Sir Roger Makins, Assistant Under-Secretary of State in the Foreign Office, and Mr. R.E. Barclay, Private Secretary. (For further details see Press Release No. 69.)

Agricultural Specialists: In line with the Department's policy of intensifying efforts to sell Canadian farm products abroad, there has been a re-allocation of agricultural specialists in the Trade Commissioner Service, the Minister of Trade and Commerce, Mr. Howe, announced on September 29.

G.R. Paterson, at present Agricultural Counsellor at the Canadian Embassy in Washington, is being transferred to the post of Assistant to the Director of the Trade Commissioner Service, Ottawa. He will supervise and direct the work of the agricultural specialists in the field.

Dr. W.C. Hopper, presently Commercial Secretary (Agricultural Specialist) in New Zealand, will succeed Mr. Paterson in Washington.

The farm products promotion activities of the Trade Commissioner Service have been further augmented by the recent appointment of W.F. Hillhouse of Saskatoon, D.B. Laughton, of Nelson, B.C., C.J. Small, of Toronto, and W.J. Van Vliet, of Quinton, Sask., as agricultural specialists. After a period of training at headquarters in Ottawa, they will be posted abroad.

(over)

Major Gen. Campbell's Visit: Major-General A.D. Campbell, CBE, DSO, MC, BA, Engineer-in-Chief, War Office, London, Eng., arrived in Canada on September 28 by air from the United Kingdom.

Gen. Campbell plans to visit various Canadian Army training establishments including the Royal Canadian School of Military Engineering at Chilliwack, B.C. At the conclusion of his tour, he will arrive in Ottawa on October 7 and will be a guest that evening at the annual dinner of the Military Engineers' Association. He will then proceed to the United States.

B.C.A.T.P. Commemoration: The largest massed band in the history of the Air Force will play at RCAF Station Trenton, Ont., today when the Governments of the United Kingdom, Australia and New Zealand will present Memorial Gates to Canada in commemoration of the British Commonwealth Air Training Plan.

The 40-piece RCAF Central Band from Air Force Headquarters in Ottawa will combine with the bands of North West Air Command and Training Command to present the musical background for the ceremony.

Two ICAO Flight Standards: Two additional sets of ICAO international flight standards - on airworthiness of aircraft and on facilitation of international air transport - have now come into effect, according to an announcement made in Montreal on September 30 by Dr. Edward Warner, President of the Council of the International Civil Aviation Organization.

Motor Vehicles Record: Registrations of motor vehicles in Canada in 1948 reached an all-time record total of 2,031,000, showing an increase of 195,000 or 10.6 per cent over the 1947 total of 1,836,000. Increases were common to all provinces and territories. The year's gain was the third in succession, following increases of 13 per cent in 1947 over 1946, and 7.8 per cent in 1946 over 1945 -- the low point reached in the wartime period. The overall increase in the three years since the end of the war was 534,000 or 35 per cent, the Bureau of Statistics has announced.

Red Labour Congress? Vancouver, September 29 -- (CP) -- Murray Cotterill, national political action director for the Canadian Congress of Labour (CLO), said a Communist labour congress embracing at least 50,000 Canadian trade unionists is believed a distinct possibility by next spring.

He speculated in an interview that the action will stem from a change in Kremlin-directed activities in North America--a change from what he termed planned peace-time labour strife to military preparedness....

Across Canada: A ship's bellboy yesterday told the federal Commission inquiring into the Noronic disaster at Toronto that he aroused other members of the ship's crew after locating fire in a linen closet but did not think of rousing passengers....Premier Campbell of Manitoba yesterday called a provincial general election for November 10. He also announced that the next Legislature will have 57 members instead of 55....Premier Duplessis last night issued instructions to Quebec Provincial Police to "divulge no information on the investigation" of an alleged bomb plot that caused the crash of a commercial airliner at Sault au Cochon, September 9, killing 23 persons. (Based on CP dispatches).

GOVERNMENT



OF CANADA

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Vol. 1, No. 17

Monday, October 3, 1949.

U.S. Steel Strike Affects Canada: Ottawa, -- (CP) -- Tentacles of a prolonged United States steel strike may dig into every aspect of Canadian industry, Government officials stated on October 2.

Officials said there was enough steel on hand so that repercussions of the strike will not be felt in Canada for another week or 10 days.

If the strike is prolonged beyond that point the Government may have to move into the picture to reinstitute wartime controls on the distribution of steel to protect such vital industries as construction and public utilities development.

Reason for the Government's concern in the events which have seen 528,000 steelworkers walk out of their jobs is the fact that one out of every three tons of steel Canada uses comes from U.S. mills.

In Parliament on September 30: Trade Minister Howe announced that Parliament will be asked to provide a permanent home for Canada's Prime Ministers.

Transport Minister Chevrier introduced a bill providing for nationalization of external telecommunications systems.

A. L. Smith (PC--Calgary West) said it was time Canada tossed out the law requiring a person to seek permission before suing the Crown.

Labour Minister Mitchell said any attempt to make the federal labour code apply to the meat-packing industry would be an "unwarranted invasion of provincial rights."

Agricultural estimates were considered.

North Atlantic Pact Defence Committee: The Minister of National Defence Mr. Claxton, will represent Canada at the meeting of the Defence Committee of the North Atlantic Pact nations at Washington, D.C., on October 5. The Defence Committee consists of the Defence Ministers of the 12 nations signatory to the Pact.

Mr. Claxton will be accompanied by Lt.-Gen. Charles Foulkes, CB, CBE, DSO, Chairman of the Canadian Chiefs of Staff Committee and Chief of the General Staff of the Canadian Army, together with Air Vice Marshal C.R. Dunlap, CBE, Commodore R.E.S. Bidwell, CBE, and the secretary of the Chiefs of Staff Committee, Brig. J.D.B. Smith, CBE, DSO, as well as officers of the Department of External Affairs.

It is anticipated that meeting concurrently with the Defence Committee will be the Military Committee of the North Atlantic Pact countries, composed of representatives of each of the Chiefs of Staff of the signatory nations.

More D.P.'s For Mines: Timmins, Ontario, -- (CP) -- Likelihood of further entry of D.P.'s from Europe to work in Canadian mines, commencing next spring, was foreseen on Oct. 2 by Dr. H.L. Keenleyside, Deputy Minister of Mines and Resources. He was addressing a luncheon meeting of the Porcupine Chamber of Commerce in Honour of Mines Minister Gibson.

Dr. Keenleyside revealed that, to date, 3,930 such persons have been brought in for employment in the mines and that 80 per cent have stayed on at the end of their contract year. "Reports are almost universally good," he said, "and this will encourage us next year, if we are requested to seek further personnel of that type from the D.P. camps in Europe in which there are still 500,000 to 600,000 persons."

(over)

National Defence College Opens: The third course at Canada's National Defence College is scheduled to open on Monday, October 3; students selected to attend the course are as follows:

NAVY - Commander James C. Pratt.

ARMY - Brig. T.G. Gibson, CBE, DSO; Brig. J.P.E. Bernatchez, CBE, DSO; Col. W.A.B. Anderson, OBE; Col. R.L. Purves, DSO.

RCAF - Gp. Capt. C.L. Trecarten, OBE; Gp. Capt. D.A.R. Bradshaw, DFC; Gp. Capt. Z.L. Leigh, OBE, ED; Gp. Capt. D.M. Edwards, AFC; W/C N.S.A. Anderson, DFC.

CIVILIAN - Mr. G.G. Crean, External Affairs; Mr. R.A.J. Phillips, External Affairs; Mr. Bernard Wilson, Department of Labour; Dr. C.S. Lord, Department of Mines and Resources; Mr. H.D. Cameron, Department of Transport (Air Services Branch); Mr. Arthur Pidgeon, Canadian Broadcasting Corporation; Mr. J.M. Priddle, Canadian Commercial Corporation; Mr. Rosario Cousineau, Research Economist, Gp. 10 Tariff Board; Mr. Harold James Williamson, Department of Transport (Radio Division); Superintendent G.B. McClellan, RCMP.

UNITED KINGDOM - Gp. Capt. R. Faville, CBE, RAF; Mr. Ivor Pink, Counsellor at the Office of the United Kingdom Political Representative at Tokyo, Japan.

Lt.-Gen. G.G. Simonds, CB, CBE, DSO, has already taken over as commandant of the college, replacing Maj.-Gen. J.F.M. Whiteley, CB, CBE, MC, who has returned to United Kingdom. These two high-ranking officers figured in an exchange programme between Canada and the United Kingdom two years ago. Changes in the directing staff will be announced later.

Trade And Commerce Appointments: Ottawa - Appointment of C.R. Gallow, formerly Commercial Secretary in Bombay, to the post of Area Officer in charge of the Asia Section of the Trade Commissioner Service in Ottawa, and of R. Campbell Smith, formerly trade commissioner in St. John's, as Private Secretary to the Minister of Trade and Commerce, was announced on September 30 by the Foreign Trade Service.

C.C.F. Planning Programme: Ottawa, -- (CP) -- The C.C.F. proposed on October 2 a nine-point programme to promote international socialist planning as a long-range solution to the world's economic problems.

Establishment of a Canadian foreign investment corporation as a Crown company and of non-profit international development corporations were urged in the programme, contained in a 700-word statement released by C.C.F. headquarters in Ottawa.

Ontario Liberal Leader Resigns: London, Ontario, October 2, -- (CP) -- Resignation of Farquhar Oliver as Leader of the Ontario Liberal Party was accepted "with regret" here this week-end by the management committee of the party. He will, however, continue as Legislature House Leader of Ontario Liberals.

No date was set for a convention to choose a new Leader, but a special committee will be appointed to survey the field of possible candidates. A report will be presented to the convention when it is called.

Canada And The U.N.: Ottawa, -- Health Minister Martin said on October 2 that the Government still regards "our membership in the United Nations as a cornerstone of our foreign policy."

In a speech prepared for delivery over the French network of the CBC, Mr. Martin, a delegate to the current United Nations meeting in New York, said that the Government still looks on the world organization as "the best available hope of lasting international understanding."

Across Canada: Minor earthquakes are still being felt in the Queen Charlotte Islands....The French Foreign Minister, Mr. Robert Schuman left Ottawa by plane on October 2 after a two day visit. The United Kingdom Foreign Secretary, Mr. Ernest Bevin, arrived in Ottawa at noon on Oct. 2 for a three day visit.



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Vol. 1, No. 18

Tuesday, October 4, 1949.

Dollar Devaluation To Increase Canadian Exports: Ottawa, -- (CP) -- Dollar devaluation may boost Canada's exports trade in the world's sterling areas, the Government's statistical review said on October 3.

The Canadian Statistical Review took a long look at economic events in September and termed sterling and dollar devaluation as "undoubtedly the most important influence on world economic conditions during the current year."

For one thing, it said, sterling readjustment by 30 per cent of the United States dollar will make it easier for sterling countries to sell in that country -- but more difficult to buy American goods.

In Parliament, October 3: Prime Minister St. Laurent indicated Parliament will observe the Thanksgiving Holiday next Monday.

The Commons voted 105 to 38 against a CCF resolution requesting a Royal Commission to investigate pension rights of CPR employees involved in 1918-1919 strikes.

Members debated a resolution asking the Government to give Canada a social-security programme.

Pearkes Urges Importance Of Northern Defences: (Montreal Gazette) Ottawa, -- Maj.-Gen. G.R. Pearkes, V.C., leading Opposition military critic, warned on October 3 that if the federal Government ignored the lessons of Exercise Eagle and continued to "toy" with the...northern defence problem, such cities as Winnipeg, Edmonton or Vancouver might become Canada's Pearl Harbor.

Gen. Pearkes' comment came when he had received written answers to a series of questions which he had placed on the House of Commons order paper respecting the controversial \$131,000-military exercise in Canada's northwest.

Mosher Urges Federal Control Of Labour: Ottawa, -- (CP) -- Federal control of all labour-management relations throughout Canada was urged on October 3 by A.R. Mosher in his presidential address to the annual convention of the Canadian Congress of Labour.

At present there is divided jurisdiction on labour relations between the Dominion and the provinces, and Mr. Mosher said "certain interests" favour this in the hope that weak legislation in one area will retard progress in other sections.

(Under the Federal Labour Code the Dominion has assumed powers only over railways, communications, shipping and such inter-provincial industries. The C.C.L. has been urging it to take over jurisdiction over steel, coal, meat-packing and other enterprises located in more than one area of Canada.)

"The basic requirement for adequate labour legislation," Mr. Mosher said, "is recognition by our law-makers that the subject must be dealt with on a national basis."

(over)

New Hospital Building Grants: The Fort William Sanatorium and the Louise Marshall Hospital, Mount Forest, Ont., have been awarded \$131,500 from the federal grants to assist hospital building, National Health Minister Paul Martin said on October 4. ...

Federal aid toward hospital construction is calculated on the basis of \$1,000 per bed for general hospitals and \$1,500 per bed for hospitals treating chronic illnesses, provided the total federal grant is not more than one-third of the cost, Mr. Martin stated. Both projects were recommended by the Ontario Department of Health which at least equals the federal grant.

Newfoundland Public Health Services: Ottawa, -- Improved health services for the south coast of Newfoundland are in prospect with the approval of a grant of more than \$61,000 from federal health funds for the employment of two more doctors and the purchase of four boats to be used in bringing an improved health service to isolated communities.

This was announced on October 3 by the federal Health Minister, Hon. Paul Martin, who noted that about 20,000 people are scattered along the south coast of the island between Rose Blanche and Belleoram....

Federal funds have been earmarked to pay part of the salaries of two doctors to be located at Rose Blanche and Hermitage. They will provide medical services for their districts and in addition will be responsible for public health programmes of immunization, child care, sanitation and the prevention of illness generally.

Noronic Disaster: Toronto, -- (CP) -- A federal Government inquiry into the Noronic disaster was told on October 3 that passengers did not take part in weekly fire drills aboard the vessel.

Captain Howard R. Baxter of Montreal, marine superintendent for Canada Steamship Lines, the ship's owners, produced reports which showed that fire drills were held each Tuesday at 10:15 a.m. without exception.

Capt. Baxter said to his knowledge passengers did not take part in fire drills.

Mr. Justice R.L. Kellock, presiding over the inquiry, commented that such drills "obviously lacked any element of surprise."

John W. Pickup, Commission Counsel, asked Capt. Baxter if it was "good practice" to hold fire drills in this way.

"That is up to the master of the ship. All we do is ask that he hold a drill once a week," Capt. Baxter replied.

Price Restrictions On Imported Fruit Remains: (Montreal Gazette) Ottawa, -- Although controls on the import of fresh fruits and vegetables vanished last Saturday, price mark-up regulations have been retained unchanged, a W.P.T.B. official disclosed on October 3.

These regulations restrict the extent to which prices of these commodities can be marked up over and above costs, and establish a price ceiling which varies from centre to centre and from store to store depending upon the cost of the original shipment.

According to the Prices Board, steps have already been taken to remind several importers that the abolition of import controls does not mean an end to the mark-up regulations.

Since the two measures were applied at the same time originally, some importers are said to be taking it for granted that they were removed simultaneously.

Across Canada: Mr. Bevin conferred with the Canadian Cabinet--October 3.... Mr. Chevrier announced that it would be some time before the Government would know the cost of converting the old Edwards home on Sussex Street, Ottawa, into a residence for Canadian Prime Ministers....Eighty-four soldiers are taking a course at Camp Borden on snowmobiles, in preparation for life under Arctic conditions....The price of U.S. newspapers in Montreal has gone up about 10 per cent, as a result of the Canadian dollar devaluation.



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Vol. 1, No. 19

Wednesday, October 5, 1949.

Mr. Bevin On North American Defence: Ottawa, October 4 -- (CP) -- Britain's Foreign Secretary Bevin argued today that not even North America can dare any longer to rely on a long period to build up strength after war has struck. He added: "We played that card for the last time in the Second World War."

Mr. Bevin told a press conference; "We can no longer keep light forces to contain an enemy and then build up as Britain did for many year." Air power made that concept obsolete....

At a Canadian Club luncheon, he said the "old method" of defence was to hold or contain the enemy while "you built up your forces." This era had passed in the recent war and "in my opinion it was only almost Providence that saved us from complete defeat."....

"For any of us to rely on having a natural defence line, even a natural defence line here, I may suggest with respect, that would enable this hemisphere to sit back with absolute confidence that it will have two or three years to build up while we meet the enemy, would be quite a mistaken policy."

"The thing we've got to do now is not to wait until we are in a war to begin paying the premium; we've got to ensure against war and ensuring against war is the combined strength of the friendly peoples who are determined to work out their own system."

In Parliament, October 4 (CP): Three members urged the Government to prosecute publishers and distributors of crime comics and obscene literature.

Lengthy legal argument developed on the right of Parliament to direct the functions of the Supreme Court of Canada.

Prime Minister St. Laurent said the Chinese situation is the subject of discussions.

Several members discussed a proposal to pipe oil from Alberta to the United States, instead of Canada.

Nelson Castonguay was chosen chief electoral officer, succeeding his father, Jules Castonguay.

Senator Wishart Robertson, Government leader in the Upper Chamber, defended the Government's record in foreign exchange.

Mr. Bevin Addresses CCL: Ottawa, October 4 -- (CP) -- Organized labour is just now emerging into its greatest period of opportunity, Foreign Secretary Ernest Bevin of Great Britain today told the Canadian Congress of Labour's annual convention.

Mr. Bevin, an old trade unionist, paid the convention a brief call during the course of an Ottawa visit, and 800 delegates gave him a cheering ovation before he hurried off to continue a round of engagements in the capital.

In a short speech to the delegates, he told them that labour had not by any means reached the end of the road on its possible achievements.

"There have been many new opportunities arising since the war," he said, "and we are only just emerging."

In England, he said, labour occupied the position where the Government could "not do a thing" without seeking its advice. A tremendous task was being carried out there and labour had assumed its responsibilities with dignity and statesmanship.

Noronic Disaster: Toronto, October 4 -- (CP) -- Emergency muster rules aboard the Noronic were not fully known to the crew and none assigned to muster stations September 17 when fire swept throughout the cruise steamer with the loss of 130 lives, a Federal Commission inquiring into the disaster was told today.

This evidence came from the ships' master, 66-year-old Capt. William Taylor of Sarnia, who said that although maritime regulations specify crew members must wear buttons showing their muster numbers, none of the Noronic's crew wore them.

First North American Jet Transport: Toronto, -- (CP) -- The first jet-powered transport plane built in North America zoomed into the clouds over suburban Malton Airport on October 4 on its first public unveiling. Canadian-designed and built by A.V. Roe Canada Limited, at nearby Malton, it was piloted by James H. Orrell, chief test-pilot of A.V. Roe of Manchester, England.

Yesterday's public showing was run off before an estimated 1,000 persons including ranking Canadian and United States government and military aviation officials.

Designed for operation in the medium range, from 200 to 800 miles, the plane was based on specifications suggested by officials of Trans-Canada Air Lines. After some progress had been made in designing the craft, the Canadian Government, through the Department of Trade and Commerce, gave financial assistance to the project.

North Atlantic Defence Talks: Washington, October 4 -- (CP) -- Defence Minister Claxton arrived here late today from Ottawa to begin with other North Atlantic Defence Ministers the task of welding the North Atlantic community into a defence unit against aggression.

The two days of defence talks begin October 5....

Claxton was met by Hume Wrong, Canadian Ambassador, and Gen. Joseph Collins, United States Army Chief-of-Staff.

Accompanying him were Lt.-Gen. Charles Foulkes, Canadian Chief of General Staff and Chairman of the Canadian Chiefs-of-Staff Committee; Air Vice-Marshal C.R. Dunlop of the R.C.A.F.; Commodore R.E.A. Bidwell of the Royal Canadian Navy; and Brig. J.D.B. Smith, Secretary of the Chiefs-of-Staff Committee.

Northeast Mounted Police Monument: The colourful history of early developments on the Western Plains will be recalled on October 6, when a stone monument, commemorating the spot where the North West Mounted Police assembled before leaving for assignments in various parts of the North West Territories, is unveiled, according to an announcement by the Department of Mines and Resources on October 4. The monument has been erected near Emerson, Manitoba, on the recommendation of the Historic Sites and Monuments Board of Canada, and bears the following inscription:

"On July 8, 1874, the newly-formed North West Mounted Police consisting of 300 officers and men, having assembled here at the Dufferin Barracks, headquarters of the Boundary Commission of 1872, left on its assignment to various posts in the North West Territories. The record of this distinctly Canadian force in policing the plains is a source of pride to the people of Canada."

The unveiling ceremony will be held under the auspices of the Historical and Scientific Society of Manitoba. The Reverend Antoine d'Eschambault, Manitoba member of the Historic Sites and Monuments Board of Canada, will represent the Board and the federal Department of Mines and Resources at the ceremony.

Across Canada: The first group of German trade representatives to visit Canada since the war arrived in Montreal via TCA from London on October 5.... On October 4, Barbara Ann Scott was made an honorary member of the Ottawa Lions Club - the first "Lioness" in history.... Marriage is playing havoc with the supply of primary school teachers in Ontario, according to Dr. J.G. Althouse, Director of Education for the Province.



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Vol. 1, No. 20

Thursday, October 6, 1949.

New Evidence In CPA Airliner Crash: Quebec, October 5 -- (CP) -- A young chemistry professor demonstrated today before an excited courtroom crowd how an alarm clock could have been used to detonate dynamite and wreck an airliner that crashed near here September 9 killing 23 persons.

The demonstration was given during the preliminary hearing of J. Albert Guay, 32-year-old jeweller accused of the murder of his wife who died in the plane wreck at Sault au Cochon.

The court appearance of....Dr. Lucien Gravel, of Laval University, followed testimony that the....jeweller had obtained dynamite and an alarm-clock detonating device, had insured his wife for \$10,000 and sought the suicide of a woman important in the Crown's case against him.

The evidence came out of four sittings of the preliminary hearing by which Judge Laetare Roy will decide if there are grounds for committing Guay to jury trial for murder.

The hearing opened yesterday morning and its unusual length is due to the fact that Judge Roy, painstaking Sessions Court senior judge, wishes as much as possible of the Crown's case to be laid before a wrought-up Quebec public.

The last of some 30 witnesses are expected to be heard tomorrow morning.

In Parliament, October 5: Liberal and Progressive Conservative members pleaded for special assistance to prospectors.

Prime Minister St. Laurent said results of the trade and tariff conference at Annecy, France, will be announced Sunday.

G.K. Fraser (PC--Peterboro West) urged obligatory use of fire-resistant paint by all passenger vessels.

Senator R.B. Horner (PC--Saskatchewan) opposed establishment of a home for Canada's Prime Ministers.

Noronic Disaster Investigation: Toronto, October 5 -- (CP) -- Capt. William Taylor emphatically denied before a Federal Commission of Inquiry today a suggestion he was under the influence of liquor when his ship, the cruise-steamer Noronic, burned at her berth here September 17 with the loss of possibly 130 lives....

The allegation was made at an inquiry in Cleveland by C.R. Willson, a survivor. Other survivors said, Capt. Taylor, who later denied Willson's charge, had acted in a normal manner. Then Frank Wilkinson, of Toronto, counsel for Canada Steamship Lines, ship's owners, said instructions had been issued to start suit for \$250,000 for libel or slander against the person or persons making the charge....

Mr. Bevin In Montreal (Montreal Gazette): Foreign Secretary Ernest Bevin spoke with passion and optimism, on October 5, of the emergency of a new and vigorous Britain, healing the wounds of her sacrifice. He expressed hope for new levels of Western solidarity.

"The United Kingdom lost its assets (in the war) but not its spirit," he told an overflow luncheon meeting of the Canadian Club in the Windsor Hotel.

A crowd estimated at 1,700 heard Mr. Bevin strike an optimistic note in expressing confidence in the growing solidarity of the Atlantic countries in many fields.

Canada - U.S. Air Agreement: Ottawa, October 5 -- (CP) -- Transport Minister Chevrier today intimated in the Commons that the Government can cancel the right of a United States air line to conduct a service from New York to Montreal, through termination of the Canada-U.S. bilateral air agreement.

However, the Government has no direct agreement with the Colonial Air Lines of New York to conduct such an air service, Mr. Chevrier added in reply to W. Ross Thatcher (CCF, Moose Jaw).

Cost-Of-Living Declines Slightly: Ottawa, October 5 -- (CP) -- The cost of living index declined a half point during August--the first break in a continuous climb since last March.

The index dropped to 162.3, compared with 162.8 August 1 and 158.9 September 1 last year.

Food prices, which made things tough for the family budget in recent months, caused the half-point crack, the Bureau of Statistics said today.

CCL Convention: Ottawa, October 5 -- (CP) -- A day-long running battle between left-wingers and anti-Communists brought a series of resounding defeats today for Communist sympathizers at the Canadian Congress of Labour's annual convention.

With right-left skirmishes or open warfare breaking out on almost every issue, the red-liners absorbed three major thumpings and other minor setbacks during a day of almost continuous scrapping.

After a loud and hard struggle, they failed to block an executive-sponsored foreign policy resolution declaring support of E.R.P., the Atlantic Pact and world inspection and control of disarmament.

They failed, too, to jam through a proposal for re-affiliation of the Congress with the Russian-dominated World Federation of Trade Unions, from which the C.C.L. broke away earlier this year.

Railways Reach All-Time High In 1947: Canadian railways reported operating revenues of \$875,832,290 in 1948 - an increase of \$90,654,370 (or 11.5 per cent) over 1947, to establish an all-time high, the Bureau of Statistics announced on October 4....Increased freight rates were largely responsible for the peak earnings. However, expenses, sparked by increases in wages and material costs, jumped from \$690,821,047 in 1947 to a record figure of \$808,126,455 (up 17 per cent or \$117,305,408). The advance in expenses in 1948 over 1947 exceeded that in revenues by \$26,651,000. Consequently, the difference between operating revenues and expenses shows net revenues on operations of \$67,705,835 against \$94,356,873 in 1947.

Across Canada: The grain-shipping season at Churchill, Manitoba, closed with the sailing on October 5 of the British freighter Ocean Volunteer....A Welsh name - Gorphwysfa (pronounced Gorfwicefa) - has been found under the rust and paint of the main gate of the grounds of the old Edwards home, Sussex Street, Ottawa, selected as the permanent residence of Canadian Prime Ministers....The Government is considering ways in which it can help Canadian shipping meet the "serious" problems raised by currency devaluations, Transport Minister Chevrier said on October 5.



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Vol. 1, No. 21

Friday, October 7, 1949.

CPA Airliner Crash: Quebec, October 6 -- (CP) -- Trial by jury on a murder charge laid after the crash of an airliner that killed 23 was ordered today for J. Albert Guay, 32-year-old Quebec jeweller.

The order was given on the third day of a preliminary hearing during which 27 witnesses gave evidence believed by police to reveal a plot to destroy the plane with a time-bomb.

When the hearing resumed today, Crown Prosecutor Noel Dorion said sufficient evidence had been presented to warrant a trial. He called none of the four witnesses prepared to testify this morning. This ended the morning sitting within five minutes of its start and was a disappointment for the crowd....

There was brief argument before the whispering courtroom crowd over the date of the trial. The Crown Prosecutor asked that the Guay case be tried during the autumn Criminal Assizes term opening next Tuesday.

Mr. Marcotte protested that the Crown, preparing its case, had the benefit of the work of many investigators. He said it would be difficult to put together the jeweller's defence in time for an autumn trial.

Judge Roy said he had no power to put the trial off until next spring and its date was tentatively set for November 7. Actual trial date will be fixed later.

Noronic Fire: Toronto, October 6 -- (CP) -- Purpose of a government rule requiring passenger steamers to have fire-resistant bulkheads when exemptions were granted ships to which it applied was questioned today by Mr. Justice R.L. Kellock, head of a commission inquiring into the Noronic disaster.

Canada Steamship Lines, owners of the 36-year-old Noronic which burned at her berth here September 17 with heavy loss of life, were issued a certificate of exemption from the Canada Shipping Act regulation passed in 1939.

Archibald Young, of Ottawa, member of the Federal Transport Board of Steamship Inspectors, testified the C.S.L. cruise-steamer was one of the six ships built before 1931 to which the regulation applied. All had been granted exemptions, he said.

Toronto, October 6 -- (CP) -- Seventh day of the inquiry into the burning of the C.S.L. cruise-steamer Noronic, with the loss of possibly 130 lives, was highlighted today by the admission of Captain William Taylor, of Sarnia, master of the ill-fated vessel, that he was confused during the fire and confined his efforts to personally fighting the holocaust and rousing passengers by shouting, banging on cabin doors and smashing windows.

In Parliament, October 6: The Commons voted 171 to 10 against a bill to bring the meat-packing industry under the Federal Labour Code.

Transport Minister Chevrier said the International Joint Commission may be asked to extend a survey on the cause of pollution of international waters.

Members debated a bill providing penalties for the publication and distribution of crime comics.

Senator A.N. McLean (L--New Brunswick) called for leadership in helping the Commonwealth's trading difficulties.

CCL Convention: Ottawa, October 6 -- (CP) -- In the most tumultuous session of its first four days, the Canadian Congress of Labour convention today defeated a controversial attempt to change its voting system and handed out two more of the now-routine beatings to its Communist fringe.

With Communist strength reduced to a loud but minor fraction of the delegates, the convention forgot ideologies today and plunged into a free-for-all over a voting issue sparked by some big unions looking for more Congress voting power.

After splitting in all directions on the question -- including a division in the usually-solid executive itself -- the delegates voted 495 to 238 against a system of "block" voting that would have given big unions a greater say than they now have in C.C.L. affairs.

Ottawa, October 6 -- (CP) -- A plea for racial harmony was made before the Canadian Congress of Labour convention today by Michael Rubenstein of Montreal, national chairman of the Jewish Labour Committee.

Protest Increased Radio Fee: Ottawa, October 6 -- (CP) -- Liberal members of Parliament have protested against a proposed increase from \$2.50 to \$5.00 a year in the licence fee on radio receiving sets and some of them feel that the Cabinet will veto any such increase, it was learned today.

Anglo-Canadian Textile Trade: London, October 6 -- (CP) -- Reimposition of a Canadian preferential tariff on British textiles last July has had an "almost disastrous" effect on efforts to sell more cotton and rayon goods in Canada, a Board of Trade spokesman said Wednesday.

Prof. Fairley Excluded From U.S.: Washington, October 6 -- (CP) -- United States Government authorities confirmed today that Professor Barker Fairley of the University of Toronto has been "excluded" from the United States on the ground that his entry would be "prejudicial to the public interest."

"....The United States is still at war, technically, and he is excluded under wartime regulations," an Immigration spokesman said. "If the war is declared ended, say next year, he might be allowed in this country."

Baltic Immigrants Delayed: Cork, Republic of Ireland, October 6 -- (CP) -- The 385 Baltic refugees who arrived here on their way to Canada in a boat built to hold 50, Wednesday were given permission to live in an unused Irish Army camp.

The refugees, who Montreal sources said left Sweden after receiving threatening letters from the Russians, will live in the camp until their vessel, the Victory, is repaired.

World Series Figures: New York, October 6 -- (UP) -- Facts and figures on the 1949 World Series: Standings -

First game score: New York 1, Brooklyn 0.
Second game score: Brooklyn 1, New York 0.
Today's attendance -- 70,053.
Total attendance --136,283..

Across Canada: Princess Margaret may visit Canada in 1950, according to a report in The London Daily Graphic, October 7....Canada's newest and most modern customs house, to be known as Blackpool, was opened on October 6 on the new Route 9, where it crosses the Canadian-U.S. border....A Cabinet decision on the future of rent controls is believed near....A grand jury returned a true bill in the case of ex-mayor John E. Lloyd of Halifax, charged with accepting a bribe during negotiations for the sale of snowblowers to the city in 1948.... Parliamentary corridors buzz these days with gossip that the Government looks with some favour on a proposal that a Canadian be appointed the next Governor-General, according to the Canadian Press.



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Vol. 1, No. 22

Tuesday, October 11, 1949.

Canada Signs Ancey Agreement: Lake Success, N.Y., October 10 -- (CP) -- Eight countries, including Canada, today signed an agreement seeking to cut trade barriers and tariffs around the world.

Léon Mayrand, assistant Under-Secretary of State for External Affairs, signed the Ancey agreement for Canada in a ceremony here. (See Press Release No. 70 of October 9, 1949)

Oppose Holding U.N. Assembly Outside New York: Lake Success, N.Y., October 10-- (CP) -- Canada today opposed holding the United Nations Assembly outside New York.

René Jutras, Liberal member of Parliament for Provencher, Man., told the Assembly's administrative committee that the maximum economy and efficiency should be maintained in U.N. activities.

Cmdr. Dalison Dies In Accident: Renfrew, Ont., -- (CP) -- Cmdr. J. S. Dalison, DSO, RN, Assistant Naval Adviser to the United Kingdom High Commissioner in Canada, was killed, and three other persons were injured in a head-on automobile collision near here on October 8. He was 48 years old. Mrs. Dalison is in Renfrew Hospital suffering from a compound fracture of her right leg. Her eight-year-old daughter, Susan, is being treated for possible skull fracture and lacerations to the face and body.

Edmonton Seen As Strategic Point: Edmonton, October 10 -- (CP) Marshall of the Royal Air Force Lord Tedder said on October 9, in an interview, that Edmonton will be one of the most strategically important points on the continent in the event of a war between the United States and Russia.

Accompanied by Air Vice-Marshal W.A. Curtis, Chief of Air Staff for the R.C.A.F., Lord Tedder is visiting R.C.A.F. stations in Canada.

He said Edmonton would be used as a staging route if a war between the U.S. and Russia developed. The plan would be to stop the enemy in Alaska.

Canada - U.S. Joint Exercise: Ottawa -- Operating jointly in the first post-war manoeuvre of its kind, units of the Royal Canadian Air Force Reserve and the United States Air National Guard will participate in "Operation Metropolis", a simulated air-raid and intercept training exercise, over the New York City area on October 22, the Royal Canadian Air Force announced on October 11.

In announcing the training manoeuvre, U.S. Air Force and RCAF officials declared that one of the chief purposes of the joint manoeuvre will be to demonstrate the ability of the Canadian Air Reservists and United States Air National Guardsmen to integrate forces in the event of an emergency.

More Baltic Immigrants: Cork, Republic of Ireland, -- (Reuters) -- Paul Emori, one of the leaders of the Baltic refugees who came here on their way to Nova Scotia from Sweden in the former British landing craft, Victory, said, on October 10, other refugee ships will follow.

(over)

The Victory is undergoing repairs here for damage sustained when she left Sweden, bound for Halifax. She carried 385 displaced persons-- far more than she was built to carry. Canadian authorities have said they will prosecute the captain if he enters a Canadian port with more than 150 passengers.

CPR Royal Commission Brief: Ottawa, October 10 -- (CP) -- The Canadian Pacific Railway contends in a brief to be presented to the Royal Commission on Transportation that "so long as the structure of world trade remains strong, it is quite probable that Canada will continue to grow a little more rapidly than the United States."

The brief reiterates the principle that the cost of rail transportation should be borne by the traffic over a railway. It also submits that Canadian railways have gone as far as would be desirable in providing low transportation rates.

Austrian Diplomat Arrives: Dr. F.O. Reidel, a career diplomat, arrived in Montreal on October 8, to establish diplomatic relations between Canada and Austria for the first time in 10 years.

....Dr. Reidel said he didn't know yet whether he would establish a consulate-general in Ottawa or in Montreal.

Football Results:

	<u>October 8</u>		
Montreal,	20;	Ottawa,	19
Toronto,	11;	Hamilton,	10
	<u>October 9</u>		
Ottawa,	42;	Montreal,	33
	<u>October 10</u>		
Toronto,	29;	Hamilton,	8

Across Canada: A research grant of \$20,000 has been received by the American Diabetes Association from an anonymous Canadian source.... Ven. W.W. Davis, Archdeacon of Quebec, has protested against the proposed Quebec Government lottery to raise hospital and school funds....Three Montreal physicians, Dr. René Dandurand, Azarie Cousineau and Emile Legrand, their pilot and a guide were killed in the crash of a private plane in the Laurentians on October 9....The Annual Convention of the Young Liberal Association opens in Montreal today....Thanksgiving weather was perfect, Ottawa recording an all time high of 81 on October 9.

Note: (No bulletin was published on Monday, October 10)

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Vol. 1, No. 23

Wednesday, October 12, 1949.

Donald Gordon To Head CNR: Ottawa, October 11 -- (CP) -- A top-flight member of the Government's financial brain trust -- Donald Gordon, Deputy Governor of the Bank of Canada -- will become head of the huge Canadian National Railways system January 1.

Reaching for a C.N.R. chief outside railway ranks for the first time in 16 years, the Government today named Mr. Gordon to be chairman and president of the nationally-owned line in succession to R.C. Vaughan, who has passed the retirement age of 65.

The 47-year-old financial and economic expert, a native of Scotland, will become the youngest head of the \$2,500,000,000 system, a vast corporate empire sprawling all the way between Canada's two coasts and down into the United States, and including steamship, hotel, telegraph and other allied services.

While the Government gave no reason for stepping outside railway personnel to find a new operating chief for the C.N.R., there was immediate speculation that it might be intending to call on Mr. Gordon's talents for a possible reorganization of the Canadian National's financial structure before long.

Pandit Nehru To Visit Ottawa: The Department of External Affairs announced on October 11 that Pandit Nehru, Prime Minister of India, will arrive in Ottawa on Sunday evening, October 23, for a stay of two days. He will be accompanied by his sister, Her Excellency Vijaya Lakshmi Pandit, Ambassador of India in the United States, and by his daughter Mrs. Indira Gandhi, as well as by other officials.

Pandit Nehru will pay an unofficial visit to Vancouver on November 2 and 3. (For further details see Press Release No. 71 of October 11, 1949)

In Parliament, October 11: Transport Minister Chevrier announced Donald Gordon has been chosen president of the CNR, succeeding R.C. Vaughan.

Donald Fleming (PC--Toronto Eglinton) criticized appointment of a man without railway experience as head of the CNR.

Third and final reading was given a bill abolishing appeals of the Privy Council and making the Supreme Court of Canada the final court of appeal.

T.L. Church (PC--Toronto Broadview) said the Privy Council Bill was based on a "separatist doctrine."

Agricultural estimates were discussed.

Noronic Inquiry: Toronto, October 11 -- (CP) -- First Officer F. Gerald Wood today described as inadequate the klaxon alarm system on the cruise-steamship, Noronic, which burned at her berth here September 17 with a toll of 105 identified dead and 19 missing.

The Noronic's tall first mate, a certified ship's master since 1946, told the Federal Commission inquiring into the disaster he doubted that passengers "singing and laughing" in their cabins some distance from the horn could hear it.

(over)

Guay Trial January 9: Quebec, October 11 -- (CP) -- Murder trial of unruffled J. Albert Guay, alleged organizer of the time-bomb destruction of an airliner carrying 23 persons, was fixed today for January 9.

At the same time, preliminary hearing for Mrs. Arthur Pitre, a key witness in the Guay case, on a charge of attempted suicide, was postponed until next week, with bail refused the 41-year-old woman.

Conciliation Officers in Rail Dispute: The Minister of Labour, Mr. Mitchell, announced on October 11 that he had appointed Conciliation Officers to deal with the dispute between 12 international railway labour organizations and the principal railway systems of Canada, including the Canadian National Railways, the Canadian Pacific Railway Company, the Ontario Northland Railway and the Toronto, Hamilton and Buffalo Railway. The dispute arose out of demands concerning wage rates and hours of work....

The Unions' demands, affecting some 112,000 railway workers in the non-operative trades, include the establishment of a 40-hour work week, increases in wage rate to provide for the same take-home pay as the present working hours, and an additional general wage increase of 7¢ per hour. The 48-hour week now prevails in nearly all branches of the railway systems affected by the current demands, with the exception of car and locomotive shops where the 44-hour week is in effect.

Bonds Increase In Value: Ottawa -- First War Loan Bonds bearing the call letters (C and D) increased in maturity value today by \$750,000. The appreciation took place automatically, when Finance Minister Douglas Abbott drew the letter (B) out of a goldfish bowl in his office, in accordance with the original terms of the \$250,000,000 bond issue, the Department of Finance announced on October 11.

Freighters Idle In Halifax: Halifax, October 11 -- (CP) -- Ten ships, five owned by Acadia Overseas Freighters Ltd. of Halifax, are tied up here for lack of cargoes. The 7,192-ton freighter Seaboard Ranger, owned by Triton Steamship Company of Montreal, arrived today and became the 10th.

Shipping officials said high operating costs, stiff foreign competition and the recent devaluation of the Canadian dollar have contributed to the sharp decline in Canadian shipping.

British Purchase Of Canadian Pork: Washington, October 11 -- (CP) -- The Economic Co-operation Administration today granted Britain \$12,200,000 -- \$13,420,000 in Canadian funds--for purchase of Canadian pork.

This was the largest appropriation of Marshall Plan funds in three months.

Across Canada: The International Joint Commission began consideration, on October 11, of pollution and other problems affecting international waterways stretching from the Columbia River on the west to the Passamaquoddy on the east....
Montreal Gazette, October 12: The Quebec Federation of Young Liberals, at an October 11 rally preceding the opening of their convention, called for appointment of a Canadian as Governor General....
Addressing the Empire Club of Toronto on October 11, Douglas Jerrold, British publisher and military historian, predicted a political community among Western European countries, but added that this would not come about within this generation and not before military and economic unity had been achieved....
Montreal Gazette, October 12: It is believed that the avenue will remain open for appeal of a number of Canadian civil law cases to the Privy Council, even after passage of legislation abolishing such appeals.

Correction: The story "Austrian Diplomat Arrives" carried in Volume 1 No. 22 of the Daily Airmail Bulletin dated Tuesday, October 11, was incorrectly reported. The facts are as follows: Dr. F.O. Riedl-Riedenstein, a career consular officer of the Austrian Government, arrived in Montreal on October 8 to establish a Consulate General. Dr. Riedl-Riedenstein is as yet uncertain whether the Consulate General will be established in Ottawa or in Montreal.



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Vol 1, No. 24

Thursday, October 13, 1949.

Canadian Shipping Crisis: Halifax, October 12 -- (CP) -- Forty-one seamen and another Canadian merchantman lose their jobs Saturday, left behind in a wild scramble for world-wide cargo hauls.

That day there will be 500 idle seafarers in this port that has become a place for 72,000 tons of Canadian merchant shipping to cool its heels. Latest addition to the mothball fleet will be the 7,190-ton freighter Westminster County. Her owners, Acadia Overseas Freighters Ltd., already have five vessels tied up indefinitely.

The 12 ships have been immobilized because their owners say they cannot compete on ocean hauls with foreign shipping. One spokesman explained it this way:

Freight rates on cargoes are based on operational costs which, in the case of Canadian shipowners, come entirely from the boss' pocket. These costs include wages, maintenance and replacements.

But there are foreign owners--notably British and Panamanian--who employ cheaper labour and benefit, in some cases, from government subsidies. Therefore, their freight rates are lower and they usually get preference when a cargo goes up for bid.

Canadian-flag owners complain bitterly about their inability to beat the problem. They say that federal assistance of some kind is required but they shy from subsidization as affording only temporary relief. They also admit that the Government cannot order importers of Canadian products to use Canadian ships as transporters.

In Parliament, October 12: Finance Minister Abbott announced the budget will be reintroduced Thursday October 20 at 8 p.m. (E.D.T.).

Opposition members urged sharper scrutiny of public health, welfare, social security and housing.

Hon. Brooke Claxton, acting Health Minister, opposed establishment of a committee on such matters.

Noronic Disaster: Toronto, October 12 -- (CP) -- From the confused, oftentimes vague, testimony of the Noronic's first officer, today emerged the fact no instructions were issued crew members to rouse sleeping passengers when the cruise-ship burned at her berth September 17.

This admission was made before the federal commission inquiring into the disaster by First Mate F. Gerald Wood. He said that, under fire-fighting regulations aboard ship, he immediately became officer-in-charge after turning in the alarm.

Meanwhile, the fire's death toll today was set at 119 on the basis of Red Cross investigation and new medical evidence. Total of identified dead was placed at 105, and the missing reduced from 19 to 14.

Dr. Shields Ousted: Toronto, October 12 -- (CP) -- Rev. Thomas Todhunter Shields, archfoe of religious modernism, was ousted today as president of the Union of Regular Baptist Churches of Ontario and Quebec.

Dr. Shields, who held the presidency of the Union for 23 stormy years since he founded it, was defeated at a convention here today by Rev. E.C. Woods of Timmins, Ontario.

Smallwood Trial Begins: St. John's, Nfld., October 12 (CP) -- Legal argument opened in Supreme Court here today in the intimidation case of Premier Joseph Smallwood.

The charge was laid by W.J. Browne, former magistrate and now member of the House of Commons for St. John's West. The charge was based on a speech made by the Liberal Premier in Ferryland during the federal election campaign.

Baltic Immigration: Sydney, N.S., October 12 -- (CP) -- A 39-year-old Estonian arrived here by plane from Gander, Nfld., today, the first of a group of 385 refugees who set out to reach Canada aboard a crowded former landing craft.

Fourteen of the refugees took off from Shannon, Ireland, yesterday. Thirteen--11 adults, a child and an infant--were detained at Gander.

Visit Of Pakistan Foreign Minister: The Department of External Affairs announced on October 12 that the Honourable Chaudhri Sir Mohammed Zafrullah Khan, Pakistan Minister for Foreign Affairs and Commonwealth Relations, would arrive in Canada on October 13 for a brief visit to Ottawa and Toronto. On Friday, Sir Mohammed Zafrullah Khan will call on the Right Honourable Thibaudeau Rinfret, Deputy Governor General, and visit the Department of External Affairs. (For further details see Press Release No. 72, October 12, 1949).

Housing Situation: Ottawa, October 12 -- (CP) -- The first seven months of 1949 saw another 46,326 Canadian families in their own homes, a 10,000-home improvement over the housing programme of a year ago.

This was reported by the Bureau of Statistics today in its monthly housing bulletin. It showed, however, that fewer new houses were started this year than last. Starts during the seven months of 1949 totalled 49,285 compared with 49,452 in the first seven months of 1948.

Cost-Of-Living: Cost-of-living indexes for each of the eight regional cities moved downward between August 1 and September 1, lower prices for foods, notably fresh vegetables, meats and fruits being mainly responsible, the Bureau of Statistics announced on October 11....

Composite city index decreases between August 1 and September 1 were as follows: Halifax, 1.6 to 155.6; Edmonton, 1.5 to 156.8; Winnipeg, 1.3 to 156.6; Saskatoon, 1.0 to 162.8; Vancouver, 0.7 to 163.5; Montreal, 0.4 to 165.7; Saint John, 0.3 to 159.4; and Toronto, 0.3 to 158.2. The Dominion index fell 0.5 points to 161.0.

Canada At The U.N.: Lake Success, N.Y., October 12 -- (CP) -- Canada's Health Minister today complained of fatigue from listening to the speeches of Russia's Foreign Minister, Andrei Vishinsky.

Paul Martin, who has taken part in many international conferences, made his protest in the 59-member special political committee of the United Nations General Assembly.

Across Canada: Trans-Canada Airlines may be operating to Barbados before long....Longer berths, for outside people, may become a new luxury feature of CNR sleepers....The CBC employs 1,323 persons, including 191 in its International Service, according to a return tabled in the House of Commons on October 12....Hopes for world understanding are improving because 5,000,000 Boy Scouts throughout the world realize that all Scouts are brothers, says Jackson Dodds of Montreal, Canadian and International Scout Commissioner....The number of operating oil wells in Alberta has gone over the 1,000 mark for the first time in the history of the province....Findlay's Hotel, last of seven inns that were stage-coach stops on the Toronto (York) - Holland Landing route during the 1830's, has been sold to Montreal interests....Canada has a new competitor in the canned salmon export field--Russia, the Fisheries Department announced on October 12.



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Vol. 1, No. 25

Friday, October 14, 1949.

Trade Balance Drops Sharply: Ottawa, October 13 -- (CP) -- That Canada is striking a new post-war low in its favourable balance of trade with foreign countries, was evident today in figures issued by the Bureau of Statistics.

Despite an upward surge during August, the cumulative balance in Canada's favour during the first eight months this year shrank to \$83,700,000--less than half the \$197,200,000 balance last year.

It was even lower than the \$121,600,000 balance during 1947--the year the Government erected a wall of import controls in efforts to conserve Canada's dollar and gold reserves.

Part of that import-control wall still is intact, but it didn't keep Canada from buying \$1,312,600,000 worth of goods from the U.S. in the 1949 eight-month period.

In Parliament, October 13: Transport Minister Chevrier said the government is giving consideration to the plight of Canadian ship owners.

Most members approved government legislation aimed at forestry conservation and development....

Agriculture Minister Gardiner said the government does not intend to ask farmers to produce more hogs for Britain.

Mr. Gardiner said the government has approved purchase of facilities for a big Alberta irrigation project.

Dr. Chisholm Addresses W.H.O.: Lake Success, N.Y., October 13 -- (CP) --

One of the world's top medical experts said today that development of bacteriological weapons has made atomic bombs obsolete.

Dr. Brock Chisholm, formerly Canada's Deputy Health Minister and now director-general of the World Health Organization, told a press conference at United Nations headquarters that most of the world's inhabitants will be wiped out in any future war in which virulent bacteria now developed are used as a weapon.

Noronic Investigation: Toronto, October 13 -- (CP) -- The officer on duty

watch testified today before the Federal commission inquiring into the Noronic disaster that he did not consider he was in charge of the ship when the Canada Steamship Lines cruise-steamship burned at her berth here September 17.

Second Officer W.J. Bowles of Dorchester, Ont., said he believed the ship's master or first mate to be in charge, although he saw neither during the fire which took a toll of 119 lives.

After giving a detailed account of his efforts to rouse passengers on A deck, the 43-year-old second mate was told that occupants of the cabins he mentioned were either dead or missing.

(over)

U.S. Interests Oppose Canadian Fish: Ottawa, Ont., October 13 -- (CP) -- Fisheries Minister Mayhew tonight told the Commons his Department was watching closely attempts of United States fish interests to block Canadian exports of fresh fish to the U.S.

The Minister made the statement after a Newfoundland member-- G.F. Higgins (PC -- St. John's East)--had expressed concern at what he said were attempts by Massachusetts fishery interests to cut down Canadian exports.

Military Intelligence Appointment: Ottawa -- Col. A.F.B. Knight, OBE, 39, formerly of Winnipeg, has been appointed Director of Military Intelligence at Army Headquarters, Defence Minister Brooke Claxton announced on October 13. He takes over his new duties at the end of the year, succeeding Col. W.A.B. Anderson, OBE, now attending the National Defence College at Kingston.

Col. Knight has been Director (Army) at the National Defence College since April 1948.

Prime Minister To Speak: On the evening of October 14 the Prime Minister, Mr. St. Laurent, will speak at a Convocation of the Rensselaer Polytechnic Institute in Troy, New York. An honorary degree of Doctor of Laws will be conferred by the Institute on Mr. St. Laurent at this time.

Hockey:

October 13

National League

Canadiens 4 - Chicago 0

American League

Providence 7 - New Haven 5

October 14

No games scheduled.

Across Canada: The Hudson Bay Company vessel "Rupertsland" arrived in Halifax on October 12, completing a three-month supply voyage to the Arctic....The Quebec Provincial Museum has obtained, from a village school at Montmagny, a bell made in France in 1666 and believed to be the oldest in Canada....Stanley Knowles (CCF-Winnipeg North Centre) suggested on October 13 that, if it is found that cigarettes are responsible for a large number of forest fires, manufacturers should be prohibited from putting saltpetre or other chemicals in them to make them burn faster....The International Joint Commission announced on October 13 that consideration was being given to what may become the biggest international waterways dam in North America, on the border between British Columbia and Montana....A bicycle stolen 9 years ago in Waterloo, Ontario, has just been recovered in Guelph.... Robert H. Saunders, Chairman of the Ontario Hydro Commission, discussed power problems, with special reference to the "Niagara diversion" and St. Lawrence power development, with the Minister of Trade and Commerce, Mr. Howe, on October 13.



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Vol. 1, No. 26

Monday, October 17, 1949.

Treasury Statement on Budget: The Minister of Finance, Mr. Abbott, released on October 15 the regular monthly statement of the Comptroller of the Treasury covering revenues and expenditures for the Government of Canada for the month of September and the first six months of the current fiscal year.

Total revenues of the Government for the month of September amounted to \$174.0 million compared with \$199.6 million for the same month last year. Total revenues for the first six months of the current fiscal year amounted to \$1,240.6 million as against \$1,314.8 million in the same period last year.

The declines in revenues for the month again reflected the reductions in excise tax and personal income tax rates announced in the last budget. While revenue from these two sources declined there was a moderate increase in Corporation Income Tax. Excise Duties were higher for the month than for September, 1948, while Customs revenue remained unchanged.

Total expenditures for September were \$14.5 million higher, at \$189.4 million, than in September last year. Total expenditures for the first six months of the year were \$961.4 million compared with \$845.4 million in the same period last year.

Expenditures for September exceeded revenues by \$15.4 million. This resulted in a so-called budgetary surplus for the six months period of \$279.2 million compared with \$469.4 million in the first six months of last year.

Senator Wilson Speaks On "D.P.'s": Lake Success, N.Y., October 16 -- (CP) --

Two women delegates from Britain and Canada Saturday vehemently tossed back Russian-bloc charges in the United Nations that their countries are abusing immigrants and using slave labor.

Senator Cairine Wilson of Ottawa and Barbara Castle, youthful British MP, spoke in the UN Assembly's 59-member social committee during debate on a Polish resolution aimed at the United States, France, Belgium and unnamed South American countries for alleged mistreatment of immigrant workers.

When Ivan P. Demtchenko of the Soviet Ukraine said refugee labor in Canada is subject to discrimination, Senator Wilson replied that the working conditions of displaced persons in Canada are comparable to those enjoyed by Canadian citizens.

In his hour-long address, Demtchenko touched only briefly on conditions of refugee labor in Canada. He cited stories from Canadian newspapers to back up claims that Ukrainian refugees in Canada were despondent over their working conditions and pay.

Senator Wilson, noting that Canada rarely quotes papers or letters in UN debates, said she would make an exception on this occasion and quoted from a letter sent the Canadian Government by a refugee miner in Western Canada.

Dieppe Memorial Tablet: Eastbourne, October 16 -- (CP) -- A bronze tablet was unveiled today on the top of Beachy Head by Maj.-Gen. J. H. Roberts, commander of the Dieppe raid of Aug. 19, 1942.

The tablet commemorates the wartime vigil maintained by the Royal Observer Corps and the Home Guard on the south downs overlooking the English Channel. Beachy Head is a promontory on the coast four miles south of here.

(over)

Belgian Chiefs of Staff to Visit: Ottawa, October 16 — (CP) — The chiefs of staff of the Belgian Army and Air Force will visit Ottawa on a three-day courtesy visit next week, it was announced today. They now are touring the United States.

The chief of general staff, Lt.-Gen. Etienne Baele, and the chief of air staff, Maj.-Gen. Lucien Leboutte, will be flown to near-by Rockcliffe Airport by the RCAF Monday.

Canadian Pilots Stratoliner: London, October 16 — (CP) — Canadian-born Capt. Bill May today piloted the first stratoliner to cross the Atlantic from west to east. The non-stop flight from New York to London airport took 10 hours 15 minutes.

May, 40, was born at Madawaska, Ont., and educated at Winnipeg.

New Postage Stamps: The Postmaster General, Mr. Rinfret, has announced that on November 15 five new postage stamps, 1-cent to 5-cent denominations, bearing portraits of His Majesty King George VI, will be issued. The postage stamps were reproduced from portraits by Dorothy Wilding Portraits Limited, London, England. The new issue will be the same size as and will replace the current issue of stamps bearing portraits of His Majesty in military uniforms. The colours of the new issues will be the same as the current stamps of the same denominations, with the exception of the 2-cent stamp, which is being reproduced in a darker shade of brown.

Urges St. Lawrence Seaway: Seignior Club, Que., October 16 — (CP) — Early completion of the St. Lawrence Seaway project to meet expanding needs for low-cost power and transportation was urged Saturday night by Francis B. Wilby, chairman of the Power Authority of the State of New York.

"The benefits we are seeking from regional planning of the St. Lawrence development have already been tested out and successfully accomplished in major projects on the other great rivers of the United States and Canada," he said in an address prepared for delivery to the annual meeting of the Canadian Society of Landscape Architects and Town Planners.

Across Canada: An earth tremor rattled windows over a large area in Eastern Ontario Sunday night but apparently did no damage. The shock, which was felt in Ottawa, Cornwall, Avonmore and Alexandria, lasted for several seconds and occurred at 7.38 p.m., daylight time....Ontario business women, as represented at a conference of more than 270 representatives of the Business and Professional Women's Clubs of Ontario, on Saturday urged the federal Government to make women eligible for top positions in the Civil Service.... Weekend football results: Ottawa Rough Riders maintained first place in the Big Four and defeated Hamilton Wildcats in Hamilton by 12 to 7; Montreal Alouettes moved into a second place tie with Toronto Argonauts by defeating Argos 24 to 16 in Toronto Saturday and beating Wildcats 29 to 16 in Montreal Sunday. Hamilton Tigers took over first place in the ORFU by defeating Sarnia Imperials 13 to 11. In the west Calgary Stampeders won their 10th straight by defeating Edmonton Eskimos 31 to 6 and Saskatchewan Rough Riders defeated Winnipeg 47 to 0. In the Intercollegiate race, McGill surprised Toronto Varsity with a 22 to 13 victory, while Western defeated Queen's 16 to 11.



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Vol. 1, No. 27

Tuesday, October 18, 1949.

Canada - Denmark Agreement: The Department of External Affairs announced on October 17 that Canada and Denmark have concluded an agreement modifying their visa requirements for temporary visitors.

Beginning October 15, Canadian citizens who are bona fide non-immigrants (visitors, not seeking employment or permanent residence) and who are in possession of valid Canadian passports may, without previously obtaining a Danish visa, visit Denmark for periods each not exceeding three consecutive months. However, visas are still required for entry into Greenland and the Faroe Islands.

Danish citizens, who are bona fide non-immigrants coming to Canada and who are in possession of valid Danish passports, will receive, from the Canadian Legation in Copenhagen, visas free of charge, valid for an unlimited number of entries to Canada during a period of twelve months from the date of issue of the visas. (For further details see Press Release No. 73 of October 17, 1949).

Canada - Argentine Agreement: The Department of External Affairs announced on October 17 that an agreement has been reached between Canada and the Argentine for the avoidance of double taxation on shipping profits.

Under the terms of this Agreement the Argentine Government undertakes not to tax Canadian concerns on the profits they earn by operating ships or aircraft to Argentina. Similarly Canada will exempt from income tax the revenue received by Argentine ships and aircraft carrying to and from Canada.

The Agreement is retroactive to January 1, 1946, and covers profits earned since that date.

Federal - Provincial Conference: Ottawa, October 17 -- (CP) -- Broad provincial approval was indicated today for a general conference with the federal Government in search of methods for amending in Canada those parts of the Constitution which affect both federal authority and the Provinces.

But several of the Provinces--Quebec, Ontario and Alberta--questioned Ottawa's decision to act first and alone in seeking to transfer from London to Canada the power to amend those parts of the Constitution entirely within federal jurisdiction.

Their opinions were expressed in letters tabled today in the Commons by Prime Minister St. Laurent just before the House considered the proposal for lone federal action on federal powers. His letter inviting them was sent September 1.

Nine of the provincial premiers said definitely they would come themselves or send representatives to the general conference....

Newfoundland Unemployment: St. John's Nfld., October 17 -- (CP) -- Newfoundland's war and post-war prosperity period is over, Premier Smallwood told the Legislature today as he announced a new programme to help alleviate the Province's growing unemployment situation.

(over)

He said Newfoundland would have a difficult time this winter as a result of the layoff of a large number of civilian employees by the three American bases, the "spectacular failure" of the fisheries in many sections of the Province and the "belt-tightening" by the newsprint industry.

The Premier said Newfoundland had always had the dole in bad times and that apparently previous governments had not done much to get away from it. He now proposed work of a useful nature instead....

Sterling - Dollar Board: Ottawa, October 17 -- (CP) -- Canadian industrialists are entering the ring to help fight the United Kingdom's dollar battles.

Answering an urgent appeal from Britain, the industrialists are banding themselves into a sterling-dollar board to advise U.K. exporters on how to make greater sales in Canada.

James S. Duncan, President of the Massey-Harris Company, has been named Chairman of the Board. He is expected to announce names of his associates tomorrow.

At the same time, Trade Minister Howe is expected to make a statement on the Board's functionings either in the Commons or at a press conference.

Chief function of the Board, it is understood, will be to coordinate the work in Canada of Sir Graham Cunningham's export dollar board in the U.K.

U.K. Buying Statement Forecast: Ottawa, October 17 -- (CP) -- An important British Food Ministry statement is expected within two weeks, outlining what Britain will purchase from Canada during austerity-bound 1950, informed sources said today.

The statement likely will disclose the amount of dollars the United Kingdom will spend for such commodities as bacon, eggs and cheese. Prices are expected to be worked out later at Anglo-Canadian food conferences to be held both in Ottawa and London. They are expected to be lower than in 1949.

The U.K. statement may not be made public by the Canadian Government until the federal-provincial agriculture conference meets in Ottawa December 14.

However, it is understood reductions are in store for purchase of bacon and eggs, but that Britain will continue to buy large quantities of Canadian cheese....

Across Canada: Ontario's power supply situation will become menacing next week when the MacLaren-Quebec Power Company cuts delivery of power to Ontario by 3,385,000 kilowatt hours a week due to water shortage in Quebec....The Minister of Finance, Mr. Abbott, yesterday expressed hope that Canadians would set a new high in Savings Bond purchases as the Fourth series went on sale....The Canadian Broadcasting Corporation announced yesterday that it is launching a song-writing competition with total prizes of \$2,500 "in an attempt to overcome the scarcity of Canadian songs."



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Vol. 1, No. 28

Wednesday, October 19, 1949.

Constitutional Amendments Debate: Ottawa, October 18 -- (CP) -- An opposition Member of the House of Commons today asked the Commons not to assume power enabling it to change the terms of elected Governments.

Stanley Knowles (CCF--Winnipeg North Centre), speaking during continued debate on constitutional amendments said Canadians should be assured of a session of Parliament at least once a year and of an election every five years.

He put his views in an amendment to the constitutional motion under debate. The motion is in the form of an address to the United Kingdom Parliament and asks that Parliament be given the power to amend the Constitution on matters entirely under federal jurisdiction.

The Government's motion states that any amendments made by Parliament would not touch on education, use of the French and English languages or matters under provincial jurisdiction.

Mr. Knowles felt the Government's motion did not go far enough. In his amendment he asked that Parliament likewise not take on itself the power to dictate when a session or an election should be called.

Speaker Ross Macdonald, who last night ruled out of order a Progressive Conservative amendment calling for a constitutional conference, made no comment after reading Mr. Knowles' amendment....

In Parliament On October 18: Prime Minister St. Laurent said the federal Government will expedite public works in Newfoundland to offset unemployment.

Finance Minister Abbott indicated the Government does not plan action against gold mines which held gold in anticipation of dollar devaluation.

The Commons gave second reading--adoption in principle--to 45 Quebec divorce bills.

Senator A.K. Hugessen (L--Quebec) said Parliament decided to abolish appeals to the Privy Council 75 years ago.

Premier Duplessis On Constitution: Quebec, October 18--(CP)-- Premier Duplessis today told a County Council convention that he will never yield from his position in the federal-Quebec Government's constitutional dispute and added that the dispute is "a matter of life and death."

"This is not a matter between Duplessis and St. Laurent," he told the 200 delegates to the meeting here. "It is a matter of life and death; this is the time to express our opinions."

The leader of Quebec's National Union Government spoke for an hour on the Canadian constitution.

"It is not a question of separatism, of fanaticism, it is simply a question of patriotism, well understood," the Quebec Premier said.

Up till now the dispute over the nature of the British North America Act had been limited to an exchange of letters between Premier Duplessis and Prime Minister St. Laurent.

(over)

The dispute stemmed from difference of interpretation of the B.N.A. Act. The view of Mr. St. Laurent was that the act was a law which could be amended, as far as federal matters are concerned, by the federal Parliament.

Premier Duplessis has said the B.N.A. Act is a pact between the provinces and that it cannot be modified in any way without the consent of the provinces....

Dollar-Sterling Trade Board: Ottawa, October 18 -- (CP) -- Canada yesterday teamed with the United Kingdom in a move designed to maintain Canadian prosperity by helping Britain out of her dollar dilemma.

Thirteen experts in business, labour, agriculture and consumer needs comprise the Canadian team, known as the Dollar-Sterling Trade Board and headed by James S. Duncan, President of the Massey-Harris Company, Toronto.

Announcing formation of the Board in a joint statement with Trade Minister Howe, Mr. Duncan said he had "grave fears" for the economic future of Canada, if dollars were not made available to Canada's customers....

Shipping Industry Hit: Ottawa, October 18 -- (CP) -- Effects of currency devaluation on Canada's deep-sea shipping industry are being studied by the Government before the launching of any programme to aid the ship operators, cabinet quarters said today.

Government sources, admitting the plight of the merchant marine is serious, said such a study is essential to work out plans for assisting the hard-pressed industry.

While devaluation already has hit sharply at Canadian shipping, these officials said, its full effects will not be known for some weeks at least.

"Haida" To Labrador: Ottawa, October 18 -- (CP) -- The Canadian destroyer "Haida" is en route to Labrador with the U.S. Atlantic Fleet for joint exercises near Cape Porcupine, some 150 miles up the east coast of Labrador.

The destroyer will join four U.S. destroyers for training in screening convoys, anti-submarine patrols, scouting and giving close gunfire support to land assaults during the scheme, naval headquarters said today.

"Noronic" Disaster Probe: Toronto, October 18 -- (CP) -- Passengers and crew alike failed from the outset to accept as serious the fire which swept the cruise-steamship "Noronic", claiming the lives of 119 persons in Toronto harbor September 17.

This was indicated today in the evidence of witnesses heard during the 14th day of a federal inquiry into the disaster.

A ship's stoker said he kept right on shovelling after being warned three times the "Noronic" was afire....

Across Canada: A 4,000-mile voyage of exploration and study of island and mainland areas in Hudson and James Bays, Foxe Channel and Basin, and Roes Welcome Sound has been completed by a scientific party headed by T.H. Manning, of the Geographical Bureau, it has been announced by the Minister of Mines and Resources, Mr. Gibson.... Two federal Government conciliators seeking to settle amicably a wage and working-hour dispute between Canadian railway companies and 17 railway brotherhoods met in Montreal yesterday with union and company representatives.



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Vol. 1, No. 29

Thursday, October 20, 1949.

In Parliament On October 19: The Government indicated it does not plan to investigate the possibility of a price-fixing combine in the oil industry.

Members upheld a decision by Speaker Ross Macdonald by a vote of 141 to 45.

Defence Minister Claxton tabled a 109-page report of the Department of National Defence for the year ended last March 31.

Prime Minister St. Laurent said federal grants to provinces for education have possibilities of controversy.

The Senate heard pleas for and against abolition of appeals to the Judicial Committee of the Privy Council.

National Defence Department Report: Ottawa, October 19 -- (CP) -- Canada's policy of maintaining small, compact, well-equipped and well-trained fighting forces in all three services is emphasized in the annual report of the National Defence Department, tabled today in the Commons.

The aim of establishing a nucleus for speedy expansion in the event of war is summed up in the following excerpts from organization reports on the three services:

NAVY -- "In case of emergency the role of the Canadian Navy would be similar to that played in the last war--protection of shipping as the indispensable means for carriage of men and material...."

ARMY -- "In a country of Canada's large area and comparatively small population it is essential to have in active service a highly trained and mobile force, capable at the same time of defending our territory against any possible sudden attack and also of forming a compact framework around which reserve forces may quickly be built up in case of emergency."

AIR FORCE -- "For immediate defence purposes the function of the R.C.A.F. is to build up and maintain an air strength adequate to meet any immediate attack and to form the nucleus for the formation of larger forces if necessary."

"The development of a chain of modern interceptor-fighter squadrons is under way. Although it is not practical for Canada to support an effective strategic bombing force, it is the aim of the (Defence) Department to maintain certain bomber, tactical and maritime squadrons to keep abreast of developments in this field."

Canada - U.K. Trade Talks: Ottawa, October 19 -- (CP) -- Talks toward completion of 1950 commodity contracts between Canada and the United Kingdom are expected to open in London next Monday.

Two trade and agricultural experts, E.W. Mackenzie, Deputy Minister of Trade and Commerce; and J.G. Targart, Deputy Minister of Agriculture, will leave by air Saturday as Canada's representatives.

The big problem confronting the two will be scarcity of dollars, which may force Britain to curtail purchases in Canada during 1950.

(over)

They are expected to spend a week in London, discussing that problem with various British ministries, believed in possession now of figures showing tentative amounts of dollars they will be able to spend.

A source close to the two officials says that in no case will Canada agree to the sealing of a bilateral trade pact as a means of solving purchasing and selling problems....

Mr. Greene's Address: Ottawa, October 19 -- (CP) -- K.A. Greene, recently returned from Australia where he served as Canadian High Commissioner for the last three years, today praised the quality of the men who represent Canada abroad.

Addressing a Canadian Club luncheon, Mr. Greene said that when he arrived in Australia he was "surprised by the high quality of young men sent abroad by the Canadian Government."

Inter-American Institute: Ottawa, October 19 -- (CP) -- Formation of an Inter-American Institute was announced today by the School of Political and Social Sciences of the University of Ottawa. Seat of the Institute, first of its kind in Canada, will be at the university.

RCAF Reserve Exercise: Air Marshal W.A. Curtis, Chief of the Air Staff, RCAF, and Air Vice Marshal C.P. Slemon, Air Officer Commanding Training Command, will be spectators at a joint US National Guard -- RCAF Reserve exercise in New York City on October 22, it was announced on October 17 by Air Force Headquarters, Ottawa. Called "Operation Metropolis", the Reserve exercise will include a simulated air attack upon the city and interceptor tactics by defending aircraft. RCAF Reserve units from Montreal are to take part.

U.S. Presents Hospital To Newfoundland: The United States Senate, on October 17, passed and sent to the White House, a resolution authorizing presentation to the people of St. Lawrence, Nfld., of a hospital or dispensary, it was reported from Washington.

The institution would be in appreciation of the action of St. Lawrence people in saving lives of officers and men of the United States ships "Pollux" and "Truxton", wrecked near there in 1942.

Across Canada: Mr. Justice Charles D. White, who retired last year after serving for 27 years as a Judge of the Superior Court of the district, died yesterday at his residence in Sherbrooke, Que.... A school teacher who spent the evening of the Noronic fire ashore with Capt. William Taylor, in commenting on the rumour that the Captain was drunk, told the federal inquiry Commission in Toronto yesterday that she saw nothing unusual in the behaviour of the ship's master.... Production of raw furs in Canada in the 12 months ending June 30, 1948, had a value of \$32,233,000, showing an increase of \$5,883,000 over the preceding year, but a decline of \$11,638,000 from 1945-6, the Bureau of Statistics has reported.

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Vol. 1, No. 30

Friday, October 21, 1949.

Budget Speech: Ottawa, October 20 -- (CP) -- Finance Minister Abbott tonight re-introduced the 1949-50 budget in the Commons, proposing only three minor additional tax reductions. This will reduce the tax bills of Canadians by another \$11,000,000 in a full year.

Mr. Abbott said that in addition to the \$376,000,000 in tax reductions provided in the March 22 budget, he was proposing:

1. Elimination immediately of the eight-per-cent sales tax on all fuel oils used for heating or lighting purposes.
2. A reduction of from 50 to 25 cents a gallon in the tax on cider and other wines containing less than seven per cent of proof spirits, effective immediately.
3. That a personal income-tax credit of 10 per cent on dividends from common shares granted in March, be extended to include dividends from all classes of shares, common and preferred. This is retroactive to January 1, 1949.

No further change for the year was made in personal income tax rates.

The 1948-49 final revenues turned out to be \$2,771,000,000, or \$3,000,000 more than was estimated in March. Expenditures were \$2,176,000,000, or \$17,000,000 less than was estimated.

The surplus for the year was \$595,000,000, or \$20,000,000 greater than the earlier estimate.

For 1949-50, he had forecast revenues, after tax changes, of \$2,477,500,000. Some important revenue sources had been more buoyant than anticipated and as a result he now was "inclined" to raise the forecast to \$2,550,000,000.

He had estimated expenditures at \$2,390,000,000, but he now boosted the figure to \$2,460,000,000.

With provision made for the three new tax changes, he expected that the surplus for this year would be "fairly close" to the \$87,000,000 surplus he forecast last March. Before the new tax reductions he mentioned a surplus of around \$90,000,000.

The budgetary surplus would bring to \$1,730,000,000 the amount the Government has applied against the national net debt in the last four fiscal years.

Mr. Abbott said three additional tax changes proposed would reduce the Government's revenue by \$5,000,000 during the remainder of the current year, and about \$11,000,000 during a full year.

Mr. Howe's Montreal Address: The following is an excerpt from an address delivered by the Minister of Trade and Commerce, Mr. Howe, to the Canadian Exporters' Association, at Montreal, on October 20:

"...The economic plight of Western Europe is acute enough, but the broader issues of security are even more fundamental. The political association of the countries of the North Atlantic community is the most tangible safeguard of the western world. These relationships are rendered unstable by the economic difficulties of postwar Europe. The danger has been that the countries of Europe might isolate themselves from us by means of exclusive bilateral trade deals and payments arrangements. Differences in price levels resulting from these techniques have already increased the difficulties of selling European goods in North America. Canada has been adversely affected by the growth of these protectionist trading arrangements in other parts of the world.

(over)

"Countries behind the Iron Curtain would undoubtedly view with great pleasure the disintegration of our western world into separate groups. Not only our prosperity, but our security, are at stake in avoiding this. We intend to avoid the international economic anarchy of the 1930's. Since the end of the war, Canada has taken a leading part in helping the world avoid these evils. Everybody knows that devil-my neighbour is a game in which all the players get hurt and no one wins. The alternative is the adoption of joint international economic policies to overcome the problems. By maintaining unanimity of purpose and close working relations among the leading countries of the western world, our difficulties will be overcome...."

Atlantic Pact Representative: Appointment of Air Vice Marshal H.L. Campbell, CBE, as accredited Canadian representative to the standing group of the Military Committee of the Atlantic Pact, was announced on October 20 by the Minister of National Defence, Mr. Claxton.

A/V/M Campbell will become head of the Canadian Joint Staffs in Washington and will be in charge of the Canadian Staff at Washington having to do with Atlantic Pact matters pertaining to Canada.

N.D. Director Of Public Relations: William H. Dumsday, 40-year-old Ontario News Editor of The Canadian Press at the newsagency's Toronto Headquarters, has been appointed Director of Public Relations for the Department of National Defence, it was announced on October 21 by the Minister of National Defence, Mr. Claxton. He will assume his new duties here November 1.

"Provincial Labour Standards": The Minister of Labour, Mr. Mitchell, announced on October 20 that the 1949 revision of the bulletin, "Provincial Labour Standards", which had been issued annually by the Legislation Branch of the Department since 1944, was now available.

Canada-U.S. Trade Committee: Canada-United States trade will stand high on the agenda of a meeting of a joint committee of Canadian and United States businessmen at Montebello, Que., Friday and Saturday, Oct. 21 and 22. The committee, maintained jointly by the National Chambers of Commerce of Canada and the United States, has been meeting twice-yearly for the last 15 years for off-the record talks about what businessmen can do to help solve problems common to the two countries.

"Noronic" Disaster Probe: The fire which destroyed the "Noronic" and killed more than 120 persons, probably did not have more than a half-hour start before the smoke was discovered, Prof. Joslyn Rogers, medico-legal authority, told the federal inquiry on Thursday.

Across Canada: The Canadian Seamen's Union last night ended its east coast shipping strike which was called six and one half months ago....The Amalgamated Civil Servants of Canada is going to ask the Government for salary increases shortly, the National Secretary, Fred Jackson, announced last night.

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Vol. 1, No. 31

Monday, October 24, 1949.

Prime Minister Nehru's Visit: Ottawa, October 23 -- (CP) -- India's Prime Minister Nehru, one of humanity's significant figures, flew into Ottawa tonight to be greeted by an elaborate formal welcome in the raw chill of an October dusk.

A small, slight man in a western overcoat and western clothes, he arrived at 5:44 p.m., EDT, in an R.C.A.F. aircraft and was met by Prime Minister St. Laurent, Mr. Mackenzie King, former Prime Minister, most of the Cabinet, political leaders, foreign diplomats and some 200 others.

Guns fired a 19-round salute, 100 R.C.A.F. aircraftmen came to attention, an Army band played the Indian and Canadian national anthems as Pandit Nehru began a visit that will end Wednesday morning when he leaves Canada to resume his tour of the United States.

There has been little speculation about any potential purpose he may have in coming here but Mr. St. Laurent told reporters at Rockcliffe Airport the visit "will be helpful in bringing about a realization of the importance of relations between East and West."

Chatting briefly with the press as Pandit Nehru was whisked away for dinner with the Governor-General, Mr. St. Laurent added, "We are beginning to realize what an important part of humanity is contained in that Asian sub-continent. . . We know that to have peace in the world it has to exist in the whole world."

The Indian Prime Minister, flown here from Toronto after spending the night at Niagara Falls, Ontario, will hold a press conference at 10 a.m. tomorrow and will address Parliament at three.

His companions on the plane included Canada's External Affairs Minister Pearson and his Deputy Minister, Arnold Heeney. Both took time out from the United Nations meeting in New York to accompany Pandit Nehru here....

Gen. McNaughton On Atomic Bomb: Barriemfield, Ont., October 23 -- (CP) -- Gen. A.G.L. McNaughton said Saturday night the Western Powers have an advantage over Russia in technical matters involving manufacture of atomic weapons.

Canada's Permanent Delegate to the United Nations, recognized as a leader of Western Powers in U.N. atomic energy talks, added there is, therefore, "a little time left" to attempt to persuade Russia to accept international control of atomic energy.

McNaughton outlined U.N. work on atomic energy control in an address prepared for delivery before a meeting here of the Royal Canadian Electrical and Mechanical Engineers Corps Association.

He hinted broadly that he will soon relinquish his duties on the Canadian Delegation to the United Nations. Canada vacates her seat on the Security Council December 31, but will be represented on the Economic and Social Council.

A report of the Big Five powers and Canada, who have been seeking a basis of agreement on international atomic control, probably will be made to the General Assembly early this week McNaughton said.

(over)

He said the Assembly debate on control proposals, which include Russia's plan for outlawing atomic weapons, will start soon after the report on the 10-secret meetings of the six powers is made public.

"We may expect that the debate in the United Nations will be dynamic and difficult and dangerous. Atomic energy control is the central issue in the controversy between the Soviet countries and the rest of the world."

Parliament's Progress: Ottawa, October 23 -- (CP) -- Parliament will be out of the trenches well before Christmas with the agenda for its fall session cleaned up, judging from the amount of business remaining on the order paper.

Several major items in the Government's programme remain to be disposed of, but it looks as though the legislation already started through Parliament -- believed to include most of the important legislation scheduled for the session -- can be handled by early December.

Canadians "Defend" New York: New York, October 23 -- Despite bad weather and 80 m.p.h. head winds, RCAF Reserve fliers and ground radar technicians punched out a clear-cut victory yesterday against "enemy" air raiders, bent on the total destruction of this city. Not one air "bandit" was allowed to reach the outer perimeter of New York.

That was the decision of top United States and Canadian brass last night on Operation Metropolis, the first postwar defense manoeuvre of its kind to be conducted jointly by RCAF reservists and personnel of the Air National Guard of New York and New Jersey....

Farm Costs Double In Decade: Ottawa, October 23 -- (CP) -- Almost all the things farmers have to buy or pay for were higher during recent months, sending farm-costs index to a new peak.

The Bureau of Statistics report that the composite price index of commodities and services used by the farmer -- including living costs -- rose from 191.1 in April to 192.3 in August. The August figure compares with 190.1 for the same month a year ago.

Based on the index of 100 for the 1935-39 period, over-all farm-costs are almost double what they were 10 years ago.

Across Canada: For the second time in four months voters in eight federal constituencies go to the polls today to elect new representatives in the House of Commons. Six government appointments and two deaths caused the vacancies shortly after the June 27 general election....
Week-end football results: in the Big Four Ottawa Rough Riders made sure of first place by defeating Toronto Argos 24 to 13 in Toronto; Montreal Alouettes tightened their grasp on second place with a 22 to 6 win over Hamilton Wildcats in Hamilton. In the O.R.F.U. Hamilton Tigers defeated Windsor Rockets 5 to 3 while Sarnia Imperials swamped Toronto Balmy Beach 34 to 5. In the West Saskatchewan Rough Riders defeated the previously undefeated Calgary Stampeders 9 to 6 to clinch second place while Edmonton Eskimos downed Winnipeg Blue Bombers 13 to 6. In the Intercollegiate, Western defeated Toronto Varsity 11 to 8 and McGill stopped Queen's 17 to 1. Mustangs lead the race with McGill second.



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Vol. 1, No. 32

Tuesday, October 25, 1949.

Mr. Nehru Addresses Parliament: Ottawa, October 24 -- (CP) -- Pandit Nehru said on Monday that there can be no lasting peace while Asia faces "obstructed freedom and dire poverty" and he asked Canada to help extend the world's horizons of liberty and plenty.

India's Prime Minister spoke to a packed House of Commons chamber and, at a press conference, depicted India as a country of 340,000,000 people where the worst internal strife is over and where western capital need fear no discrimination.

Specifically, he said, India wants 1,000,000 tons of wheat, machinery and technical know-how and she promises foreign investment a fair and equal opportunity.

A receptive Ottawa took to its heart this small, brilliant rebel-statesman who spent more than eight years in jails in India's fight for independence. Hundreds of people crowded the corridors of Parliament to see him. A Commons chamber thick with dignitaries applauded him.

Prime Minister St. Laurent introduced him as a "most distinguished leader of that great portion of mankind which constitutes the population of India." His 3,000-word address was made part of the permanent records of the House....

In Parliament On October 24: Two Western members raised the question of difficult hearing. Speaker Ross Macdonald said the matter was receiving attention.

Irvine Studer (L--Maple Creek) urged the Government to assist farmers of drought-stricken Saskatchewan dust bowls.

Prime Minister St. Laurent tabled correspondence exchanged with Premiers Duplessis of Quebec and Douglas of Saskatchewan on amending the BNA Act.

Liberal, Progressive Conservative and CCF members debated the feasibility of building pipe lines into United States territory.

Results In Eight By-Elections: The federal Liberal Government on Monday retained four and lost three House of Commons seats in eight by-elections. The incomplete returns as reported by the Canadian Press this morning, are as follows:

Toronto-Greenwood (complete) -- Hotrum, CCF, 6,568; Macdonnell, PC, 9,378; Ryan, L, 7,265; Watson, Lab-Prog., 188.

Restigouche-Madawaska (135 out of 149) -- Dube, Ind-L, 9,386; Pichette, L, 6,754.

Gatineau (80 out of 96) -- Bonnier, Ind., 1085; Nadon, L, 4,706; St. Jean, PC, 2,135.

Montreal Mercier (186 out of 188) -- Bertrand, Ind., 1,197; Latraverse, Ind-L, 2,062; Monette, L, 8,884.

Montreal Jacques Cartier (149 out of 151) -- Leduc, Ind., 9,009; Marchand, L, 6,740.

Montreal Laurier (Complete) -- Gelinas, Lab-Prog, 709; Lefrancois, L, 10,204.

Kamouraska (88 out of 89) -- Levesque, L, 5,191; Masse Ind-L, 6,015.

New Westminster (196 out of 201) -- Christmas, PC, 2,962; Irvine, CCF, 5,655; Mott, L, 8,450; Philpott, Ind, 6,345; Rush, LPP, 624.

(over)

Yesterday's voting results indicate a House of Commons standing as follows:

Liberal.....	190
Progressive Conservative.....	41
C.C.F.....	13
Social Credit.....	10
Independent.....	5
Ind.-Liberal.....	3
Total.....	<u>262</u>

Propose Central Transport Control: Ottawa, October 24 -- (CP) -- Proposals for central control of all forms of transport and for financial reorganization of the Canadian National Railways were made by the C.N.R. today before the Royal Commission on Transportation.

The nationally-owned line called for the changes in a 50,000-word brief submitted to the Commission in advance of its final series of Ottawa hearings in its inquiry into national transportation. The hearings open Nov. 1.

Major suggestions in the C.N.R. brief included:--

1. Central transport control, either by federal-provincial agreement, or by enlarging federal powers under the British North America Act.

2. Reduction of the C.N.R.'s bonded indebtedness by \$760,000,000 in government loans, on which the National line now is called on to pay \$21,627,000 a year in fixed interest charges. These would be transferred to equity capital, which does not demand a stated yearly yield.

3. Removal from railway accounts to public accounts of at least a portion of the losses from uneconomic rail operations maintained by the C.N.R. as matters of national policy.

Higher Phone Rates Asked: Ottawa, October 24 -- (CP) -- The federal Government is not opposing applications of the Bell Telephone Company and British Columbia Telephone Company for increases in phone rates, Transport Minister Chevrier today advised E.D. Fulton (P.C. -- Kamloops) in the Commons.

Both companies have applications before the Board of Transport Commissioners. Bell is seeking an average increase of 20.6 per cent for subscribers in Ontario and Quebec. The B.C. company wants an increase of about 12 per cent.

Col. Morres' Appointment: The Department of National Defence is changing its representative on the United Kingdom Ordnance Board. The Minister of National Defence, Mr. Claxton, on October 24, announced the appointment of Col. S.E.E. Morres, 42, of Ottawa, as Canadian representative, succeeding W/C R.M. Trites, MBE, of the Royal Canadian Air Force, who returned to Canada on Friday, October 21.

Col. and Mrs. Morres and son Michael plan to sail for the United Kingdom early in December. Col. Morres is the present Director of Weapons and Development in the Branch of the General Staff at Army Headquarters.

Across Canada: Montreal and Toronto have had their first traces of snow....

Arthur Grenier, prominent Arnprior sportsman, owner of a section of land along the Madawaska River, has picked a cluster of fresh ripe raspberries from bushes in his land.... Mr. T.C. Davis, Canadian Ambassador to China, arrived in Ottawa yesterday.



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Vol. 1, No. 33

Wednesday, October 26, 1949.

In Parliament On October 25: Several members participated in the budget debate in the Commons.

J.M. Dechene (Lib.--Athabaska) asked the Government to fulfill a promise to extend railways throughout northern Alberta.

Labour Minister Mitchell indicated opposition to a CCF bill to give more power to the National Labour Relations Board.

External Affairs Minister Pearson said if Communist China meets the prerequisites of recognition, Canada would recognize it.

In the Upper Chamber Senator J.W. de B. Farris (Lib.--British Columbia) approved appeals to the Privy Council. However, he would not oppose a bill to abolish such appeals.

U.K. May Cut Food Purchases: Coventry, England, October 25 (CP) -- Food Minister John Strachey told a public meeting tonight that when the present long-term Canadian wheat contract expires, the Government "may further reduce these and other food purchases from dollar areas."

He said the Government wants "to go on buying our wheat from them (Canada), but we cannot buy with dollars we haven't got."

Under the Anglo-Canadian wheat contract, signed in 1946, Canada shipped Britain 140,000,000 bushels of wheat at \$2 a bushel during the crop year which ended last July 31.

The bilateral wheat agreement, now in its final crop year, calls for Canada to ship another 140,000,000 bushels to Britain at \$2 a bushel this year.

At the conclusion of the contract Canada will have sold Britain some 500,000,000 bushels of wheat during the four-year period. A total of 160,000,000 bushels was shipped in the 1946-47 crop year, and a similar amount in the 1947-48 crop year. In both those years the price was \$1.55 a bushel.

Strachey said that during his period in office food imports from dollar countries had been cut from 36 to 12 per cent, of which 9 per cent was Canadian wheat....

Mr. Howe's Comment: Ottawa, October 25 (CP) -- Trade Minister Howe said tonight in an interview that he was not unduly alarmed by the statement that Britain is thinking of reducing wheat purchases in Canada.

Mr. Howe said this was the first indication he had received that the United Kingdom Government might cut Canadian wheat purchases.

However, there had been some indication previously that Britain may slice purchases of Canadian bacon and eggs as a means of conserving expenditures.

Mr. Howe shrugged off the statement by Mr. Strachey that the British Government wants "to go on buying our wheat from them (Canada) but we cannot buy with dollars we haven't got."

"We have a contract with the British this year and we expect to go on selling our wheat when that contract ends," he said.

(over)

Pakistan Statement: Ottawa, October 25 (CP) -- Pakistan's spokesman in Canada today, rebuked Prime Minister Nehru of India for alleged mis-statements as the feeling between the two nations broke into the placid, formal atmosphere of Nehru's visit to the capital.

A few hours after Pandit Nehru ranged around the world scene during a luncheon discussion with Prime Minister St. Laurent and External Affairs Minister Pearson, he was the butt of a statement of "surprise and sorrow" by Mohammed Ali, Pakistan High Commissioner.

Mohammed Ali objected to press conference statements by Pandit Nehru yesterday that Pakistan was developing a theocratic state where no non-Moslems hold high office.

Mohammed Ali said the Pakistan Government made no distinction of any kind in its appointments and listed one Cabinet Minister, a provincial Governor, judges, other officials and the heads of the three services as non-Moslems who hold high positions.

He did not retort to Pandit Nehru's remarks accusing Pakistan of brutal aggression in Kashmir. He said the matter was before the Security Council of the United Nations and Pakistan's stand in the matter was too well known to need repetition.

Asked if there would be a reply an official spokesman for Pandit Nehru's party said he doubted that the Prime Minister would enter into controversy in Canada. He leaves early tomorrow for Chicago after two full days here.

The Indian High Commissioner, S.K. Kirpalani, said Mohammed Ali was entirely within his rights in making the statement and said Pandit Nehru might or might not wish to comment after seeing it.

Pandit Nehru tonight attended a reception at the home of Mr. Kirpalani. Later he dined with Rt. Hon. W.L. Mackenzie King, former Prime Minister.

Pulp Industry's New Records: The pulp and paper industry of Canada surpassed in 1948 the many records it had established the previous year, recording the ninth consecutive year of increase. The gross factory value of the products of the industry reached \$825,858,000 in 1948, showing an advance of 16.8 per cent over the preceding year's total of \$706,972,000; while the net value of products, at \$412,700,000, was 16.9 per cent higher.

The industry paid out \$151,663,000 in the form of salaries and wages to 51,924 employees compared with \$129,478,000 paid to 49,946 employees in the preceding year. Materials and supplies valued at \$349,244,000 were used as against \$295,444,000. The cost of purchased fuel was \$41,266,000 against \$31,834,000, and purchased electricity totalled \$22,477,000 against \$23,609,000.

New C.N.R. Director: Appointment of William James Parker of Winnipeg, President of the Manitoba Pool Elevators and Chairman of the Board of Governors of the University of Manitoba, to the Board of Directors of the Canadian National Railway Company for a three year term, is announced by the Minister of Transport, Mr. Chevrier. Mr. Parker replaces E.J. Young of Dummer, Sask., effective November 1.

Across Canada: Less than two months after the first appearance of counterfeit Bank of Canada \$10 notes, R.C.M.P. authorities have been able to report the arrest of 13 persons and the sentencing of four on various charges connected with the counterfeit issue, the Bank of Canada announced yesterday....Premier Duplessis of Quebec yesterday confirmed that he had instructed the Provincial Censorship Board to ban the British-produced motion picture, "Oliver Twist" in Quebec Province....Administrative and operational chief of the Royal Canadian Navy will meet at Naval Headquarters in Ottawa November 2 to 4 for the annual senior officers' conference....Vice-Admiral H.T.W. Grant, C.B.E., D.S.O., R.C.N., Chief of the Naval Staff, will pay an informal visit to H.M.C.S. "Prevost", the Naval Division in London, on October 27, it has been announced.



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Vol. 1, No. 34

Thursday, October 27, 1949.

In Parliament On October 26: George Drew, Progressive Conservative Leader, advocated shorter sessions of Parliament as members criticized government spending.

Finance Minister Abbott said the Government soon will announce grants-in-lieu-of-taxation on federal properties in municipalities.

First reading was given a bill to transfer Quebec and Newfoundland divorce actions to the Exchequer Court.

The Senate debated a Bill to Extend Export and Import Controls.

Mr. Martin vs. Mr. Vishinsky: Lake Success, N.Y., October 26 (CP) -- Canada's Health Minister and Russia's Foreign Minister once more traded verbal thrusts today in the United Nations, this time about bishops and guerrillas.

Paul Martin, acting head of the Canadian Delegation in the absence of the Secretary of State for External Affairs, Mr. Pearson, asked Russia's Andrei Y. Vishinsky if he believed a bishop has any less right to expect clemency from a court than a Greek guerrilla has.

The question was hurled in the Political Committee of the U.N. Assembly which has been bogged down in an involved debate started by Vishinsky.

The Russian Delegate proposed that the 59-member Committee demand the suspension of death sentences against eight underground workers sentenced October 13 by a Greek military court.

Martin and Vishinsky had an exchange just two weeks ago, in a lighter vein, when the Canadian delegate said he was fatigued by the Russian's long speeches and Vishinsky sarcastically begged his pardon.

Today the aroused Vishinsky tossed aside Martin's questions with a brief reference to them during an hour-long address supporting his resolution. He said Martin should clean up his ideas on the problem.

After three days of debate, the Committee decided tonight by a vote of 32 to 16 with 12 abstentions that it is not competent to deal with the Greek guerrilla question in the context of the Russian resolution, thus dealing the Soviet another rebuff....

Mr. St. Laurent On Social Security: Real social security strengthens rather than weakens free enterprise Prime Minister Louis St. Laurent told the Canadian Chamber of Commerce at its annual dinner in Montreal Wednesday night the Montreal Gazette reported.

There existed no conflict between the two, he claimed in a talk in which he dealt with a wide range of matters including adjustment that the Government might have to make in regard to certain industries adversely affected by encouragement of British imports into Canada.

He also dealt with the communist state which he said provided much less of the abundance which on this continent "we take for granted."

Exports Down In September: Canada's domestic exports in September were valued at \$228,400,000, down nine per cent from the August total of \$251,700,000 and 19 per cent below the exceptionally high value of \$283,000,000 in September last year, according to trade returns released by the Bureau of Statistics. September exports a year ago rose to an unusually high level due mainly to the removal of export controls on shipments of cattle and meat to the United States and to sales of ships.

Although contrasting with this marked upward trend a year ago, the drop last month was in keeping with the movement in 1947 and 1946. While some of the declines in exports in September from earlier months this year arise from irregular factors affecting supply and shipments, others appear directly to reflect reduced demands.

As a result of the decline of \$54,600,000 from September a year ago, the cumulative total for the nine months ending September this year fell slightly below last year's corresponding period, amounting to \$2,146,000,000 compared with \$2,158,200,000.

Shipments to the United States were down \$48,300,000 in September from a year earlier, accounting for most of the month's total decline, while total exports to other foreign countries were also \$8,300,000 lower.

French Ready To Export: French export industries are ready to supply pre-war French markets in Canada and the United States, and are able to compete with Britain in the sale of cars here despite higher customs duties, J. De Boissieu, Director of Trade Relations with the American continent in the French Government's Department of Finance and Economy, stated in Montreal on Wednesday, the Montreal Gazette reports.

Mr. Boissieu is visiting Canada to study new export possibilities for France. While in Montreal, he is the guest of Gérard Dubois, Commercial Attaché of the French Embassy at Ottawa.

Discussions On China: Ottawa, October 26 (CP) -- Mr. T.C. Davis, recalled from his post as Ambassador to China, is expected to head for New York in the fairly near future to help Canada's contingent when the United Nations debates the Chinese situation. He would also go on to Washington for conferences there.

External Affairs Minister Pearson headed back today to New York and the U.N.'s General Assembly in which he holds the key role of Chairman of the First or Political Committee. He did so without extended discussion with Mr. Davis on the Chinese Communists' request for recognition as the lawful Government.

It is quite possible that that discussion will take place in New York. In the meantime Mr. Davis is holding extended discussions with officials whose advice will be placed before Mr. Pearson.

Mr. Pearson returned to Ottawa Sunday with Prime Minister Nehru of India. He told the Commons yesterday no policy statement on China is possible until he has had a chance for full consultation with Mr. Davis.

Tax Grants For Municipalities: Ottawa, October 26 (CP) -- Finance Minister Abbott said today the Government will announce before the end of the current session of Parliament a grant-in-lieu-of-taxation formula for federal properties in municipalities across Canada.

Mr. Abbott was speaking on a Commons motion to vote the Government an additional month of interim supply.

Across Canada: M.J. Coldwell, C.C.F. Leader, speaking at a dinner last night, asked for federal grants to education...Three Canadians - a railroad conductor, a rubber worker and an office clerk-- won prizes of \$77,500, \$31,000 and \$15,500 respectively in the Cambridgeshire Handicap Irish sweepstakes yesterday, the Press reported.



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Vol. 1, No. 35

Friday, October 28, 1949.

In Parliament On October 27: The House of Commons approved by a vote of 133 to 38 a resolution asking the United Kingdom Parliament for power to amend the constitution on federal matters.

The Commons defeated by 136 to 38 a Progressive Conservative motion requiring provincial approval before Parliament amends the constitution.

Members approved by 147 to 27 a combined government-CCF motion defining the length of Parliament in peace and war.

Howard Green (PC--Vancouver--Quadra) accused the Government of trying to soften the Provinces for negotiations on renewal of tax agreements.

Senator Wishart Robertson, government Leader, gave notice in the Upper Chamber of a motion to permit simultaneous study of estimates in the Senate and Commons.

Britain Cutting Food Purchases: London, October 27 (CP) -- Britain is expected to reduce her food purchases from Canada by about 25 per cent in 1950 in an effort to bring her trade with Canada nearer a pay-as-you-go basis. Details of the cuts are being worked out in London this week.

Representing Canada at the talks are J.G. Taggart, Deputy Minister of Agriculture, and M.W. MacKenzie, Deputy Minister of Trade and Commerce. They hope to maintain open markets on a substantial scale for such food stuffs as bacon, cheese and salmon as well as timber and non-ferrous metals.

Cuts in Britain's buying this year have been limited by previous contractual obligations.

No indication on how the talks are progressing has been forthcoming from Canadian or British officials, but it is understood that Britain, as a buyer, is being extremely cagey and loath to commit herself at this point.

The official British stand is that the United Kingdom cannot buy from North America if it has no dollars. The Canadians, on their part, feel that trade should not be allowed to stagnate. Canada's attitude is that Britain should maintain purchases and press her dollar sales to pay for them.

Dr. Mackenzie On Atomic Energy: Winnipeg, October 27 (CP) -- Dr. C.J.

Mackenzie, President of the National Research Council, said tonight use of atomic energy for peacetime purposes is making progress in the face of "hampering restrictions of secrecy."

In an address before the annual meeting of the Manitoba Chamber of Mines, he said Canada's experimental work so far has placed her in the forefront of the nations in the industrial field.

"Canada's main interest is in the peacetime application of atomic energy."

Dr. Mackenzie outlined progress of research at the atomic energy plant at Chalk River, Ontario, the only plant in the Western Hemisphere where heavy water instead of graphite is used to slow the atomic chain reaction to a point where it can be harnessed....

(over)

By-products from the plant, he said, are being shipped to research institutions and a few industries designated by Trade Minister Howe. The radioactive by-products are used in biology and medicine, genetics, and petroleum chemistry.

Concerning the possibility of atomic piles for commercial purposes, he said a small power reactor may be operating within four or five years, after technical difficulties are reduced. But "there is no indication that atomic power will become generally competitive with ordinary central power plants for many, many years."

Of the Russian nuclear explosion, he said: "I don't think it brings war nearer, and it may very well prove to be a constructive force for peace."

Mr. Hoffman Address C.C.C.: If the democracies remain strong and united, the evil plans of the men of the Kremlin will fail so utterly that Russia will cease to be a slave state, Paul G. Hoffman, head of the U.S. Economic Co-operation Administration, told the Canadian Chamber of Commerce at a luncheon in Montreal yesterday, the Montreal Gazette reported.

In a forthright statement that Russia sought world conquest, Mr. Hoffman asserted there is bound to be a break in the Soviet tension.

"When it will come, nobody can predict with certainty," he said "Perhaps it will be at Stalin's death, because he is the only leader who commands the respect of both the colonels and the commissars. But it is bound to come some day."

C.P.R. To Appeal Rate Increase: Ottawa, October 27 (CP) -- Dissatisfied with the size of last month's freight-rate increase, the Canadian Pacific Railway today won the right to carry its case for higher rates before the Supreme Court of Canada.

Criticizes Law Societies: Vancouver, October 27 -- Charges that provincial law societies are operating virtual monopolies to keep out lawyers from other parts of Canada were brought before a forum of leading legal educators at the University of B.C. today.

Dean Vincent MacDonald of Dalhousie University suggested that certain law societies' rules displayed more interest in their revenues than in the public good.

Across Canada: Ontario's facilities for the care of the mentally ill are to be expanded over a five year period at a cost of between \$30,000,000 and \$35,000,000, Premier Frost announced yesterday....A special interdepartmental committee has been established to assist secondary industries in Newfoundland, Gordon F. Higgins (P.C., St. John's East) was told Thursday in a return tabled in the Commons....Canada Savings Bonds sales have reached a total of \$59,097,350 in the first week of the campaign, more than double the first week of the 1948 campaign.... Lieutenant-General Sir Neil Cantlie, KBE, CB, MC, FRCS, Director-General of the British Army Medical Services and an Honorary Physician to His Majesty the King, will visit Canada early next month.



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Vol. 1, No. 36

Monday, October 31, 1949.

Mr. Pearson On Atomic Controls: Lake Success, N.Y., October 30 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, indicated tonight that Canada is discussing with other delegations at the United Nations the possibilities of working out a new formula for prohibiting use of atomic weapons.

Mr. Pearson said there is no new Canadian plan. He added, however, the Canadian Delegation has been "discussing with other delegations the possibility of working out some kind of prohibition which would be effective until the international control scheme came into operation."

He spoke in an interview with Michael Hayward of the United Nations Radio Division in the programme Memo From Lake Success, carried by the CBC and stations in the United States and Australia.

Pearson said the kind of prohibition he spoke of "had to be qualified."

"You couldn't prohibit the use of the atomic bomb against an aggressor and things like that.

"But there are all sorts of difficulties in the way of having any kind of prohibition until you get your control scheme into effect. Without control you have a prohibition in a set of political circumstances where you haven't confidence between all the states who will accept the prohibition. That takes away largely from the value of the prohibition."

The Canadian Delegate's statement recalled to observers here that a formula, attributed by informed sources to the Canadian Delegation, was reported being discussed informally by various delegations two weeks ago.

That formula would have the Assembly declare a prohibition on the use of atomic weapons except against an aggressor as defined by the Security Council....

Mr. Howe On St. Lawrence Seaway: Montreal, October 30 (CP) -- Labrador's iron ore possibilities "may well turn the balance in favour of rapid development of the St. Lawrence seaway," the Minister of Trade and Commerce, Mr. Howe, told the American Society of Tool Engineers Saturday night.

Giving a picture of Canada's "booming" economy, Mr. Howe said there is a close link between plans for the seaway and existence of "an important source of high grade ore" on the Quebec-Labrador border.

"The seaway, when built, will provide low-cost water transportation from the mines to the steel industry on the Great Lakes," he said. "The Labrador ore possibilities may well turn the balance in favour of the rapid development of the seaway."

Mr. Howe said 1949 capital investment in Canada will reach a record of \$3,200,000,000 this year, representing "the highest rate of new investment in proportion to income in any country of which we have a record."

Total U.S. investments in Canada were \$5,000,000,000, paying a bigger cash return to American investors than all other American investments abroad put together....

(over)

Canada Reassures U.S. On Atomic Bomb: Ottawa, October 30 (CP) -- The Minister of Trade and Commerce, Mr. Howe said tonight that Canada has reassured the United States that she will continue shipments of raw materials for making the atomic bomb.

Mr. Howe said the reassurance was given regardless of whether any new agreement is reached to increase exchange of atomic information between Canada and the U.S.

"That is true as far as we are concerned," Mr. Howe said.

Told that The New York Times said that the executive branch of the United States Government accepts the principle of a "more liberal exchange of atomic information with Britain, Canada and perhaps one or two other countries," Mr. Howe replied with a hearty "good."

To Help Complete P.G.E. Railway: Ottawa, October 30 (CP) -- Parliament will be asked to authorize up to \$1,240,000 to help finish the northern end of British Columbia's Pacific Great Eastern Railway.

Transport Minister Chevrier will introduce a resolution in the Commons tomorrow, preliminary to a bill voting \$15,000 a mile for a maximum of 82.7 miles of the railway, owned by the B.C. Government.

Authorization for government purchase of the Tamiscouata Railway Company, also will be sought in the Commons this week.

"Unrealistic," Say Canadians: Ottawa, October 30 (CP) -- Party leaders and cabinet sources today described as "unrealistic" a British suggestion that Canada transfer from the dollar to the sterling area as a means of solving the dollar shortage.

The suggestion was made by Sqdn.-Ldr. Earnest Kinghorn, a British Labour Member of Parliament, speaking at a meeting in Stalham, Eng. He said he intends to propose in the United Kingdom Commons that Canada be asked to make the switch.

Guy Jasmin Air Crash Victim: Guy Jasmin, 41-year-old Montreal newspaperman who knew English and French-speaking Canada and sought to increase understanding between them, was killed on Friday, October 28 in the crash of a trans-Atlantic plane in the Azores.

His mother, Mrs. Aquila Jasmin, who accompanied him on his combined assignment-vacation trip through Europe, was also one of the 48 crash victims.

The two were returning from a visit to Roman Catholic shrines in France and Italy.

Friends in the newspaper craft, who said he was to have been back at his desk Monday as Editor-in-Chief of Le Canada, remembered his rise from cub reporter to Press Gallery correspondent and finally to take charge of his paper's editorial policy.

During 1942-44 he was Chief of French press services in the Wartime Information Board at Ottawa.

Across Canada: The sale of the Victoria Daily Times newspaper to Max Bell, 37-year-old businessman and associates of Calgary has been announced....Week-end football scores: Ottawa Rough Riders 30, Toronto Argos 24, in Ottawa; Montreal Alouettes 29, Hamilton Wildcats 18, in Montreal; in the Big Four; and Hamilton Tigers 29, Windsor 5, in the O.R.F.U. In the Senior Intercollegiate circuit, Toronto Varsity defeated Western 7-0, at Toronto, and Queen's defeated McGill, 15-0, at Kingston. In the western Union, Calgary defeated Edmonton 27-0, and Saskatchewan Roughriders defeated Winnipeg, 15-1.



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Vol. 1, No. 37

Tuesday, November 1, 1949.

In Parliament On October 31: Prime Minister St. Laurent has suggested the federal-provincial Constitutional Conference open January 10, 1950.

Trade Minister Howe said atomic energy opens possible future development of Canada's remote areas.

Members approved establishment of a 14-man committee on atomic energy.

Reconstruction Minister Winters said some provinces have indicated approval of government housing proposals.

Donald Fleming (PC--Toronto Eglinton) urged the Government to announce policy on future rent controls.

The Senate debated a bill to abolish appeals to the judicial committee of the Privy Council.

Says U.S. Must Assume Big Role: New York, October 31 (CP)-- North America, and particularly the United States, must assume the new role of furnishing a ready import market for the goods of other nations, Donald Gordon, Deputy Governor of the Bank of Canada, declared yesterday.

Only by this action can the dollar shortage be effectively and permanently overcome, Mr. Gordon said in an address prepared for delivery before the 36th National Foreign Trade Convention.

Coupled with the opening of markets, North America also must supply development capital for less advanced regions.

Mr. Gordon said that, while past measures had served to fill the dollar gap temporarily, the fact was that North America's export surplus to the world must be eliminated or at least greatly reduced by increased imports if the dollar-short countries were to be placed on a sound basis.

Canada has no large over-all export surplus, Mr. Gordon said, so the problem of "reducing the North American export surplus to manageable proportions is largely a problem of the U.S. export surplus."

The problem presents a great challenge to North America, Mr. Gordon said.

"It requires, I believe, nothing less than a radical and far-reaching change in the whole tenor of North American thinking about international economic policy," he added.

"I believe it requires that North America now replace Europe as the dynamic centre and chief support of the world trade structure...."

World Owes Canada \$2,000,000,000: Ottawa, October 31 (CP) -- Canada has loaned the world almost \$2,000,000,000, but she may not get all of that money back, Watson Sellar, Canada's Auditor-General, indicated today in his Annual Report on the Government's public spending.

His 35-page detailed analysis on the handling of the people's money was pinned to the Government's 1948-49 Public Accounts, a hefty, three-inch-thick tome tabled today in the Commons.

Checking through the Government accounts, he found certain discrepancies to which he drew attention. There was a case of embezzlement in the Paris Embassy which cost the Government \$4,420.

(over)

Another irregularity occurred in the Government's unemployment insurance Commission where six employees were dismissed because they falsified travelling accounts. The money involved, \$1,197, was recovered.

The world's debt to Canada amounted to \$1,923,783,302 after an increase during the last fiscal year of \$77,768,393.

The United Kingdom was the biggest borrower with a total \$1,-346,994,760 outstanding; France came next with \$245,050,000; The Netherlands with \$118,136,572; and then followed Belgium, China, Romania, Norway, Czechoslovakia, Indonesia, Russia and Greece....

Facilitate Trade With Italy: Trade between Canada and Italy may be carried on in future on either a United States dollar or a Canadian dollar basis, the Minister of Finance, Mr. Abbott, announced on October 31.

Heretofore exporters shipping to Italy have been required to obtain payment in U.S. dollars. Under arrangements made with the Italian authorities, Italy is being designated as a "special arrangement" country as from November 1. Consequently Canadian dollars will also be acceptable in payment for exports to Italy.

The arrangements also will enable Canadians to obtain permits through their banks for the expenditure of any reasonable amounts of Canadian dollars for travel to Italy.

Examine Refugees In Cork: The Minister of Mines and Resources, Mr. Gibson, announced on October 31 that, due to the kindness of the Government of Ireland, an arrangement has been made whereby the refugees on the motor vessel "Victory" now at Cork en route from Sweden to Halifax will be examined by Canadian immigration officers at Cork.

Those refugees found acceptable will be granted immigration visas, and those refused visas will not come forward, Col. Gibson said. The Irish Government will extend all possible assistance to the Canadian officers conducting the examinations.

The purpose of the arrangement is to prevent lengthy detention at Halifax and the hardship involved in returning inadmissible immigrants to Europe, the Minister stated.

Three hundred and seventy-two people, including 96 children ranging in age from four weeks to sixteen years, left Sweden on September 26 aboard the 316-ton "Victory", whose normal capacity is between 50 and 60 passengers. The vessel, which arrived in Cork on September 1, was prevented from leaving the Irish port because it was considered unseaworthy.

ICAO Montreal Meeting: The writing of specifications for a system of aerodrome approach and runway lighting designed to lead a pilot safely on to a runway during adverse conditions of weather and visibility will be one of the objectives of the Fourth Session of the International Civil Aviation Organization's Aerodromes, Air Routes and Ground Aids Division, which meets here on November 1.

Brig. Clark's Appointment: Appointment of Brigadier S.F. Clark, CBE, as Canadian military representative on Atlantic Pact organization in the United Kingdom has been announced on October 29 by the Minister of National Defence, Mr. Claxton.

Brig. Clark will head the Canadian Joint Staff in London and will represent the Canadian Chiefs of Staff on the Military Committee of the Western European group. He will be appointed in the acting rank of major-general.

Across Canada: Hugh A. Reynolds won the Ontario provincial by-election in Leeds constituency on October 31 defeating a Liberal opponent by an emphatic majority as he retained the seat for the Progressive Conservative Government. Mr. Reynolds received 10,756 votes to 8,063 for Ernest Millar, his Liberal opponent in the two-way contest.... A series of Geiger counters have been developed by the National Research Council since 1943 for use in locating uranium ore, the National Research Council announces.



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Vol. 1, No. 38

Wednesday, November 2, 1949.

In Parliament On November 1 -- (CP): Defence Minister Claxton tabled a 27,000-word report of the Commission which investigated naval incidents.

A.L. Smith (PC--Calgary West) said Canadian economy will benefit if the U.S. and Canada can strike a balance in the exchange of oil.

Hazen Argue (CCF--Assiniboia) suggested Canada take over part of India's sterling balance in the United Kingdom.

John Decore (L--Vegreville) objected to insinuations that he was elected on the Communist vote.

Members talked out a bill that would incorporate Prairie Transmission Lines Limited.

Senators heard a suggestion that adoption of a resolution seeking amendment of the constitution would bring about abolition of the Upper Chamber.

Report Criticizes Navy: Ottawa, November 1 (CP) -- An historic report on Canada's Navy today pointed to a "notable lack of human understanding" among officers and men.

It said the chain of command is weakening at the vital point because of "deteriorating" relations between officers and petty officers, and between petty officers and men.

A three-man Commission named to inquire into "mutinous incidents" aboard three warships went far beyond them to place before the public a series of 41 recommendations, possibly key-noted by one that "officers, before taking command, should be instructed far more frequently and intensively in...the qualities of leadership."

The 27,000-word report, tabled in the Commons by Defence Minister Claxton, found "evidence of general inexperience of many officers, chiefs and petty officers" aboard the warships involved, and criticized the failure to punish the offenders.

Its sweeping review struck out at "soft soap opera" recruiting methods, at the absence of adequate channels for men's grievances, at training generally, at selection of officers and at recreational facilities.

It called for training ships, for a "breathing space" for the service to allow for training and strengthening of men and ships, for a closer integration of practical and theoretical work in training officers, for less divergence in ship routines, for better identification of Canadian sailors and their ships.

The report by Rear Admiral E. R. Mainguy, chief naval officer on the Atlantic Coast, Leonard W. Brockington, Ottawa lawyer, and L. C. Audette, wartime naval officer, and a member of the Canadian Maritime Commission, constitutes a landmark in Canada's naval story. It has already gone out to all ships and to senior officers, and 5,000 additional copies are being printed for the men.

It bared a broad demand within the ranks for "Canadianization" of the force, and underlined unfavourable results that sometimes arise when Canadian officers, given British naval training at a formative stage, come to handle the Canadian sailor, who "is not the same kind of man" as the British tar.

The report said of the incidents themselves that there was no justification for them as "mutinous incidents", but "there was justification for some of the complaints on which part of the dissatisfaction was founded."

(over)

Winnipeg Apologizes To Truman: Winnipeg, November 1 (CP) -- The City of Winnipeg is to apologize to President Truman for the action of two city aldermen who wrote to the President last week protesting the alleged persecution of 12 leading American Communists during their trial in New York.

Council last night instructed Mayor Garnet Coulter to write Mr. Truman a letter of "sincere regret" at the action of Labour-Progressive Party aldermen Jacob Penner and M. J. Forkin.

Council voted 15 to 2 to dissociate itself from the Communists' letter and asked Mayor Coulter to emphasize in his letter to Mr. Truman that the two aldermen represent only about three per cent of Winnipeg's population.

Cosmic Ray Research: Ottawa, November 1 (CP) -- Canada has launched new experiments in her far northern regions in an attempt to gain more information about the mysterious cosmic rays that bombard the earth from outer space.

Deep inside the Arctic Circle, a group of Canadians are operating highly sensitive equipment designed to measure the high frequency rays that have great penetrating power.

The equipment has been set up by the National Research Council at Resolute Bay on Cornwallis Island, some 580 miles inside the Arctic Circle and 200 miles north-east of the North Magnetic Pole.

The purpose of the experiments is to study changes in intensity of the more penetrating rays in correlation with meteorological changes, magnetic disturbances and solar phenomena with which such disturbances are associated.

Atomic Control Discussions: Lake Success, N.Y., November 1 (CP) -- Canada and France tonight were reported shaping a resolution which would meet the situation in the U.N. Assembly caused by disclosure of evidence that Russia has an atomic weapon.

Informed sources said the two countries have been discussing the problem with Britain, the United States and China and will bring a resolution before the Special Committee of the U.N. Assembly.

The debate on atomic controls is slated to come up later this week after conclusion of the present discussion of new U.N. memberships.

Lt.-Gen. Foulkes To Visit U.S.: The Department of National Defence announced on November 1 that Lt.-General Charles Foulkes, Chief of the General Staff, Canadian Army, who is also Chairman of the Canadian Joint Chiefs of Staff, has accepted an invitation extended by General Collins, Chief of Staff, U.S. Army, to visit the United States as a guest of the U.S. Army and to accompany the U.S. Joint Chiefs of Staff to the Infantry School, Fort Benning, Georgia, in connection with the Joint Civilian Orientation Conference being held on November 4 and 5, 1949.

Savings Bonds Sales \$151,463,300: Most wanted merchandise in Canada is still Canada Savings Bonds. Employee purchases of Canada Savings Bonds hit the \$95 million mark on the third cross country report compiled on October 31 in Ottawa. Combined with sales to the general public of \$55,626,650 the grand total at this stage of the campaign stands at the unprecedented figure of \$151,463,300.

Illustrates Potentialities Of Atomic Power: The power of the atom was graphically illustrated to the House of Commons on Monday by the Minister of Trade and Commerce, Mr. Howe, when he held up for display a small cylinder of metallic uranium containing an energy potentially equivalent to that of 500,000 tons of coal.

Across Canada: Department store sales in September - excluding Newfoundland - were up eight per cent over the same month last year.... Stocks of Canadian wheat in store or in transit in North America at midnight on October 20 amounted to 179,863,600 bushels compared with 178,377,200 on October 13 and 180,374,800 on the corresponding date last year.



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Thursday, November 3, 1949.

In Parliament On November 2: Justice Minister Garson said legislation will be introduced to plug loopholes in the Combines Investigation Act.

Wilfrid Lacroix (Lib.--Quebec-Montmorency) urged the Government to ease the income tax burden on farmers.

Robert Fair (SC--Battle River) said exorbitant freight rates on oil products should be removed.

The Senate passed a bill abolishing appeals to the Judicial Committee of the Privy Council.

Privy Council Appeals Bill Passed: Ottawa, November 2 (CP) -- The Senate today passed a bill which will make the Supreme Court of Canada supreme in fact as well as in name.

The Bill, which abolishes appeals to the Judicial Committee of the Privy Council in London and makes the Canadian Supreme Court the final court of appeal, passed "on division," without a recorded vote. None of the Senators speaking in the debate opposed it in principle, although some Progressive Conservatives urged that it be delayed.

The Bill moved through second reading--approval in principle--today after Senator Salter Hayden (L. Ontario) concluded the debate. He urged its passage as a mark of Canada's nationhood.

The Senate declined the offer of Senator Wishart Robertson, Government Leader, to refer the Bill to committee, and passed the historic measure through third reading. It now awaits Royal assent and publication in the Canada Gazette to become law.

To Strengthen Combines Act: Ottawa, November 2 (CP) -- Justice Minister Garson, roused by an Opposition member's charge that combines are being allowed to operate under the benevolent eye of the Government, told the Commons today he plans to plug some of the loop holes in the Combines Investigation Act.

Mr. Garson stepped into continued debate on the 1949-50 budget after R.R. Knight (CCF--Saskatoon City) said that because of the weakness of the present anti-combines legislation "commercial highwaymen" are able to carry on their "nefarious trade under the benevolent eye of this Government."

The Minister reviewed the Government's unsuccessful case against an alleged dental combine and indicated that amendments to the Combines Investigation Act are being made as a result of the judgment rendered.

To "Canadianize" Navy: Ottawa, November 2 (CP) -- A full effort to "Canadianize" the Royal Canadian Navy was promised the Commons today by Defence Minister Claxton, as the Navy's senior officers went into annual conference with a sweeping commission report on the service before them.

There were no indications that any heads are going to fall over the three-man commission's numerous criticisms, its rap at "pallid" imitation of the Royal Navy and its stress on a broad demand "that the navy be more Canadian."

(over)

Mr. Claxton said there will be no shuffles, and informed sources said any such development probably wouldn't come for some time until it is seen whether the "Canadianization" policy is being bucked in high places.

Government To Sell Butter Stocks: Ottawa, November 2 (CP) -- Ready to try out its hand as a butter salesman, the Agriculture Department tonight announced it is set to receive orders for undisclosed stocks of creamery butter at prevailing market prices.

Never made public, but believed to total approximately 60,000,000 pounds, the Government's stocks will be sold in carload lots for 60½ cents a pound for No. 1 creamery delivered to any city or town in Ontario and Quebec.

Report Britain To Cut Buying In Canada: Ottawa, November 2 (CP) -- The United Kingdom has told Canada that she lacks dollars to buy Canadian eggs, bacon and newsprint next year, informed sources said today. Dollar-short Britain also has indicated that she will buy less softwoods and other lumber from this country, and will seek lower prices for cheese. The United Kingdom proposals are expected to be discussed tomorrow by the Cabinet, and may be followed by trips overseas by either Trade Minister Howe or Agriculture Minister Gardiner.

The sources estimated that Britain's decision on Canadian eggs, bacon and newsprint may cost Canada about \$60,000,000 in export trade in 1950. Price readjustments requested may bring the total loss in trade to \$100,000,000....

Help Dentists Detect Cancer: Detroit, November 2 (CP) -- Dr. G.D.W. Cameron, Canada's Deputy Health Minister, said today that some part of the Canadian Government's annual grants for cancer control probably will be devoted to professional education to help dentists detect cancer.

"It is estimated that one out of every seven malignant growths are within the range of vision of the dentist while operating," he said in an address prepared for delivery to the Detroit District Dental Society.

\$1,000,000,000 In Family Allowances: Ottawa, November 2 (CP) -- One of the key men involved in probably the largest distribution business in this country tonight said in an interview the organization was reaching peak efficiency.

Deputy Welfare Minister Davidson said 5,000,000 children have benefited from the \$1,000,000,000 the Government has distributed in family allowances during the last four years.

And although that was a big job in administration and distribution, the loss to the Government in over-payments amounted to less than \$429,000.

Across Canada: In both Canada and the United States, government rent control legislation "is one of the high roads to travelling into the American variety of socialism," Congressman Ralph W. Gwinn, of New York, was reported in the Globe and Mail as telling the Ontario Property Owners' Association in Toronto last night....Ken Reardon and Leo Gravelle, Montreal Canadians' hockey players, were charged with assault with a deadly weapon in Chicago last night after a stick swinging incident involving a Black Hawks' fan....Two hundred and sixty-seven displaced persons held in detention at Halifax and the object of legal action designed to bar immigration without visas, were being released on Wednesday and some of them had already started to new homes throughout Canada.



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Vol. 1, No. 40

Friday, November 4, 1949.

In Parliament On November 3: The House of Commons voted 169 to 19 against a CCF non-confidence motion in the Government.

Finance Minister Abbott announced that the Supreme Court of Canada will be asked to rule on the validity of rental controls.

Justice Minister Garson announced the resignation of F.A. McGregor as Commissioner of the Combines Act.

Defence Minister Claxton rejected request for a standing committee on national defence.

George Drew, Progressive Conservative leader, indicated need for an inquiry into all phases of national defence.

Senator Arthur Roebuck (L--Ontario) moved for inclusion of a Bill of Rights in the British North America Act.

Rent Control Law Relaxed, Tested: Ottawa, November 3 (CP) -- Finance Minister Abbott announced tonight in the Commons that the Government has decided to ask the Supreme Court of Canada to rule on the validity of rental controls.

If the court finds the controls valid, the Government will ask Parliament for a further extension of wartime rental controls, scheduled to expire March 31, 1950....

Meanwhile, the Government plans to continue a programme of gradual decontrol, with the idea of eventually withdrawing all controls.

In line with this system of decontrol, Mr. Abbott announced four new regulation amendments, allowing landlords greater leeway over accommodation. The amendments become effective December 15 next.

They are:

1. Rentals for rooms, parts of houses and similar accommodation in which a tenant is required to share toilet facilities or similar equipment, may be increased by 20 per cent.
2. A rental increase of 20 per cent for unheated self-contained dwellings and of 25 per cent for similar heated accommodation is authorized on leases which can be terminated by a tenant with one month's notice. If the tenant refuses the offer, the landlord may require him to vacate under provincial laws. The accommodation then becomes free of federal rent control.
3. Leases of not less than two years' duration can be made by landlords and tenants at any rental on which they agree.
4. Landlords who owned accommodation prior to November 1, 1949, will be able to regain possession after six months' notice if needed for their own use....

Non-Confidence Motion Beaten: Ottawa, November 3 (CP) -- The House of Commons voted 169 to 19 tonight against a C.C.F. non-confidence motion calling for the immediate lowering of tariffs to encourage an increase in imports from the United Kingdom and sterling areas.

The motion was moved during debate on the 1949-50 Budget. It was in the form of an amendment to a Progressive Conservative motion that called for an immediate Commonwealth conference to discuss trade problems.

The C.C.F. drew support only from Social Credit members. The Liberals and Progressive Conservatives voted together.

(over)

Query Mr. Gordon's Speech: Ottawa, November 3 -- Question of whether Donald Gordon's address in New York last Monday constituted Canadian Government policy was raised in the Commons today.

Prime Minister St. Laurent, replying to a question by T.L. Church (PC--Toronto Broadview) said the speech delivered by the Deputy Governor of the Bank of Canada "does not purport to be a statement of policy."

Later, during the Budget debate, George Drew, Progressive Conservative Leader, said the address may not officially be a statement of government position but it amounted to the same thing.

Civilians For Navy Desk Jobs: Ottawa, November 3 (CP) -- An accelerated system of shifting high naval brass from desk-bound jobs in Ottawa to coastal and sea duty is contemplated by naval headquarters, it was learned tonight.

It stems from a recommendation by a three-man commission which investigated naval conditions that more officers receive sea duty and naval training, and their jobs be taken over by civil servants....

McGregor, MacKeigan Resign: Ottawa, November 3 (CP) -- Two key men in Canada's anti-monopoly probes of dental supply, optical, bread and flour milling firms have resigned their posts.

Justice Minister Garson today in the Commons announced the resignations of F.A. McGregor, 61-year-old Commissioner of the Combines Act, and one of his two deputies, I.M. MacKeigan, 34....

To Streamline Defence Legislation: Ottawa, November 3 (CP) -- Defence Minister Claxton Tuesday will introduce in the Senate a government Bill to streamline existing defence legislation, and bring the three services under a single code.

The Bill's 251 clauses would replace 598 sections in existing legislation and effect a "Canadianization" of laws governing the three services. It would replace what is contained in eight separate acts of Parliament, either Canadian or United Kingdom legislation.

Across Canada: Facilities of three Canadian Air Stations - Goose Bay, Frobisher Bay, and Dartmouth - have been made available to some 40 U.S. Navy planes during cold weather exercises of the Second Task Fleet of the U.S. Navy....The husband is to blame for 75 per cent of all divorce cases before the Senate, Senator John T. Haig said on Thursday before the House of Commons' Private Bills Committee.... Reconstruction Minister Winters indicated that any Canadian cities and towns which want federal aid for housing developments had better get community plans organized soon....The Minto Skating Club in Ottawa, "home" of Barbara Ann Scott, was destroyed by fire Thursday morning with a loss of \$250,000....Canada's population increased by 87,000 during the summer months and stood at 13,636,000 at September 1, the Bureau of Statistics estimates.



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Vol. 1, No. 41 ---

Monday, November 7, 1949.

Commons To Lengthen Sittings: The House of Commons, aiming for prorogation by December 10 at the latest, is to be told this week that its sitting hours are to be prolonged to speed the handling of a large backlog of work, the Canadian Press reports.

The Government is understood to have indicated to its supporters and to opposition party heads that it figures on a December 10 prorogation, and it is reported to have told its caucus last week that morning sessions will begin November 14 to make sure the objective is reached.

At least three and possibly four major debates appear likely before prorogation....

Would Force Rail Economies: Ottawa, November 6 (CP) -- Federal action to force the major railways to effect economies by stepping up efficiency and eliminating wasteful duplication of services was urged by the Canadian Federation of Agriculture in a brief to the Royal Commission on Transportation made public today.

The Federation, aiming at holding down freight rates through such economies, called for legislation that would compel the railways to demonstrate efficiency of operation before getting rate increases.

It also sought the immediate establishment of a federal tribunal to investigate all possible ways of reducing duplication of services and "wasteful competitive practices" between the railroads. The tribunal would report to Parliament annually.

Among other major recommendations of the Federation was one urging that the capital structure of the Canadian National Railways, which draws some \$46,000,000 a year from the railway in debt interest, should be revised to a reasonable basis....

Mr. McGregor's Resignation: On Friday, November 4, the Minister of Justice, Mr. Garson, tabled in the House of Commons correspondence between Mr. F.A. McGregor, who has resigned as Combines Investigation Act Commissioner, and himself. In his letter Mr. McGregor protests against the withholding of publication of a report which, he says, the Act requires shall be made public as soon as possible after its receipt. Closely related, he added, "are the differences of opinion on basic policy that have been revealed in our recent discussions relating to the flour investigation and report...."

The Minister replied that he could not agree that the criticism of Mr. McGregor's Flour Report by the Government related to policy. On the contrary, he added, such criticism related to facts. In an interview between the Minister, Mr. Donald Gordon, Mr. K.W. Taylor and Mr. McGregor, the Minister's letter notes, "it turned out that your version of certain of the most vital of these facts was diametrically opposed to that of Mr. Gordon." This confirmed the wisdom of withholding publication and prosecution, the Minister wrote.

The Canadian Press states that the report in question is to be tabled today.

(over)

Universities Studies Costs: Average costs of a year's study at Canadian universities are highest in the faculties of medicine and dentistry, and lowest in the faculties of arts and pure science. Students' cost in engineering and forestry fall between these levels, costs for students in forestry ranging higher than for those in engineering. Costs in similar faculties, of course, also vary considerably between universities.

These general statements are based on the results of a survey, based on the academic year 1947-48, by a committee of the National Federation of Canadian University Students assisted by the Education Division of the Bureau of Statistics, and which have just been released by the Bureau. The survey, conducted in questionnaire form, covered medical and dental expenses, recreation and miscellaneous other expenditures, as well as tuition and other fees, board and lodging, clothing and laundry -- in short, all expenses of study and living.

Average total expenses for men in arts and science varied between institutions from \$892 to \$1,247 for the year, according to the survey, being above \$1,000 at 10 universities and under that figure at six.

Engineering students had costs ranging from \$916 to \$1,281, fees being from \$5 to \$117 higher than for arts and pure science courses and textbooks costing more. A year in forestry at the three universities with forestry faculties cost from \$1,182 to \$1,329.

Fees for dentistry varied from \$10 to \$180 above those for arts and, while the expenditure on textbooks showed little difference, the cost of equipment -- averaged over the full period of the course -- raised substantially the expenditures of students in this faculty. Overall total for a year ranged from \$1,264 to \$1,500.

Medicine appears to be the most expensive for a year -- apart from any greater overall cost due to longer period of study. Altogether, the average total cost for a year varied from a low of \$1,071 to a high of \$1,555.

Government House Investiture: More than 60 serving and retired members of the Armed Forces, and next-of-kin of deceased decorated personnel, received decorations and awards from His Excellency the Governor-General at an investiture held at Government House in Ottawa today. In all, more than 80 awards were presented at the investiture, including presentations to civilians, and to members of the Boy Scouts.

Majority of the Service awards are Distinguished Flying Crosses to present and former members of the RCAF and to their next-of-kin.

Week-end Football: Ottawa Rough Riders rounded out their 1949 Big Four Football schedule by defeating Hamilton Wildcats, 19-11, at Lansdowne Park Saturday afternoon. In Montreal, the Alouettes walloped Toronto, 35-2, in mud and snow.

Hamilton Tigers completed their Senior ORFU schedule with a 39-7 decision over Toronto Beaches.

McGill sprang another upset in the Senior Intercollegiate, downing Varsity, 12-8, while Western tied Queen's, 18-18.

In the West, Calgary took a six-point lead in their two game total point series with Regina for the championship when they won 18-12.

Across Canada: Muriel Drummond McCarthy, 73, wife of Leighton McCarthy, prominent Toronto lawyer and Canada's first Ambassador to the United States, died suddenly Saturday at her Toronto home....Wolves in Canada's Far North are causing hazard to Transport Department fliers by eating rubber insulation around cables which provide runway lights, it is reported from Edmonton.



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OTTAWA - CANADA

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Vol. 1, No. 42

Tuesday, November 8, 1949.

Mr. Pearson's Plea For Atom-Control: Lake Success, N.Y., November 7 (CP) -- Canada's External Affairs Minister today told the United Nations that the door must not be closed to any possible basis of East-West agreement on international control of atomic energy.

Mr. Pearson said that unless Russia and the United States work out a plan for controlling atomic weapons, there will be an atomic arms race "with no winner."

His 26-minute address before the 59-member special Political Committee of the U.N. Assembly, at the opening of a tense debate on atomic control, was described by veteran observers as the most forthright on the problem in U.N. history.

"The recent atomic explosion in the Soviet Union . . . points up dramatically the validity of the thesis that security can be found only in effective international control," Pearson said, while smaller powers in the U.N. expressed increased anxiety over lack of East-West agreement on the problem.

Pearson hit at Russian objections to the majority plan for control approved by the Assembly last year. He said the Russian claims that the plan's limitations on national sovereignty would be a sacrifice by any state are "absurd," and Russian provisions for inspection in their control proposals are "simply not good enough."

At the outset of the debate, which some delegates describe as the most important in the present Assembly, Canada and France submitted a joint resolution which includes a call to all countries to do "everything in their power to make possible, by the acceptance of effective international control, the effective prohibition and elimination of atomic weapons."

Supported by Britain and the United States, the resolution makes these provisions:

1. Urges all countries to join in a co-operative development and use of atomic energy for peaceful ends.
2. Calls on all Governments to do everything possible to bring about elimination of atomic weapons.
3. Requests the Big Five and Canada to continue their talks seeking a basis of agreement.
4. Recommends that all countries join in a mutual agreement to renounce "individual exercise of such rights of sovereignty in the control of atomic energy as are incompatible with the promotion of world security and peace."

K.A. Greene Consul General At N.Y.: The Secretary of State for External Affairs, Mr. Pearson, announced on November 7 that Mr. Hugh Day Scully would be retiring at the end of the year as Canadian Consul General in New York; he would be succeeded by Mr. Kenneth Arthur Greene.

In announcing Mr. Scully's retirement, Mr. Pearson paid tribute to the valuable and devoted service which Mr. Scully had rendered. Appointed in May, 1943, Mr. Scully was the first Canadian Consul General in New York. During his tenure the post had become one of the most important in Canada's External Service. (See Press Release No. 75 of November 7, 1949)

(over)

In Parliament On November 7: The House of Commons voted 108 to 48 against a CCF proposal that union dues be made deductible for income tax purposes.

Justice Minister Garson tabled the controversial report on an alleged combine in the flour-milling industry. Eleven companies were named.

Trade Minister Howe said the flour-milling industry was told the Combines Investigation Act would not be invoked for acts performed during price control.

Opposition spokesmen criticized withholding the flour-milling report for 10 months. The Government received it December 29, 1948.

Flour Combine Alleged: Ottawa, November 7 (CP) -- F.A. McGregor's controversial combines report on the flour-milling industry today charged its 11 principal firms with 11 years of mutual price fixing and with "threats of reprisals" against small millers who wouldn't co-operate in "their designs."

Justice Minister Garson tabled in the Commons the 60,000-word document which provoked the resignation of Mr. McGregor, Commissioner of the Combines Investigation Act, because of "differences of opinion" with the Cabinet.

The Government does not plan to prosecute the industry on the charges made by Mr. McGregor. Those charges, involving firms representing 70 per cent of Canada's productive capacity in the flour-milling, contend, among other allegations;

"It is clearly established by the evidence that since at least 1936 there have been continuing efforts on the part of the principal milling companies to secure and maintain agreements amongst themselves and with others which would fix common prices for the sale of flour, rolled oats, millfeeds and coarse grains which they sold. These efforts were directed to having such agreements in effect in all markets in Canada in which the associate firms carried on business....

John Diefenbaker (PC--Lake Center) accused the Government of "flagrant disregard of Parliament" in withholding for 10 months the report of alleged price-fixing activities in the flour-milling industry.

He said that Justice Minister Garson had broken the law by not making public the report within the required 15 days after it was delivered to him by the Commissioner of the Combines Investigation Act.

All three opposition parties were highly indignant about the manner in which the Government handled the McGregor report on the milling industry, which alleged that 11 companies participated in a combine....

Canada Explores New Sales Markets: Ottawa, November 7 (Montreal Gazette) --

The contraction of sterling area markets against Canadian goods has spurred efforts by the Trade and Commerce Department to explore countries that really haven't been tapped, and Canada's salesmen are on the alert in far places..

"It is all a part of our policy of seeking to promote export business wherever it can be found," M.W. MacKenzie, Deputy Minister of Trade and Commerce told The Gazette tonight.

"We are opening offices, for instance, in Madrid, the Spanish capital, and in the Philippines, and we are doing so because we believe we can sell more to those countries."....

Across Canada: The R.C.A.F. said last night, the Canadian Press reports from Churchill, Man., that poor flying weather forced postponement of an air search for an Arctic missionary and two Eskimos missing since October 21 when they set out in a motor-driven canoe to hunt for seals....The boosts in rental ceilings authorized by the Government in its relaxation of rental controls could affect some 4,000,000 Canadians it is estimated....The federal Government has just allotted well over half a million dollars from its national health grants to aid four hospitals to increase accommodation. The hospitals are in St. John's, Nfld., Quebec City, Haileybury, Ont., and Regina, Sask.



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Vol. 1, No. 43

Wednesday, November 9, 1949.

In Parliament On November 8: Prime Minister St. Laurent announced the federal-provincial Constitutional Conference will open January 10.

Opposition members criticized increases in rent controls.

Finance Minister Abbott said the Government considered abandoning rent controls but decided against the step.

Members discussed a bill to incorporate the Prairie Transmission Lines Limited.

Defence Minister Claxton sponsored a bill in the Senate to unify defence legislation.

Federal-Provincial Conference January 10: Ottawa, November 8 (CP) -- Canada's 10 provincial premiers have agreed to come to the Capital next January 10 in a federal-provincial conference that may reshape the destiny of Canada's constitutional future.

Replies to Prime Minister St. Laurent's invitation to come to Ottawa and discuss problems of amending the constitution on matters which directly affect the provinces were tabled today in the House of Commons.

Three of the Provinces--Quebec, Manitoba and Saskatchewan -- thought the conference should be held at an earlier date, but nevertheless agreed to attend on January 10. Another--Alberta--believed a preparatory conference of constitutional experts should precede the general meeting.

To all Premiers, Mr. St. Laurent answered in a letter dated November 7 that it was proposed to open the conference at 10:30 a.m. EST. The preparatory conference would not be held because a majority of premiers did not ask for it.

The January conference will form part of the Government's dual plan to transfer the right to amending the Canadian constitution from the United Kingdom Parliament to Canada.

Mr. Malik's Statement At U.N.: Before the Special Political Committee of the U.N. Assembly yesterday, Jacob A. Malik, Soviet Deputy Foreign Minister, criticized as "slanderous" a statement by the Secretary of State for External Affairs, Mr. Pearson, on atomic control. Mr. Pearson, Mr. Malik said, according to this morning's report, had misrepresented Russia's action in stating that Russia had used the veto recently to block collection of information on conventional armaments because, in Soviet eyes, it would amount to espionage. Mr. Malik, the report added, said his country objected primarily to the proposal because it did not include provision for collection of information on atomic weapons.

Gradual De-Control Rentals Policy: Ottawa, November 8 (CP) -- Under concerted verbal onslaught from all opposing quarters, Finance Minister Abbott today defended recently-announced domestic rent increases.

In a lively debate virtually monopolized by speakers from opposing parties Mr. Abbott told the Commons the federal Cabinet had "seriously" considered abandoning all rent controls but decided against the step after careful study.

(over)

He indicated, however, that gradual de-control is still the Government policy and that the 20 and 25 per cent increases he announced last week were "part and parcel" of this policy.

Bank Reports Reflect Prosperity: Ottawa, November 8 (CP) -- In the billion-dollar language of Canada's chartered banks, business is booming.

Reaping prosperity's harvest, Canadians have salted away almost \$7,000,000,000 in bank deposits--but the banks are not letting the money languish.

They've lent \$2,400,000,000 to provincial governments, churches, manufacturers, miners, farmers, fishermen, cities, school districts and others.

Both the deposits and loans, tabled today in the House of Commons, were calculated for the year ending September 30--and both were higher than a year ago.

At that time Canadians had deposited less than \$6,500,000,000 and the banks had lent \$2,100,000,000.

Significant is the fact that this year nearly all organizations borrowed higher amounts than a year ago.

"Canadianize" Armed Forces: Ottawa, November 8 (CP) -- Defence Minister Claxton tonight entered the Senate to sponsor a Government Bill to "Canadianize" and unify existing legislation relating to the three armed forces.

The Minister sponsored the voluminous Bill "with leave of the Senate" under a procedure which is comparatively recent and designed to speed the business of Parliament while giving the Senate a greater share of its work.

The proposed act cuts the 598 sections of existing legislation respecting the armed forces to 251 clauses and lays down one piece of legislation applicable to all three services.

Telecommunications Nationalization: Ottawa, November 8 (CP) -- A previous United States commitment will prevent Canadian National Telegraphs from participating in Canada's plan to nationalize overseas telecommunications, the Commons Committee on Railways, Canals and Telegraphs was told today.

Transport Minister Chevrier and his departmental experts told the Committee that Canadian National Telegraphs, a Crown company, has an agreement with Western Union Telegraphs of the U.S. which extends to 1964.

The agreement specifies that C.N.T. will not be able to accept cablegrams and telegraphs for overseas points, except those which will be routed through Western Union Lines.

Canada Savings Bonds: Sales of Canada Savings Bonds passed the \$200 million mark this week as reports from payroll savings organizers, investment dealers and banks continued to reflect the buoyant tone that has characterized the Fourth Series campaign since it opened on October 17.

General Sales climbed \$46 million in three days to spearhead the drive, reaching a total of \$91 million after 17 days of the campaign period. As reports of these sales through investment dealers and banks are always slower in reaching headquarters, Bank of Canada officials were confident that this up-surge would be continued, bringing the final total well above last year's mark of \$142 million.

Across Canada: Premier Angus L. MacDonald of Nova Scotia said in Halifax last night that there was a tendency among civil servants to "frame" policy, which could be "disastrous to our democratic system of Government"....The fourth Federal-Provincial Tourist Conference was in its third day of the present sitting in Ottawa today.



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Vol. 1, No. 44

Thursday, November 10, 1949.

In Parliament On November 9 : The House of Commons concluded the budget debate without a formal vote on a Progressive Conservative amendment.

The budget debate ended with various members asking for government action on education, canals and potatoes.

The Senate approved a resolution providing for amendment of the constitution on federal matters.

Budget Debate Ends Unexpectedly: Ottawa, November 9 (CP) -- Caught by a surprise end to the 1949-50 budget debate, the Progressive Conservatives today missed a chance to force a vote on their budget amendment.

A combination of circumstances--not the least of which was the broadcast of the Montreal-Ottawa Big Four football playoff--contributed to the situation.

The result was that the few Progressive Conservatives in the Commons at the time didn't think of rising to force a formal vote on their amendment.

The amendment asked that the House express regret that the Government had failed to take effective measures to prevent the present decline in trade with the Sterling Area, and was of the opinion that the Government should consider the advisability of inviting the nations of the Commonwealth to a conference....

Mr. Matthews Minister At Washington: The Department of External Affairs announced on November 10, that Mr. W. D. Matthews, Counsellor at the Canadian Embassy, Washington, had been promoted to the rank of Minister.

Before his transfer to Washington earlier this year, Mr. Matthews was Assistant Under-Secretary of State for External Affairs in the Department at Ottawa. (See Press Release No. 76)

Continue Dollar Rationing: The Minister of Finance, Mr. Abbott, announced on November 9 that the rationing of U.S. dollars for pleasure travel will continue during the period from Nov. 16, 1949 to Nov. 15, 1950. The maximum amount of U.S. dollars which any Canadian resident may obtain during this period for pleasure travel will remain at \$150. In the case of children eleven years and under the amount will remain at \$100.

Decision to continue the pleasure travel ration was reached after a careful assessment of Canada's U.S. dollar position and U.S. dollar travel expenditure, the announcement said. As at the end of last September Canada's official gold and U.S. dollar holdings were about the same (\$985.3 million U.S.) as they were at the end of 1948 (\$997.8 million U.S.). On the other hand the rate of travel expenditure in the United States has risen considerably. It is estimated that total travel expenditure in the United States by Canadian residents in the twelve months ended September 30, 1949 was about \$160 million compared with \$113 million in the calendar year 1948. The Minister attributed the increase principally to the relaxation at the beginning of this year of the regulations applying to the foreign purchases of returning Canadian travellers.

(over)

U.S. Customs Streamlining: Washington, November 9 (CP) -- The United States Treasury Department, moving swiftly in the wake of Anglo-Canadian-American customs talks, yesterday called a conference of United States customs collectors and appraisers to acquaint them with steps to streamline procedure....

The four-man Canadian delegation returned to Ottawa Tuesday. It included Gordon Urquhart, Assistant Deputy Customs Minister.

Rail Subsidies Urged: Ottawa, November 9 (CP) -- A proposal that certain uneconomic transportation services should be subsidized today was placed before the Royal Commission on Transportation by the Canadian Congress of Labour.

Dr. Eugene Forsey, CCL Research Director, said that where national policy compels the railways to keep certain lines open or carry goods at less than cost, they should be compensated for these losses from the public treasury.

The commission heard also from J.E. McGuire, Congress executive member, that cut-throat competition between railways and trucks should be eliminated.

Immigration Flow Drops: The flow of immigrants into Canada dropped sharply during the six months period ended September 30 this year, the Department of Mines and Resources said Wednesday.

In a review of immigration to Canada covering the period from April to September, inclusive, the Department said 52,884 persons came to Canada, down 22.4 per cent from the same period last year.

The biggest decrease--44.1 per cent--was noted in immigrants arriving from the British Isles. During the period under review 13,024 persons of English, Irish, Scottish and Welsh origin settled in Canada compared with 23,285 for the corresponding period last year. The number of Canadians returning to Canada from the U.S. fell from 3,016 to 2,453.

Says Rent Boosts Justify C.S. Wage Increase: Ottawa, November 9 (CP) -- The Civil Service Federation of Canada, through its national executive, contended on Wednesday that "the Government should be prepared to give immediate consideration to a further salary revision" for Canada's 120,000 civil servants because of increased rent ceilings.

Across Canada: Montreal Alouettes surprised everybody yesterday by defeating Ottawa Roughriders 22-7 at Montreal in the first of the home and home game series for the eastern football title. Ottawa led 7 to 6 at half time and then proceeded to fumble the Montrealers into three touchdowns.... Today is Manitoba provincial election day. Re-election of the Coalition Government has been generally forecast.



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Vol. 1, No. 45

Saturday, November 12, 1949.

In Parliament On November 11: Prime Minister St. Laurent announced that the Government intends to redistribute functions of the Resources and Reconstruction Departments.

Defence Minister Claxton tabled a white paper on defence preparations and said Canada is developing an early-warning radar system.

Maj.-Gen. G.R. Pearkes, VC (PC--Nanaimo) said Canada is relying on the concept of leisurely mobilization during war.

M.J. Coldwell, CCF leader, said he was disturbed over the sale of Canadair Aircraft Factory to the Electric Boat Company of the United States.

John Blackmore (SC--Lethbridge) said Canada was vulnerable to attack because of the centralization of industry.

Defence Plans Debated: Ottawa, November 11 (CP) -- Opposition charges that the defence forces of Canada were inadequate for the roles which they would be expected to perform in the event of an enemy attack upon the country marked a debate on the Defence Department estimates before the House of Commons at afternoon and evening sessions today.

Chief critics of the Government's plans and policies during the night session were Lt.-Col. D. S. Harkness (PC--Calgary East) and Major E.D. Fulton (PC--Kamloops) while during the afternoon the criticism came from Maj.-Gen. G.R. Pearkes, V.C. (PC--Nanaimo), M.J. Coldwell, C.C.F. Leader, and John Blackmore (SC--Lethbridge).

At the night sitting Mr. Claxton closed off the series of speeches by saying that the only way Canada could increase forces would be by paying more money at the rate of \$2,600 a man per year. The same went for equipment.

The only potential aggressor was Russia and Canada would fight any war against Russia in co-operation with Atlantic Pact allies.

Canada was gradually organizing a civil defence skeleton organization on which an expanded version could be built in emergency. To establish a full-fledged organization now would be to invite a lack of interest within a fairly short period....

Northern Radar Installations: Ottawa, November 11 (Citizen) -- Canada's defence policy now calls for the development of a number of radar installations to cover the most vulnerable air approaches to this country, which an enemy might use, and also to screen certain vital areas.

The disclosure of this newest angle in military planning was a feature of Friday's Armistice Day debate in the Commons as Defence Minister Claxton began piloting his estimates through the House. These defence estimates total \$383 million, plus \$63 million in commitment on current authority but not yet allocated. It is the largest amount being spent by any government department.

It won't be close knit like the one that covered all the British Isles in the last war. The vastness of Canadian territory makes this economically and industrially impossible. And the idea of a network of radar screens across the northland was emphatically demolished by Mr. Claxton.

(over)

"I hope no one will think for a second that we are going to put a string of radar stations over the North Pole or anything of the kind," he said. "We are not. We could not do that, and it would not be the right way to spend our defence dollars."....

Remembrance Day: Canada yesterday remembered her war dead.

At ceremonies before civic cenotaphs, Canadians paid tribute to those who died in two world wars. Mrs. Aline Daoust, whose son was killed in Normandy in 1944, represented Canadian mothers when she placed a wreath at the foot of the National War Memorial in Ottawa.

Similar simple ceremonies were enacted across the country....

Coalition Returned In Manitoba: Winnipeg, November 11 (CP) -- The Coalition Government of Manitoba was returned to office with increased majority on November 10.

With some counting still to be done, it seemed possible the Coalition would end up with 43 seats -- seven more than at dissolution -- and the Opposition parties with 13. Voting for the Legislature's 57th seat -- northern Rupert's Land -- has been deferred to December 14.

The incomplete results reported this morning were:

Coalition

Liberal-Progressive.....	26	
Progressive Conservative.....	10	
Liberal.....	1	
Independent.....	2	(39)

Opposition

C.C.F.....	4	
Conservative.....	2	
Independent Liberal.....	1	
Doubtful.....	10	(7)

Three New Government Departments: Ottawa, November 11 (Montreal Gazette) -- Prime Minister St. Laurent announced in the House today plans for departmental re-organization which will involve the addition of another Minister to the Cabinet. The Commons will be asked to pass legislation to effect the move before the present session ends.

Three new departments will be established: Department of Mines and Technical Surveys; Department of Resources and Development; and Department of Citizenship and Immigration.

May Have To Curb U.S. Imports: New York, November 10 (CP) -- Canada may have to restrict her trade with the United States unless there is a better balance of imports and exports between the two countries, L.B. Pearson, Canada's Minister of External Affairs, told the Overseas Press Club in a luncheon address on November 9.

Canada cannot go on indefinitely buying \$2,000,000,000 of goods from the United States and selling \$1,000,000,000 to the United States, Pearson said.

"When we must put on restrictions", he said, "you'll become more aware of us. We wish you'd become more aware of us before the restrictions are needed."....

Across Canada: Glyn Osler, leading Toronto lawyer and director of many industries, died in Toronto Friday....Cigarettes netted the Government about \$170,000,000 in taxes last year, according to a C.P. feature story.

Note: (No Bulletin was issued on November 11, Remembrance Day).



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Vol. 1, No. 46

Monday, November 14, 1949.

7 Months "Surplus" \$305.3 Millions: The Minister of Finance, on November 12, released the monthly statement of the Comptroller of the Treasury covering revenues and expenditures for the month of October and the fiscal year to date.

Total revenues of the Government for the month of October amounted to \$201.7 million compared with \$215.5 million in October, 1948. Total revenue receipts for the first seven months of the current fiscal year amounted to \$1,442.3 million compared with \$1,530.3 million for the same period a year ago.

The declines in recent months in excise taxes and personal income taxes due to reductions in rates announced in the March budget continued in October. This decline in revenue was partly offset by an increase in collections of corporation income tax.

Total expenditures in the month of October amounted to \$175.6 million compared with \$151.2 million in October, 1948. Aggregate expenditures in the first seven months of the current fiscal year were \$1,137.0 million or an increase of \$140.4 million over the corresponding period a year ago.

Revenues for October exceeded expenditures by \$26.1 million. This brought the so-called budgetary surplus for the first seven months of the fiscal year to \$305.3 million compared with a budgetary surplus of \$533.7 million in the first seven months of the last year.

Field Marshal Slim To Visit: Field Marshal Sir William Joseph Slim, GBE, KCB, DSO, MC, Chief of the Imperial General Staff, will visit Canada from November 23 to 26, the Minister of National Defence, Mr. Claxton, announced on November 14.

He will come to Canada at the invitation of Lt.-Gen. Charles Foulkes, CB, CBE, DSO, Canadian Army Chief of Staff, and during his visit will be the guest of His Excellency the Governor General, Field Marshal Lord Alexander, staying at Government House, Ottawa.

Field Marshal Slim will have discussions with Lt.-Gen. Foulkes and the Canadian Chiefs of Staff. He will also pay a short visit to the National Defence College at Kingston.

At the conclusion of his Canadian visit, Field Marshal Slim will leave for the United States where he will be the guest of the U.S. Army.

Mr. Pearson Returning: The Canadian Press, reporting this morning that the Secretary of State for External Affairs, Mr. Pearson, is returning to Ottawa from Lake Success in a few days to participate in the Parliamentary debate on foreign policy, proceeds, in part, as follows:

"As External Affairs Minister and chief of the Canadian United Nations delegation, Mr. Pearson is so busy these days that it's virtually by appointment that the Commons can get him for external affairs discussions in Ottawa.

"He'll be back from U.N. headquarters Wednesday and Thursday and everything else will wait while the Commons gets a chance to ring in any angle of foreign policy during consideration of External Affairs Department estimates.

(over)

"Far East policy is high on the list and opposition members are expected to press for information on where Canada stands on the shaky China situation.

"T.C. Davis, Canadian Ambassador to China, recently returned from the Far East and has talked over the situation with the Government..

Manitoba Election: Winnipeg, November 13 (CP) -- Premier Campbell's coalition forces strengthened their hold on the Manitoba Legislature during weekend counting of November 10 election ballots.

This is the standing of parties now:

Coalition	1949	1945	
Lib.-Prog.....	29	24	
PC.....	10	13	
Others.....	3 (42)	6 (43)	
Opposition			
CCF.....	7	9	
LPP.....	1	1	
Others.....	4 (12)	2 (12)	
Doubtful.....	2	--	
Deferred.....	1	--	
Totals.....	57	55	

Trade Balance Down Sharply: With imports of merchandise practically unchanged and exports below the unusually high value of September last year, Canada had a small credit balance in total foreign trade of \$9,400,000 in the month, down sharply from \$64,400,000 in September, 1948. This brought the cumulative credit balance for the nine months ending September to only \$93,100,000 as compared with \$261,600,000 for January-September last year and \$135,000,000 for the like 1947 period, the Bureau of Statistics reports.

Canada's imports in September were valued at \$221,600,000 as against \$221,700,000 a year ago, and for January to September totalled \$2,073,900,000 compared with \$1,923,300,000 in 1948. Domestic exports in the month amounted to \$228,400,000 compared with \$283,000,000 last year, and in the nine months to \$2,146,000,000 as against \$2,158,200,000. With exports of foreign produce included, Canada's total trade to the end of September reached the record value of \$4,240,900,000 as compared with the previous peak for the period of \$4,108,200,000 last year.

North West Staging Route: Reductions in the three units of the United States Air Force Military Air Transport Service remaining in the Canadian section of the North West Staging Route were announced in Washington on November 11 by Major General Lawrence S. Kuter, Commander of MATS and, in Ottawa, by Royal Canadian Air Force Headquarters.

Airways and Air Communication Service, Air Weather Service and Continental Division personnel and units were participants in this move, completed on November 1, from the Staging Route airfields at Edmonton, Alberta; Fort Nelson, British Columbia; and Whitehorse, Yukon Territory.

Across Canada: Montreal Alouettes on Saturday defeated Ottawa Rough Riders, in Ottawa, 14-13, to take the Big Four championship on the round, 36-20. It was the first title the Montrealers had won since 1931. Hamilton Tigers overcame a nine-point deficit in their two-game, total-points series with Sarnia Imperials, downing the Imps, 20-3, Saturday in Hamilton to win the round, 26-18. The Tigers now move into the Eastern final against the Als next Sunday in Montreal. A powerful McGill Redmen team on Saturday defeated the favoured Western Mustangs, 18-10, at Montreal, forcing a playoff with Western next Saturday in Toronto. At Queen's Stadium, Queen's blanked Toronto, 9-0. Calgary stamperders are champions of the Western Union having defeated Saskatchewan Rough Riders 22 to 21 in a two-game total-point series.



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Vol. 1, No. 47

Tuesday, November 15, 1949.

In Parliament On November 14: Finance Minister Abbott announced plans to give municipalities grants in lieu of taxes on federal property.

Speaker Ross Macdonald tabled a report on voting in Regina City constituency during the federal by-election

George Drew, Progressive Conservative Leader moved that a bill to amend anti-price-fixing legislation be referred to a Commons committee.

Opposition members censured the Government for the way it handled a report on an alleged flour-milling combine.

Senator J.J. Kinley (L--Nova Scotia) pleaded in the Senate that something be done for Maritime trade with the West Indies.

Polish Art Collection: On November 14 the Secretary of State for External Affairs addressed a letter to the heads of all Delegations to the United Nations on the subject of the Polish art collection, brought to Canada in 1940 on the initiative of the Polish Government.

Last week, the letter pointed out, the Polish Delegation had circulated a brochure entitled, "Canada Refuses to Return Polish Cultural Treasures," containing the statement: "In taking these into their safe-keeping for the duration of the war, the Canadian Government accepted full responsibility for their preservation and also for their prompt return immediately after the end of the war to their legal owners."

The shortest answer to the statement, says Mr. Pearson's letter, is probably contained in a letter dated August 1, 1940, written by the representative of Poland in Canada, after the art collection arrived in Canada. In this letter it was stated: "It is understood that the articles in question will in no way involve the responsibility of the Canadian Government, since they have not been placed in its hands. On the contrary, it is the undersigned who, as the representative of the Polish Government, accepts full responsibility for the space which was placed at his entire disposal for the period during which the articles will be stored...."

It was perfectly clear, therefore, writes Mr. Pearson, "that the Canadian Government itself assumed no responsibility for the safe-keeping of the collection....the custody, control and safe-keeping.... were the responsibility of the Polish Government."

After further detail as to the unsuccessful efforts of the Canadian Government to arrange a settlement for custody and ownership between the competing Polish interests, Mr. Pearson states: "I need hardly add that it is by adjudication of competent courts that questions of disputed ownership are normally resolved in Canada...."

Canadian-French Resolution Passed: Lake Success, November 14 (CP) -- A Canadian-French proposal that the Big-Five powers and Canada continue talks on the atomic problem was approved yesterday by the 59-member Political Committee of the United Nations Assembly.

(over)

The resolution, which reaffirms the majority-control plan approved last year by the Assembly, goes to the main Assembly with a vote of 48 to 5, with three abstentions, assuring final passage. Yugoslavia, Israel and South Africa abstained while the Soviet bloc opposed.

A Russian proposal that the U.N. Atomic Energy Commission work out a convention to outlaw atomic weapons and control atomic energy was rejected by a vote of 43 to 6, with nine abstentions.

Registration Voluntary: The Department of External Affairs issued the following statement on November 10:

The Consul General of Czechoslovakia announced on September 17 that all Czechoslovak citizens visiting or residing in Canada must present their passports to the nearest Consulate to have them registered.

The Government of Canada wishes to make it clear that no registration is required under Canadian law. Any such action by any Czechoslovak citizen residing in Canada is entirely voluntary and failure to comply with the Czechoslovak Government's directive will in no way prejudice the position in Canada of Czech citizens who have been legally admitted to this country.

Sees Germany Main Problem: Ottawa, November 14 (CP) -- Germany eventually will be a greater problem for the Western Powers than Russia, Field Marshal Earl Wavell predicted today at a press conference.

The distinguished British soldier, a guest of the Governor-General, said fear of Germany is the primary cause of the present Russian attitude and conduct.

"The Germans are the most dangerous people in Europe," he said. "I don't think two defeats have changed their nature much....If I were a Russian I think I'd be a bit nervous about any chances of a German resurgence."

He saw little chance of any immediate war and he thought that if the Western Powers "stand up to Russia" there need be no war. As a man who had spent two years at one time or another in Russia, he traced the root of her diplomacy to the desire for security.

Exchange Rule Alteration: A change in the rules governing exchanges in Canada by non-residents, and in the United States by residents, of Canadian municipal securities has been notified by the Foreign Exchange Control Board to Canadian security dealers.

Heretofore municipal securities have been classed for exchange control purposes with "corporate" securities and could be exchanged only for other securities in that category. They are now being regarded as in the same category as securities issued or guaranteed by the Government of Canada or a Province and exchanges of municipal securities will, therefore, be permitted in future within this group rather than in the "corporate" category.

Across Canada: The Canadian Press noted in an Ottawa dispatch that Mr. St. Laurent last night completed his first full year as Prime Minister....The Royal Agricultural Winter Fair will be officially opened at Toronto today by Mr. Pearson.



DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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Vol. 1, No. 48

Wednesday, November 16, 1949.

In Parliament On November 15: Reconstruction Minister Winters reviewed the Government's housing programme.

Opposition members approved federal housing proposals but asked for additional details.

J. W. Noseworthy (CCF--York South) moved to have the Government rescind orders to increase rents. The motion was ruled out of order.

George Drew, Progressive Conservative Leader, described the housing programme as "enabling legislation" and nothing more.

Trade Minister Howe said the Government, if necessary, will seek a suspension of rules to stop a "filibuster" against pipe-line bills.

Two Senators supported in principle a Bill of Rights placed before the Senate.

Housing Bill Approved: Ottawa, November 15 (CP) -- The Commons was told today what the federal Government is prepared to do on its own and in co-operation with the Provinces to help solve the housing shortage.

Reconstruction Minister Winters outlined a multi-point programme envisaging joint federal-provincial action on several projects including the construction of low and subsidized rental units.

The programme, inauguration of which largely depends on the passage of complementary legislation by the Provinces, drew praise from all sides of the Commons, although some members felt it might have gone farther. Others asked for more details.

The discussion occurred after Mr. Winters called for second reading -- adoption in principle -- of a bill amending the National Housing Act.

After a seven-hour debate, the House gave second reading to the bill....

One of the amendments would reduce approximately by half the down payment required of purchasers of homes. Another would ease regulations covering Government loans on co-operative housing projects.

Mr. Martin's Address At The UN: Lake Success, N.Y., November 15 (CP) -- Paul Martin of Canada today challenged Russia's Foreign Minister to tell the Soviet people the truth about western countries instead of spreading fear and mistrust which lead to war.

In a probing indictment of the Communist system, Canada's Health Minister told the United Nations there is little hope of advancing out of the Cold War if Russian leaders keep insisting they are always right.

Frequently he looked straight across the conference table at Andrei Y. Vishinsky, Russia's Foreign Minister, who looked up calmly at times from note taking.

Martin delivered before the U.N. Assembly's 59-member Political Committee a 48-minute address which veteran observers said was one of the most important ever made by Canada in the United Nations.

(over)

These observers viewed the speech as final proof that Canada has emerged as a major spokesman of the Western Powers. When the meeting adjourned for lunch at least 25 delegates swarmed around Martin in an unusual demonstration with congratulations.

Backing a British-American 12-point plan for permanent peace, Martin cast aside Vishinsky's proposals for a peace pact among the Big Five Powers as merely an excuse for misrepresenting western civilization. In his resolution Vishinsky calls for condemnation of United States and Britain for "preparations for a new war."

"We do not need any more signatures: we need some settlements," Martin said. "If Mr. Vishinsky wants peace all he needs to do is call upon us to use the instruments for peace already in our hands."

The 46-year-old Martin, as representative of Canada, was present at the death of the League of Nations and at the birth of the United Nations. He is second in command of the Canadian delegation, headed by L.B. Pearson, External Affairs Minister.

Returning several times to the theme that Communism seeks a dominating role over men and nations, Martin called on Vishinsky to brand as false the Communist philosophy that war is inevitable between Communist and non-Communist states. He added:

"Those who really prepare for war are those who believe in its inevitability."

"We do not believe that war is inevitable. It is a basic principle of our political philosophy that there is no political problem which cannot be solved by discussion, by negotiation, by compromise, by agreement."....

Mr. Pearson Opens Winter Fair: Toronto, November 15 (The Globe and Mail) --

The Royal Winter Fair was officially opened tonight by External Affairs Minister Pearson.

In an address, Pearson said the burden of defense costs will not be reduced by current disarmament discussions in the United Nations.

He said he does not think the Russians would accept any practical plan for disarmament the Western powers could put forth in present circumstances.

Canada's military establishments are not large compared with some other countries, Pearson said, but "the burden is increasing and will continue to increase so long as there is instability and insecurity in the world."....

\$48,800,000 For Canadian Wheat: Washington, November 15 (CP) -- The Economic Co-operation Administration today turned another \$48,800,000 of Marshall-Plan dollars over to Britain for the purchase of Canadian wheat.

This brings to \$100,000,000 the total of Marshall-Plan funds which E.C.A. has released to Britain for such purchases since the Anglo-Canadian-American dollar talks here in September.

At that time E.C.A. officials revamped their policy on the buying of Canadian wheat with Marshall-Plan dollars and told the United Kingdom she could use \$175,000,000 worth of those dollars for that purpose in the current E.C.A. fiscal year, ending June 30, 1950.

For her part, Canada agreed to re-examine her restrictions on imports of United States fruits and vegetables. These bars have been lifted....

Across Canada: A Canadian Daily Newspaper Association delegation yesterday asked the Government to remove the "discriminatory" 8 per cent sales tax on newsprint....Two miners died in a muck slide at the Noranda mine....The Dairy Farmers of Canada will spend \$250,000 next year to promote the sale of butter and other dairy products....Mrs. Grace Kelsey, of Erickson, B.C., was declared the world's wheat queen at the Royal Winter Fair in Toronto yesterday.... The Secretary of State for External Affairs, Mr. Pearson, is to make his annual statement on foreign policy in the House of Commons today.



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Vol. 1, No. 49

Thursday, November 17, 1949.

Mr. Pearson's Foreign Policy Review: Ottawa, November 16 (CP) -- External Affairs Minister Pearson lashed out at Russia today for marked "acceleration" of her tyrannies. He also proclaimed Canada's determination to be more than a "camp-follower" of the United States. His speech was made at the opening of the debate on the estimates of the Department of External Affairs.

He called for U.S. action on at least six issues, including the St. Lawrence Seaway, an exchange of arms, Newfoundland military bases, border bars to certain leftist Canadians, a Japanese peace treaty and a bilateral air treaty.

In a 90-minute Commons review that took him around the world, he charged that Russian efforts to absorb "a wider and wider area" poison and distort the aspirations of Western Europe and have reduced most of Eastern Europe to an "abject subordination" where complete identification with the whims of Moscow has become the basic demand.

But he predicted that "in the long run this dark practice of Government through tyranny and ignorance can't prevail, even within the shadow of the Iron Curtain . . . the resources of the human spirit are strong enough to withstand this siege."

Initiating a debate on foreign affairs before a well-filled, attentive House, he prophesied that in time the flame of liberty in Eastern Europe will help to lift the shadow which has obscured it and, by implication, he linked that development with the "unhappy people" of Russia herself.

These were among the points Mr. Pearson made as he took time out from his duties as Chairman of the United Nations Political Committee to brief Parliament:

1. Canadian relations with the U.S. are friendly, complex and continuous, but cannot be taken too much for granted. Canada must recognize the importance and exertions of the U.S. but the U.S. must look on Canada as a "co-operating partner, not as a camp follower." Canada's feelings were not being ignored but he mentioned them "because if we do not keep them in mind they may be ignored."

2. The United Nations has been strengthened in the last year and has helped reduce world tensions by containing conflicts in Palestine, Kashmir and Indonesia which could have sparked major war.

3. Military obligations under the Atlantic Pact will be charted "before long" but its 12 member nations also should start at once to implement their pledge of economic collaboration. The machinery for "study, discussion and negotiations" should be mapped out at the next meeting of the Pact Council.

4. Russia is using every means short of war to "bring Yugoslavia to heel" and to "extract from it the kind of unquestioning and slavish obedience the Kremlin commands." Pressures to liquidate every element of national independence in Eastern Europe and "every trace of opinion or feeling not abjectly subordinate to Russia" have been "much accelerated in recent months."

5. Emphasis in the evolution of Soviet tyranny has shifted from creation of Socialist or Communist regimes to complete identification of those now existing with the policies of Russia herself.

6. Military occupation of Japan should be ended as quickly as possible and a general conference that would include Canada should seek to write a peace treaty....

(over)

Mr. Graydon On Foreign Policy: Ottawa, November 16 (CP) -- Gordon Graydon (PC--Peel) said today in the Commons that Canada's cardinal foreign policy "must be the maintenance of permanent peace and security for our people."....

"Our cardinal policy in the interests of ourselves and of others must never depart from the objective of international co-operation, understanding and peace."

Mr. Graydon stressed the need for building an intelligent, constructive Canadian opinion on world affairs. He believes Canadians are hungry for a knowledge of world affairs.

The External Affairs Department should take the Canadian people more into its confidence, he said. It should explain what the Department's attitude is on world affairs....

He said I. Norman Smith, associate editor of the Ottawa Evening Journal recently had expressed the "conviction that there is a lot of news about what is going on in the world that Canadians do not get."

Mr. Graydon said that in his opinion Canadians should be told as much as safety and security will allow....

In Canada, there was an Information Division of the External Affairs Department and in the main it did a satisfactory job....

"However, its activities must necessarily follow and not precede the Government decisions on policy with the result that very little information becomes available of the facts and background upon which our foreign policies are based," he said....

In Parliament On November 16: External Affairs Minister Pearson reviewed Canada's position in foreign affairs, lashing out at Russia.

Gordon Graydon (PC--Peel) suggested the King and Queen should visit Canada oftener.

Angus MacInnis (CCF--Vancouver East) said there must be economic as well as military co-operation among nations.

Rev. E.G. Hansell (SC--Macleod) urged renewed vigilance to combat communism.

The Senate discussed a variety of topics ranging from a Bill of Rights to cheaper rum and whisky.

Mr. Vishinsky Replies To Mr. Martin: Lake Success, N.Y., November 16 (CP) --

During his bitter reply to a plea for co-operation from Britain's Hector McNeil, today, Russian U.N. Delegate Andrei Y. Vishinsky turned his attack towards Paul Martin. Vishinsky said the speech yesterday by Canada's Health Minister here was "hysterical and outrageous."

Martin had challenged Vishinsky to tell the Russian people the truth about the West instead of spreading fear and mistrust which lead to war.

Vishinsky said the Canadian had "mixed up" the teachings of Lenin by saying that Communists believe that war between Communist and non-Communist states is inevitable....

Canada - U.S. Air Agreement Upheld: Washington, November 16 (CP) --

Constitutionality of the new Canadian - American air agreement, signed June 4 and broadening flying rights between the two countries, was upheld today by a special court....

Across Canada: In his parliamentary speech yesterday Mr. Pearson criticized the U.S. Immigration authorities for holding up would-be Canadian visitors at border points while they conducted a security check for Communist sympathizers.... Despite her strength, Russia will never become a leading nation, Field Marshall Earl Wavell told the Ottawa Canadian Club yesterday.



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Vol. 1, No. 50

Friday, November 18, 1949.

In Parliament On November 18: The Secretary of State for External Affairs, Mr. Pearson announced that Canada would be represented at a conference of Commonwealth External Affairs Ministers in Ceylon.

George Drew, Progressive Conservative Leader, indicated that economic sanctions should be applied against the Soviet Union.

Two Members urged the Government to recognize the Communist Government of China.

Members discussed Canada's role in external affairs.

Ceylon Commonwealth Conference: Ottawa, November 17, (CP) -- The Secretary of State for External Affairs, Mr. Pearson, announced tonight in the House of Commons that Canada will be represented at a Conference of Commonwealth External Affairs Ministers at Colombo, Ceylon, in January.

The Conference will discuss the situation in the Far East and other matters of interest to the Commonwealth.

Mr. Pearson made the statement in concluding a two-day debate on external affairs.

Mr. Pearson said he could not name the Canadian representative to the Ceylon Conference. There was nothing better he would like to do than spend January in the balmy breezes of Colombo "but I don't know whether I will be allowed to go."

He said that during the debate there had been questions as to when Canada will recognize the new Communist Government of China. The situation with respect to recognition of that Government probably would be cleared up during the Ceylon Conference.

He wished to state emphatically that no pressure had been put on Canada to recognize or not to recognize the new Chinese Government.

Some members had asked why Canada did not press for a Pacific Pact similar to the Atlantic Pact. There was no lack of interest on the Government's part in Pacific questions but countries such as India, Australia and the United States had stated that it would be premature to negotiate a Pacific Pact at this time.

Mr. Pearson said he believes that "we should press ahead" with negotiation of a Japanese peace treaty and with the building of a truly democratic Government in Japan....

Lt.-Gen. Pope Bonn Representative: Ottawa, November 17, (CP) -- Canada shortly will establish a diplomatic Mission to the Federal Republic of Germany, External Affairs Minister Pearson announced tonight.

Finishing the Commons foreign-policy debate, Mr. Pearson said Lt.-Gen. Maurice Pope, currently heading the Canadian mission to Berlin, will become Canada's chief representative in Bonn, capital to the Federal Republic of Germany.

Eventually this would mean reduction of the present Berlin mission to one or two officers.

Mr. Pearson said the possibility of holding a peace conference for the whole of Germany had become more remote in the last year. He regretted this but at the same time was pleased to see that the Federal Republic of Germany had become a "going concern."

(over)

U.K. To Curtail Food Buying In Canada: Ottawa, November 17, (CP) -- Agriculture Minister Gardiner today said he disagreed with a United Kingdom view that Canada should be used as a food larder only during times of war.

Such a policy, he said in an interview, would be "hard on Canadian agriculture."

The Minister was commenting on a statement by Sir Stafford Cripps, Chancellor of the Exchequer, who informed a London press conference that Britain may switch to European supplies for food she formerly purchased in Canada.

Sir Stafford told the conference Britain bought foodstuffs in Canada during the war in "unaccustomed" amounts which could not be maintained when Britain got back to post-war trading with other countries.

"In my opinion," said Mr. Gardiner, "the view that Canada is to be depended on for supplies of food only during war is rather hard on Canadian agriculture."

"I am sure it is not the view of a great many people in Britain."

Mr. Gardiner said he could not comment at this time on a statement by Sir Stafford on purchase of Canadian eggs. Sir Stafford said:

"It is therefore a fact that in certain things, like eggs, which we bought exceptionally from Canada because we could not then get European supplies, we are now switching back to our original sources of supplies."

The matter of British purchases in 1950 of Canadian eggs, bacon, cheese and other foodstuffs still is under discussion, Mr. Gardiner said. He could not comment until the discussions were finished....

China Loan Repayment Doubted: Ottawa, November 17, (CP) -- A dim future looms for Canada's \$60,000,000 loan to Nationalist China.

Authoritative quarters said today that Canada has small chance of being repaid.

They expressed this view after a statement yesterday in the Commons by External Affairs Minister Pearson that Canada may at some future time consider recognition of the new Communist Government in China....

Paris Defence Conference: The Minister of National Defence, Mr. Claxton, on November 16, announced that he would attend a meeting of the Defence Committee of the North Atlantic Treaty in Paris on December 1. The Defence Committee consists of the Defence Ministers of the twelve nations signatory to the Treaty.

Following announcement of the meeting by Defence Secretary Louis Johnson of the United States, in Washington, Mr. Claxton said he would fly to Paris late this month with a "team" of six senior officers and officials, representing each of Canada's armed services. There will also be a meeting November 29 of the Treaty's Military Committee, composed of a representative of the Chiefs of Staff of the signatory nations.

In the Canadian group will be Lt.-Gen. Charles Foulkes, CB, CBE, DSO, Chairman of the Canadian Chiefs of Staff Committee, and Chief of the General Staff of the Canadian Army; A/V/M H. L. Campbell, CBE, accredited Canadian representative of the standing group of the Military Committee of the Atlantic Treaty; Maj.-Gen. S. F. Clark, CBE, Canadian military representative on the Treaty organization in the United Kingdom; Commodore R.E.S. Bidwell, CBE, Assistant Chief of Naval Staff (Plans); W. R. Wright, Executive Assistant to the Minister, and Brig. J.D.B. Smith, CBE, DSO, Secretary of the Chiefs of Staff Committee.

Across Canada: A government bill now before the Senate Banking and Commerce Committee would continue War Assets Corporation as a permanent fixture....Any deer hunter found shooting in Saskatchewan without wearing scarlet or white hunting clothing is to be prosecuted.



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Vol. 1, No. 51

Monday, November 21, 1949.

"Haida" Rescues 18 U.S. Airmen: Hamilton, Bermuda, November 20 (CP) -- Waves 50 to 60 feet high tossed 18 survivors of a United States Air Force B-29 while they awaited rescue for three days, officers of the Canadian destroyer which picked them up said today.

The destroyer, the "Haida", delivered the bruised and salt-caked fliers to the United States Kindley Air Base near here, as hundreds cheered their arrival. Fourteen survivors walked off the destroyer. Four were carried to hospital on stretchers.

Two of the 20 men aboard the plane when it crashed in the Atlantic off Bermuda died at sea. The "Haida" picked up the survivors Saturday.

Lt.-Cmdr. Edward T. G. Madgwick of Ottawa, captain of the destroyer, said the rescue boat rose so high on the waves that the men stepped or were handed across to the destroyer's forward deck without using a ladder. The deck of the "Haida" is 12 feet above the water line.

The rescue boat had been dropped from a United States B-17 Saturday. The survivors, from the overcrowded life rafts on which they had been huddled since the crash, had clambered aboard it with difficulty.

Eight Canadian sailors in a "Haida" lifeboat crew braved the heavy seas to take the air-dropped rescue boat in tow, after the "Haida" had come alongside the rescue boat.

The rescue was made when a petty officer, Crowley of the "Haida", saw a B-17 circling and realized it was over the survivors.

Then the lifeboat crew went out and towed the rescue boat up to the side of the Canadian destroyer.

Another hazardous mid-ocean small-boat operation was made later when Surgeon Cmdr. Eric Lee, 47, principal medical officer aboard the Canadian aircraft carrier "Magnificent", was transferred to the "Haida" to care for the survivors.

In Parliament On November 18: The Prime Minister, Mr. St. Laurent, said that Canada is not expecting a visit from Princess Margaret.

The Secretary of State for External Affairs, Mr. Pearson said the world peace picture has brightened in the last year.

During study of estimates, the Minister of National Defence, Mr. Claxton, disclosed that secret Defence Department work is being done by private film firms until National Film Board employes have been investigated.

Maj.-Gen. G. R. Pearkes (PC--Nanaimo) said the Air Force was the weak point in Canada's defence and urged a five-point defence programme.

The Commons defeated 62 to 34 a CCF amendment which could have deferred a bill incorporating a pipe line company until the route of the line was stated.

"Noronic" Report Suspends Captain: Ottawa, November 21 (CP) -- A brief judgment was delivered to the Supreme Court of Canada today by Mr. Justice R. L. Kellock, who investigated the burning of the cruise ship "Noronic" at Toronto. The judgment ordered the suspension for one year of the licence of Captain William Taylor of Sarnia, Ontario -- the ill-fated ship's Captain.

(over)

The full ninety-nine-page report on the disaster has been delivered to Transport Minister Chevrier for tabling in the House of Commons today.

(One hundred and eighteen persons lost their lives in the "Noronic" tragedy at Toronto on September 17.)

C.F.A. To Seek Price Supports: Ottawa, November 18 (CP) -- The Canadian Federation of Agriculture today said it will seek government price-support for eggs and other commodities if Anglo-Canadian food contracts are reduced in 1950.

A Federation spokesman said farmers and poultry producers are particularly concerned over the possibility that Britain will not renew the \$21,000,000 egg contract and that the bacon contract will be cut to 25 per cent of the 1949 value.

It was learned Canadian egg dealers have appealed directly to the Government to institute measures to keep up the price of eggs in view of a statement by Sir Stafford Cripps yesterday....

Newfoundland Asks Freight Rate Revision: Ottawa, November 18 (CP) -- Newfoundland has applied for a complete revision of its freight rate structure, and it was learned today the issue may go to the Supreme Court of Canada.

Under tentative present plans, the highest court may be called on for an interpretation on the controversial question of whether the newest Province has received the treatment in freight rates to which it is entitled under this year's Confederation terms.

Oshawa Strike Ended: Oshawa, Ontario, November 20 (CP) -- The General Motors strike ended tonight when the first shift entered the big automobile plant after workers voted to accept settlement terms.

The first shift will prepare for a return to normal operations by Tuesday morning after a dispute that began October 25 following the dismissal of four union workers.

Some 5,500 members of the United Automobile Workers (C.I.O.) cast secret ballots Saturday and today....

Besides the dismissal of the four men, union charges of a production line speed-up also entered into the dispute.

Bank Of England Governor To Visit: Cameron F. Cobbold, Governor of the Bank of England since March 1 of this year will make his first official visit to Canada in that capacity on November 21, when he arrives in Ottawa to confer with Governor Graham Towers and officers of the Bank of Canada. He will be accompanied by Sir George Abell, one of the advisers of the Bank of England.

Mr. Cobbold will spend three days in Ottawa and a day each in Montreal and Toronto, where he will meet officers of Canada's chartered banks and other members of the business community. His visit is in accordance with regular practice in central banking. Senior officers of central banks in all parts of the world and particularly within the British Commonwealth make periodic visits to their "opposite numbers" in other countries to discuss matters of mutual interest and study changing economic conditions "on the spot".

Canada - Belgium Agreement: The Department of External Affairs announced on November 21 that Canada and Belgium have concluded an agreement modifying their visa requirements for temporary visitors (See Press Release No. 79.)

Across Canada: Montreal Alouettes, champions of the Big Four won the Eastern Canada football championship at Montreal Sunday by defeating Hamilton Tigers, O.R.F.U. champions, 40 to 0, and play Calgary Stampeders in Toronto next Saturday for the Grey Cup. Western University recaptured the Intercollegiate football title Saturday by defeating McGill 12 to 9 at Toronto.



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Vol. 1, No. 52

Tuesday, November 22, 1949.

In Parliament On November 21: The Minister of Trade and Commerce, Mr. Howe tabled a 99-page report on the sinking of the steamship "Noronic".

The House of Commons voted 94 to 42 to uphold a Speaker's ruling that the Government was in order with a motion aimed at ending a filibuster on two pipeline bills.

Members voted 108 to 42 to extend the length of time during which bills incorporating pipeline companies can be debated.

Reconstruction Minister Winters sponsored legislation authorizing the federal Government to pay 50 per cent of the cost of a trans-Canada highway.

Senator Wishart Robertson, Government Leader, told the Upper Chamber dwindling trade with the British West Indies was the result of dollar problems.

"Noronic" Fire Report: The report of Mr. Justice Kellock on the "Noronic" fire disaster in Toronto on September 17, in which 118 persons lost their lives, was tabled in the House of Commons yesterday. Among the highlights of the report, as selected by the Canadian Press, were the following:

Destruction of the "Noronic" and the high loss of life are blamed on failure of the owners and captain to assure proper fire-fighting precautions aboard the ship.

The captain--William Taylor, 66, of Sarnia, Ontario--was also at fault for failing to take general charge of the situation after fire broke out.

The captain should have directed in an organized way the arousing of passengers instead of acting himself as "an ordinary sailor in such parts of the ship as he could reach".

Capt. Taylor's certificate is suspended for one year. No other certificates were interfered with.

Costs of the investigation are to be charged against the owners -- Canada Steamship Lines Limited -- on the Exchequer Court scale of costs.

The question of drunkenness played no major part in the report.

The fire patrol system aboard the "Noronic" was inadequate for early fire detection.

The fire found officers and crew without any organization designed to deal with the situation.

High loss of life was the result of lack of fire-fighting organization and absence of a proper alarm system.

Complete complacency in regard to the possible outbreak of fire had descended on both the ship's officers and the management.

The "Noronic" had no pre-arranged plan for rousing and getting passengers off the ship in event of fire.

There was no evidence of the fire having been deliberately set.

The fire cause was not established although it is known to have started in a small linen closet just forward of the women's washroom opening on to the port corridor on "C" deck.

(over)

Such efforts as were made to fight the fire were scattered and ineffective.

The fire fighting appliances on board appear to have been satisfactory.

Experience of the fire indicates need for making fire-resisting bulk-heads, a requirement aboard all passenger-carrying lake ships.

Regulations requiring complete coverage of such ships by continuous fire patrol systems as well as automatic fire alarm systems should be applied.

All such ships should have a comprehensive fire-fighting organization with each member of the crew assigned specific duties.

Sprinkler systems and public address systems for directing passengers in emergency should be installed on all such vessels.

Ships at dock should provide adequate and more than a single means of getting ashore.

Passenger ships docking with the intention of staying for any extended time should be required to be connected with the local telephone system so that the local fire department can be called without delay in event of fire.

Transport Commission Inquiry: Ottawa, November 21 -- (CP) -- A Manitoba proposal to revamp Canada's Railways Act today brought a contention by the Railway Association of Canada that this may lead to the Government's direct management of the steam lines.

Robert E. Moffat, Economic Advisor to the Manitoba Government, suggested before the Royal Commission on Transportation that the Act might be amended to give the Board of Transport Commissioners greater power over the rails and, in turn to bring the Board closer into the sphere of a government department.

Millionth Of A Second Recording: Events occurring less than a millionth of a second apart can now be automatically counted and recorded by apparatus designed and built at the Chalk River Atomic Energy Project, Mr. N.F. Moody, head of the Project's electronics section, said recently in New York City at a combined conference of the Institute of Radio Engineers and the American Institute of Electrical Engineers, the National Research Council reports.

Aids For Eastern Hospitals: Federal grants of more than \$223,000 to aid in providing nearly 300 more hospital beds in eastern Canada were announced on November 22 by the Minister of National Health and Welfare, Mr. Martin. Receiving aid are the St. John's Sanatorium, St. John's Nfld.; the Sherbrooke Hospital, Sherbrooke, Que.; and the St. Marys Memorial Hospital, St. Marys, Ont.

Retail Trade Increased: Canada's total retail trade in September was estimated at \$685,000,000, an increase of seven per cent over the September, 1948 figure of \$639,000,000. Sales were also higher than the August total of \$644,000,000. A uniform rate of increase over 1948 has prevailed over the last five-months.

Across Canada: A programme of "welfare enterprise" by businessmen to avert the threat of a "dictatorial welfare state" was urged on November 21 by C.L. Burton, President of the Robert Simpson Company, in an address before the Toronto Board of Trade....At a Press Conference in Toronto yesterday, Field Marshal Earl Wavell, attributed the Russians' unfriendly attitude towards the Western World to their constant fear of Germany and a naturally suspicious nature.



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Vol. 1, No. 53

Wednesday, November 23, 1949.

In Parliament On November 22: J. M. Macdonnell (PC--Toronto Greenwood) described the Minister of Trade and Commerce, Mr. Howe as a "Fascist, a nice Fascist". He later withdrew the remark.

A Progressive Conservative move to have administration of the Combines Act probed by a Parliamentary committee was defeated 149 to 53.

Justice Minister Garson spoke 2 1/2 hours on the Government's action in delaying for 10 months a combines investigation report on the flour-milling industry.

The Commons voted 152 to 44 against a Progressive Conservative motion which would have killed a bill to incorporate a pipeline company.

The Senate split party lines during a debate on the merits and demerits of daylight time.

Statement On Flour-Milling Report: Ottawa, November 22 (CP) -- A tense House of Commons, listening to what has erupted into the hottest debate of the session, heard Justice Minister Garson today answer charges that the Government had perpetrated a conspiracy against the constitution.

In a careful 2 1/2-hour speech, Mr. Garson attempted to justify the Government's action in delaying for 10 months the publication of the report of alleged price-fixing in Canada's flour-milling industry.

From every quarter of the Opposition in recent weeks has come sharp accusations that the Government deliberately broke the law by failing to make the report public within the specified 15 days of receipt from the Combines investigation Commission.

Today, Mr. Garson told of Cabinet disagreement over the whole basis of the flour-milling report, and offered a number of reasons why it was withheld from December 29 when it was first delivered to him until early this month when he issued it to the accompaniment of the resignation of F. A. McGregor, Combines Investigation Chief.

Mr. McGregor resigned, because of the delay in publishing the report.

Mr. Garson said the so-called price-fixing actions of the flour-milling companies during the war resulted directly from the policies and regulations laid down by the Prices Board.

As such, the Government did not want to make the flour-milling report public without the "most careful consideration," and investigation of the basis for the report.

The conclusion reached by the Government was that the flour-millers should not be prosecuted for something they had done under direction of a Government Department.

These explanations were brushed aside by the Progressive Conservatives.

"We have nothing less than a conspiracy against our constitution," said J. M. Macdonnell, (PC, Toronto Greenwood)....

Can Expropriate Atom Patents: Ottawa, November 22 (CP) -- Dr. C. J. Mackenzie today heard an expression of fear that some atomic developments may be used to exploit the common man in Canada and he reported that the Government has taken measures to prevent it.

(over)

The fear was raised by Solon Low, Social Credit Leader, in the Commons Atomic Committee.

He said "some people -- and I'm one of them -- are concerned about the possibility that some corporations may come to control important inventions, even including the results of nuclear-fission research, in a way that would make access of the common man to them costly."

Dr. Mackenzie, Chairman of the Atomic Energy Control Board, said "we have an organization set up to prevent that....We are aiming at a set-up to give the best for all."

The Board had power to expropriate or to stop any patents in the atomic field and any contracts it made with private firms for production of government-invented products could be cancelled....

Says Canada's Food Surplus Declines: Washington, November 22 (CP) -- Canada told the Food and Agriculture Organization of the United Nations today that she no longer has a top-heavy surplus of food for the export market.

The statement came from Rt. Hon. James G. Gardiner, Canada's Minister of Agriculture, as he joined in early debate in the F.A.O. annual meeting and took exception to F.A.O. documents picturing Canada as a major exporting power.

That impression, he said, is not true today, though it may have been true in the wartime and post-war periods. It was necessary only to look at the declines in Canadian exports of cheese and pork to see the disturbing decline in Canada's food production and exports. Highlight of this second day of the F.A.O. Conference, which will last two weeks, was a brief address by President Truman in which he promised full American co-operation in a global battle against the age-old scourge of starvation and hunger....

Underwater Corrosion Prevention: Halifax, November 22 (CP) -- The Defense Research Board told today for the first time of a method which eliminates underwater corrosion of ships' hulls.

Corrosion has been a major maintenance problem ever since steel hulls came into use. Bars of magnesium now are bolted to the hull in several places. When magnesium, steel and salt water come together, an electric current is generated. This current travels around the hull, preventing corrosion.

The new system of protection--in this application--is an all-Canadian project. However, magnesium had been used for 20 years to protect underground pipelines....

House-Building Increase: Ottawa, November 22 (CP) -- Canada's house-building parade swept ahead in the first eight months of this year, with a total of 55,435 constructed, an increase of 12,000 over the same period last year.

However, starts on new homes, said the Bureau of Statistics today, are lagging. In the eight-month period starts were made on 57,827 units, compared with 60,465 last year.

Prime Minister's Broadcast: Ottawa, November 22 (CP) -- Prime Minister St. Laurent expressed the hope tonight that "by the end of 1950 Canada will have assumed all the attributes and all the responsibility of full nationhood."....

Across Canada: The federal Government's contribution toward completion of a trans-Canada highway will be up to 50 per cent of its cost; the total contribution however will not exceed \$150,000,000.... The House of Lords yesterday gave third reading to the British North America Bill which will give Canada the right to amend its constitution without reference to the United Kingdom Parliament.



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Vol. 1, No. 54

Thursday, November 24, 1949.

In Parliament On November 23: The House of Commons upheld a Speaker's decision ruling out of order Progressive Conservative and CCF motions by votes of 148 to 56 and 157 to 56, respectively.

The motions sought to censure the Government for delaying publication of a report on alleged price-fixing in the flour-milling industry.

The Commons gave second reading to the Bill amending the Combines Act.

The Senate discussed procedure and human rights.

Anti-Combines Legislation Discussion: Ottawa, November 23 (CP) -- Much of the steam of a bitter attack on the Government was dissipated in the Commons yesterday.

The Speaker ruled out of order two opposition motions censuring the Government for the way it handled the report of alleged price-fixing in the flour-milling industry.

A concerted opposition onslaught against what they described as deliberate concealment of the report began to peter out as the House finally approved the principle of a Bill to plug loopholes in Canada's anti-combines legislation.

Speaker Ross Macdonald put the first damper on the debate when he ruled that John Diefenbaker (PC--Lake Center) and subsequent speakers must stick to the principle of the Bill.

The effect was to rule out discussion of the opposition charges that the Government broke the law by failing to make public the flour-milling report within 15 days of receipt....

Faced with the prospect of being confined within the limits of the specific points of the Bill, the Progressive Conservatives moved an amendment.

It proposed that while the Commons always is anxious to improve combines legislation, it should regret the "failure" of the Cabinet to comply with the law requiring publication of the combines report within 15 days. The Commons also should express regret that the Government had "failed" to give assurance that there would be no further breach of this or any other act....

Later, Stanley Knowles (CCF--Winnipeg North Center) moved another amendment. It proposed that approval of the Bill be deferred until the House had censured the Government for "an affront" to Parliament" in its handling of the flour-milling report....

1948 Annual Trade Report: Ottawa, November 23 (CP) -- Despite growing state monopolism in Eastern Europe, Canada is riding the post-war world's trade boat on a crest of unprecedented prosperity.

This and other significant features of Canada's post-war domestic and external trade highlight the Trade Department's Annual Report, made public today.

The 80-page document, covering the fiscal year ended March 31, 1949, mixes the prosperity report with a grim reminder that state monopolism and bilateralism, a thorn in the side of free trade, are continuing to flourish, especially in Eastern Europe.

(over)

On the bright side, the Department says:

1. Production, employment and trade in 1948 exceeded the high levels of 1947.
2. "The investment boom continued unchecked."
3. The country made a recovery from the heavy debit trade balance in United States' favour.
4. Foreign industrialists showed renewed interest in establishing plants in Canada. About 500 sought information.

On the gloomy side:

1. There was a "growing tendency" by some countries, particularly in Eastern Europe, to eliminate private trade and to establish state monopolies. Canadian exporters were suffering from this "concentration of bargaining power."
2. Dollar shortages continued to hamper Canadian trade, not only with the United Kingdom, but with other Commonwealth and Sterling countries.
3. When South Africa announced exchange and import controls last November, it removed the last of the Commonwealth countries from the free-trade competitive ranks. New clamorings arose from Canadian exporters for government help.

Canada's foreign trade, totalling \$5,750,000,000, reached a new high in 1948. Demand for Canadian goods, mainly in the United States, increased Canadian exports.

Canadian gold and dollar reserves, which fell to a dangerous low of about \$470,000,000 in 1947, recovered in 1948, due to a \$636,000,000 reduction in the debit balance with the U.S.

This reduction was accompanied by an increase of 10 per cent in total trade between the two countries and to significant readjustment in the geographical pattern of Canadian foreign trade.

Exports to the U.S. touched a high of \$1,501,000,000, compared with \$1,034,000,000 in 1947; imports declined from \$1,975,000,000 to \$1,806,000,000....

Bonn Representation: In concluding the discussion in the House of Commons on foreign policy, the Secretary of State for External Affairs, Mr. Pearson, on November 17, touched upon Canadian representation in Bonn, Germany. He said:

"...we welcome the establishment of a federal democratic government in Western Germany. We hope that it will soon be able to extend its jurisdiction over a united Germany. The development that has taken place already has a bearing, of course, on the German peace conference. It looks now as if the possibility of holding a peace conference for the whole of Germany is more remote than it was a year ago. This is of course due to the split in Germany itself, and the difficulties at the present time of establishing a modus vivendi with the Russians which would make possible the healing of that division. Meanwhile we have the western federal state of Germany which has become a going concern. We are recognizing that development by planning to establish very shortly a mission to represent Canada at the capital of the state, which is Bonn. We will for that purpose be appointing, as head of our mission to Bonn, the official who is now the head of our Military Mission in Berlin. This change in the situation in Germany will make it possible to reduce the mission in Berlin to the status of one or two officers...."

Across Canada: Saskatchewan yesterday offered to yield to a federal agency control over commercial trucking rates as a move for uniform regulation of highway transport.... Reconstruction Minister Winters said on Wednesday that a brief submitted to the Royal Commission on Arts, Letters and Sciences recently by the National Film Board was "never meant nor received as a statement of government policy.".... Government support and broader channels for expression--particularly from the Canadian Broadcasting Corporation--were called for in Montreal on Wednesday before the Royal Commission on National Development in Arts, Letters and Sciences to raise the whole level of Canadian cultural development. Federal Government support was sought both directly and indirectly. The majority of the delegations were from theatrical and symphonic organizations.



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Vol. 1, No. 55

Friday, November 25, 1949.

In Parliament On November 24: The Minister of Trade and Commerce, Mr. Howe, gave notice of a government move to provide up to \$10,000,000 in loans for Maritime coal mines.

The Government gave notice it will move today for Saturday sittings in a drive to wind up Parliament early next month.

The CCF and Progressive Conservative parties attacked Justice Minister Garson for not making public the flour combines report at an earlier date, and Angus MacInnis (CCF--Vancouver East) urged that the Minister resign.

A report of the Canadian Maritime Commission, tabled in the House, recommended that Canada maintain a nucleus of shipping and shipbuilding industries but said merchant shipping should be drastically cut.

Dr. C.J. Mackenzie, Chairman of the Atomic Energy Control Board, said it was time for the Government and Parliament to decide on the next forward step in the atomic field.

The Commons completed study of the \$383,000,000 defence estimates. The Senate sat briefly and adjourned until Tuesday.

\$10,000,000 To Modernize Coal Mines: Ottawa, November 24 (CP) -- The Government is prepared to loan up to \$10,000,000 to Maritime coal operators to modernize mines and increase production.

Legislation providing for the loans is to be introduced in the Commons tomorrow by Trade Minister Howe.

Brief notice of introduction, placed on the Commons order paper today, merely stated that the legislation is designed to help modernize production methods.

Under terms of the loans, a maximum loan of \$7,500,000 can be made to any one operator, although the total amount set aside for all loans will not exceed \$10,000,000.

Urges Reduction Of Merchant Fleet: Ottawa, November 24 (CP) -- Canada's ocean-going merchant fleet must be "drastically reduced," the Canadian Maritime Commission said in its Annual Report made public today.

However, it advised the maintenance of a nucleus shipbuilding industry and ocean-going fleet capable of rapid expansion in the event of war.

Tabled in the House of Commons, the report reviews the \$70,000,000 shipping industry during the 12-month period ending last March 31.

Conditions have deteriorated still further since that time, a spokesman for the Commission said later. Devaluation has just about "knocked the skids from under the whole industry."

Refuses To Call Mr. Davis: Ottawa, November 24 (CP) -- The House of Commons Committee on External Affairs today voted down a proposal to call T.C. Davis, Canadian Ambassador to China, to give a factual picture of conditions in that country.

Only the four Progressive Conservatives supported the motion made by one of their number, Gordon Graydon (Peel).

The Committee thus upheld the tradition in British countries that Ambassadors, while still accredited, are not called upon publicly to discuss the affairs of the country which has received them.

(over)

U.S. Newfoundland Air Bases: Ottawa, November 24 (CP) -- L.T. Stick (L--Trinity-Conception) today told the House of Commons External Affairs Committee that Newfoundlanders did not want any interference with United States operations of air bases in that Province.

"We get on very well with the Americans," he said. "We don't want any strained relations. They mean millions of dollars to us. We don't want them to discharge Newfoundlanders and bring in American workers."

He referred to recent magazine reports that there were difficulties between the United States operators of Newfoundland bases and the local people.

"Small incidents have been magnified out of all proportion," he said. "They were ironed out to our mutual satisfaction."

A.D.P. Heeney, Under-Secretary of State for External Affairs, said the matter of U.S. bases in Newfoundland, acquired before Newfoundland became a Province of Canada, was under negotiation with U.S. authorities.

While these negotiations were going on he said he preferred not to discuss them.

Sir William Slim Interview: Ottawa, November 24 (CP) -- Britain's army chief said today any Canadian offer to train British and Western European troops in Canada would be received "very gratefully" in the countries involved.

Field Marshal Sir William Slim was told at a press conference that such a role was among those reported under consideration by the Government as part of Canada's participation in the Atlantic pact....

Sir William, in the midst of a day of conferences with government and military officials, also made these points:

The Germans still are the "most dangerous and most valuable" people in Europe.

Western Union--the alliance of Britain, France and the Benelux countries--has made "immense progress."....

Address By Mr. Wilgress: London, November 24 (CP) -- Canada must remain closely linked economically with both the sterling and dollar areas, L. Dana Wilgress, Canadian High Commissioner to the United Kingdom, said today.

Addressing a luncheon meeting of the British branch of the Canadian Chamber of Commerce, Wilgress said it would not be possible for Canada to isolate herself successfully from either of the areas. Such a move would throw Canada's economy off balance....

Opposes FAO Proposal: Washington, November 24 (CP) -- Canada today questioned the desirability of an international commodity clearing house, as proposed by officials of the Food and Agriculture Organization.

Canada's Agriculture Minister, James G. Gardiner, told the United Nations agency's Annual Conference that he wondered whether establishment of such a body would bring any improvement over the present supply-handling situation.

However, Mr. Gardiner said, Canada is prepared to give "serious consideration" to any international co-operation for the best use of world food supplies.

Across Canada: The Canadian Chamber of Commerce on Thursday told the Royal Commission on National Development in Arts, Letters and Sciences, at Montreal, that the National Film Board and the Canadian Broadcasting Corporation should not have the advantage of private enterprise but should be competitive with it on an equal basis....The first real snowstorm of the winter hit Eastern Canada Thursday night....Canadians are more prosperous in 1949 than at any time in the history of the country Dr. O.J. Firestone, economist, was reported as saying yesterday.



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Vol. 1, No. 56

Monday, November 28, 1949.

In Parliament On November 25 and 26: The Minister of Finance, Mr. Abbott, on November 25, announced that the federal Government has agreed not to bring rent increases into effect in Saskatchewan since that Province plans to take over its own rent control.

The House of Commons passed a bill to plug loopholes in the Combines Investigation Act.

For the sixth time, the Commons talked out a private bill to incorporate a pipeline company.

The Commons considered estimates of the Secretary of State's Department.

On Saturday, November 26, final parliamentary approval was given to a national trade mark bill that incorporates legislation calling for accuracy in labels used to describe the quality or quantity of goods.

First of the required three readings was given to a bill to provide for increased tax returns to Ontario and Quebec.

Bills designed to create three new government departments were debated. The House of Commons considered several relatively minor bills.

Saskatchewan Assumes Rent Control: Ottawa, November 25 (CP) -- Saskatchewan's move to take over rental controls next spring has opened a new way by which provinces can kill the December 15 rental hikes.

Finance Minister Abbott has agreed to eliminate the impending rent increases as far as Saskatchewan is concerned as a consequence of Saskatchewan's agreement to take over the controls April 1, 1950.

National Trade Mark: Ottawa, November 27 (CP) -- The way was cleared Saturday for a national trade mark to guarantee that products that use it live up to certain prescribed standards.

A Government bill to establish the voluntary trade mark-- to be known as "Canada Standard" or "C.S."--received final parliamentary approval.

Already approved by the Senate, it went through without amendment after Trade Minister Howe and Labour Minister Mitchell united to lead rejection of a C.C.F. amendment that would have required firms which use the trade mark to meet certain wage levels and conditions of work for their employees....

Sees New Industrial Empire: St. John's, Nfld., November 27 (CP) -- A vast new industrial empire that will probably change the face of the North American steel industry in the next decade will be opened up in the frozen wastes of Ungava and Labrador next year.

Premier Smallwood of Newfoundland told a press conference Saturday development will begin next autumn on the huge, rich iron ore deposits in the area that will probably replace Minnesota's Mesabi range as the biggest iron producer on the continent.

(over)

Mr. Smallwood quoted correspondence from Jules R. Timmins, who said a group of American steel companies has taken an option to participate with Canadian interests in the development. Between \$150,000,000 and \$200,000,000 will be pumped into the project in the next three years.

About 10,000,000 tons of iron ore will roll south annually along a new 360-mile railway from Knob Lake, near the Labrador-Quebec border, to a new port to be built at Seven Islands, Que. Production later will be stepped up to around 20,000,000 tons a year.

Mr. Claxton In Paris: Paris, November 27 (CP) -- Top soldiers of the western world meet here tomorrow to figure out how to stop Russia from trampling Europe in case of a third world war.

Chiefs of Staff of the 12-country Atlantic Defence Treaty face first the problem of integrating their separate defence systems.

Money was voted to pay for military aid for America's European partners. Congress tied a string to it, requiring the countries to produce an integrated defence plan, subject to United States approval, before the money is available.

Defence Minister Brooke Claxton of Canada arrived in Paris today. He was accompanied by senior officers of the Canadian Army, Navy and Air Force.

At noon tomorrow Claxton will place a wreath on the Tomb of the Unknown Soldier at the Arc de Triomphe.

A dispatch from The Hague, said Claxton is expected to visit The Netherlands December 6 and 7, after the meetings in Paris....

Canadians Grain Champions: Chicago, November 27 (CP) -- Canadians, one of them a grey-haired 56-year-old woman, won three of the major grain championships this weekend at the international hay and grain show here.

Mrs. Amy Grace Kelsey of Erickson, B.C., Saturday won the title of wheat queen, premier award of the show. Today Sydney H. Pawlowski of Spedden, Alta., was named oats king.

The third Canadian award, that of Rye King, was taken by Albert Kessel of Rosetown, Sask. Kessel won the World Rye title at the Royal Winter Fair this year. His Chicago entry was Prolific variety.

Storm Rakes British Columbia: Victoria, B.C., November 27 (CP) -- Fourteen lives were claimed over the weekend in British Columbia as the first big storm of the winter season moved into the prairies after raking an area from the northern Queen Charlotte Islands to Southern Oregon with gales and torrential rain.

Rail communication out of Vancouver was cut by slides and washouts. The suburban community of West Vancouver was partially isolated by a bridge washout over the swollen Capilano River, and high tides for a time threatened floods on some Vancouver Islands and coastal B.C. centres.

Would Tax Imported Comics: Montreal, November 27 (CP) -- A group of French-Canadian writers suggested to a Royal Commission Saturday that the federal Government should tax imported comics, Sunday-supplement sections and pulp magazines and apply the proceeds to help Canadian men of letters.

Across Canada: Montreal won its first Canadian football title in 18 years on Saturday by defeating Calgary Stampeders 28 to 15 on a snowy field at Toronto Varsity Stadium....Damage estimated at \$1,000,000 was caused by a fire which swept through a Brockville business block early Sunday morning....Peter White, K.C., noted Ontario counsel, died in Toronto on Saturday.



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Vol. 1, No. 57

Tuesday, November 29, 1949.

In Parliament On November 28: Reconstruction Minister Winters set early 1950 as the date for starting a trans-Canada highway.

Various members said the Government should be prepared to pay more than 50 per cent of a proposed 5,000-mile trans-Canada highway.

Justice Minister Garson said any Supreme Court decision on the validity of rent controls could be appealed to the Privy Council.

The House of Commons debated the Government's decision to have the Supreme Court of Canada test the validity of rent-control legislation.

Rent Control Debate: Ottawa, November 28 (CP) -- The Minister of Finance, Mr. Abbott, said tonight in the House of Commons that no one has yet given him "any good reason" why the federal Government should continue to control the owners of housing accommodation when it does not control anyone else.

The federal Government, he said, feels that it has no constitutional right to continue indefinitely in the field of rent control, that it has no right "other than to continue to de-control as rapidly as circumstances will permit."

He made the statement during a debate called on an order-in-council to be submitted to the Supreme Court of Canada to test the validity of wartime rent controls.

Justice Minister Garson said that any decision made by the court could be appealed to the judicial committee of the Privy Council in London.

J. E. Coyne Bank Of Canada Deputy Governor: Ottawa, November 28 (CP) -- J. E. (Jim) Coyne, 39-year-old Winnipeg-born Rhodes Scholar today was appointed Deputy-Governor of the Bank of Canada.

The Bank's securities advisor since 1946, he succeeds Donald Gordon, 48, who becomes President of the Canadian National Railways. The changeover is effective January 1 next.

Mr. Coyne's appointment was announced after an all-day meeting of the Board of Directors, headed by Graham Towers, Governor of the Bank.

In a brief interview, Mr. Coyne said the appointment came "as a surprise--a pleasant surprise." It also was a "great honour."

The Board also announced the names of two new Directors.

Alfred Pickard, Charlottetown, P.E.I., merchant and trust company Director, fills the vacancy created by the death of a former Director, J. LeRoy Holman, Summerside.

Hazen A. Russell, President of Job Brothers and Company Limited of St. John's, Newfoundland, fills the additional directorship created at the last session of Parliament to cover the entry of Newfoundland into Confederation. Their terms expire February 28, 1951.

(over)

Canada Signs Genocide Pact: Lake Success, N.Y., November 28 (CP) -- Canada today signed the Convention on genocide--the international agreement denouncing destruction of groups of human beings.

The Secretary of State for External Affairs, Mr. Pearson, put his name down for Canada as the 31st signatory of the Convention which has grown out of three years' work in the United Nations. The informal signing took place in the office of Ivan Kerno, the UN's Assistant Secretary-General in Charge of Legal Affairs.

Four countries--Australia, Ethiopia, Iceland and Norway -- have ratified the Convention. Ratification by 20 countries is necessary before the agreement comes into force.

Mr. Pearson said Parliament probably will take up the question of Canadian ratification at the next session.

Canada-Britain-U.S.-Atomic Conference: Washington, November 28 (CP) -- One of the top atomic officials of the United States came out today in favour of a fuller working atomic partnership with Canada and Britain.

David Lilienthal, Chairman of the U.S. Atomic Energy Commission, told a press conference he personally believes it would be desirable for the United States to co-operate as widely as possible with Canada and Britain on atomic matters.

But that, he emphasized, is up to the U.S. State Department and Congress, which passed the McMahon Atomic Act shortly after the war forbidding the exchange of atomic information.

Lilienthal, who is resigning as Commission Chairman at the year-end to return to private life, made his statement as Canada, the United States and Britain opened another round of secret talks aimed at widening their partnership in the development of atomic energy.

Taking part in the discussions are Hume Wrong, Canadian Ambassador in Washington; Dr. C.J. Mackenzie, President of Canada's National Research Council; and Dr. O.M. Solandt, ranking Canadian scientist and member of Canada's Defense Research Board.

B.C. Storm Deaths Now 19: Vancouver, November 28 (CP) -- British Columbia, still battered and reeling from a week-end storm of violence, today began searching for its dead.

Nineteen persons died beneath the waters of turbulent rivers, creeks and harbors, or in crashes on storm-wrecked highways.

Property damage will be in the millions, scattered across mainland districts and on Vancouver Island, where the toll on land and sea stood at 15 dead. Four persons died on the mainland.

The toll includes six seamen drowned when their tug foundered Saturday off Victoria Harbor.

Quebec Uranium Find: Quebec, November 28 (CP) -- L.A. Gaudry, 57-year-old Quebec miner who discovered uranium deposits 30 miles from this capital city, said tonight, he had prospected the upper part of Portneuf County with a Geiger counter on a "hunch."

The find was confirmed by A.O. Dufresne, Deputy Mines Minister, who said analysis revealed that Gaudry had found samples of the radio-active mineral.

The value of the deposits are not yet known but Gaudry believes he has made an "important find."

Across Canada: Stocks of Canadian wheat in store or in transit in North America at midnight on November 17 amounted to 171,165,200 bushels as compared with 175,362,000 on November 10, and 183,999,400 on the corresponding date last year.



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Vol. 1, No. 58

Wednesday, November 30, 1949.

In Parliament On November 29: The House of Commons approved government proposals to spend \$150,000,000 on a two-lane Trans-Canada Highway.

The Speaker ruled out a CCF amendment designed to increase the Government's share of the highway. He was upheld by 152 to 46.

Bills to incorporate two pipe lines were talked out during the private member's hour.

Members discussed a bill to amend the National Housing Act.

The Senate gave second reading to a bill to amend the Combines Investigation Act.

Trans-Canada Highway Bill Passes: Ottawa, November 29 (CP) -- The House of Commons today approved proposals to spend \$150,000,000 on completion of a modern, hard surfaced two-lane Trans-Canada Highway.

Members gave third reading to a bill authorizing the expenditure, but as a parting shot the Opposition attempted unsuccessfully to have the Government boost the amount of its contribution.

Under the bill, which now goes to the Senate, the Government will pay 50 per cent of the cost of new roads to complete the 5,000-mile highway that will extend from Victoria to St. John's Nfld., and take in Prince Edward Island. It will also pay the Provinces 50 per cent of the cost of existing roads that will form part of the Trans-Canada route.

Gen. McNaughton Speaks On Israel: Lake Success, N.Y., November 29 (CP) -- Canada today called on Israel to fulfil her obligations to the United Nations in connection with the future of Jerusalem.

Gen. A.G.L. McNaughton, head of Canada's Permanent Delegation, told the U.N. Assembly's 59-member Special Political Committee that Canada supports as a basis for discussion, a plan for internationalization of the Holy City.

Earlier, Aubrey Eban of Israel indicated that the 100,000 Jews of Jerusalem would fight in an underground movement against any internationalization plan which would take full control of Jerusalem away from Israel.

The plan presented by the U.N. Conciliation Commission for Palestine, which McNaughton supported, envisages an international regime with some local autonomy by Israel and Hashemite Jordan whose forces now divide control of Jerusalem.

Both countries oppose internationalization of the Holy City, but Israel proposes that the U.N. supervise the holy places.

Gen. McNaughton said the Commission plan, with modifications, appears to contain the formula which best meets the desires of Israel and Hashemite Jordan for administration of their own affairs without "endangering the international religious interests with which we must all be primarily concerned."

The Canadian Delegate indicated that Canada believes the question of free access to the holy places as well as religious freedom in Jerusalem takes precedence over the problem of local autonomy.

Gen. McNaughton noted that when Israel was admitted to the U.N. last year it was made clear that the world continued to count on a solution of the Jerusalem problem which would be satisfactory to all parties.

(over)

Contending that a "particular responsibility" rests with Israel, Gen. McNaughton said; "We trust that the Government of Israel now will agree to fulfil their part of these obligations in good faith."

Newfoundland Eases Liquor Law: St. John's Nfld., November 29 (CP) -- Newfoundland's Government has liberalized its biggest business -- the sale of spirits.

Unlimited purchases of hard liquor are permitted under new legislation and the regulations concerning the sale of beer and wine have been eased. Previously only two bottles of whisky, gin or rum could be bought each week by permit holders.

Urges Overhaul Of Divorce Laws: Ottawa, November 29 (CP) -- Canada's divorce laws should be overhauled by a royal commission with a view to broadening grounds for divorce, Senator W.M. Aseltine (PC--Saskatchewan), Chairman of the Senate divorce committee said today.

In an interview, Senator Aseltine said he favours a commission, independent of Parliament, which would investigate all Canadian divorce laws in the light of what he said was the more advanced divorce legislation of the United Kingdom.

Diplomats Visit McGill: Montreal, November 29 (Gazette) -- Two official visits from foreign government representatives in Canada were paid Tuesday at McGill University, when French Ambassador Hubert Guérin and Indian High Commissioner S.K. Kirpalani were received formally for the first time at the University by Associate Chief Justice O.S. Tyndale, Chancellor, and Dr. F. Cyril James, Principal and Vice-Chancellor.

The French Ambassador was accompanied by Ernest Triat, French Consul-General in Montreal, and by Prof. J.E.L. Launay, Chairman of the University's Department of Romance Languages. The Ambassador -- who arrived in Canada last September -- later visited the University's French Department.

Current Economic Conditions: A review of the major factors which tend to influence Canadian economic developments indicates mixed trends in comparison with the two previous years, states the Canadian Statistical Review.

The index of industrial production in September this year stood at 187.1 as compared with 184.1 for September, 1948 and 174.9 for September, 1947. The index for non-durable manufactures production was 185.3, an all-time high as compared with 181.1 and 173.0 for September of the two earlier years, while that for durable manufactures was 216.7 in September of this year, down from the 219.5 figure reached in September, 1948, but above the 210.1 figure for September, 1947. (These seasonally-adjusted indexes are on a base 1935-39=100)

Across Canada: The Minister of Reconstruction, Mr. Winters, said in the House of Commons last night that at the moment the Government does not plan to call a federal-provincial conference on housing....The Minister of National Health and Welfare, Mr. Martin, spoke before the Canadian Club of Boston last night on the United Nations.



DAILY AIRMAIL BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

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Vol. 1, No. 59

Thursday, December 1, 1949.

In Parliament On November 30: George Drew, Progressive Conservative Leader, urged an air-commando force to rush into forest-fire areas.

Agriculture Minister Gardiner said the matter of supplying seed grain at reduced prices to Prairie farmers is a provincial responsibility.

Senator W.A. Buchanan (L--Alberta) envisaged a time when two or three highways will cross Canada.

Prorogation Nears: Ottawa, November 30 (CP) -- The House of Commons hit its pre-prorogation stride today.

Members, working quietly but effectively, approved four bills and advanced two others. However, there still are some 20 items to be considered and prorogation by Saturday--the tentative date set by Prime Minister St. Laurent--appears unlikely....

Combines Act Discussions: Ottawa, November 30 (CP) -- The Combines Investigation Commission would find it "very difficult" to obtain a conviction in any future case under present legislation, Justice Minister Garson told a Senate Committee tonight.

Judgment in the dental-supply case, which now could be used as a precedent, made it necessary for the Commission to establish definite proof that the company's directors or a responsible official had definite knowledge of an illegal action of an agent and that his action was authorized.

Otherwise, any document relating to that agent would not be admissible in court.

A bill amending the Combines Act, which received committee approval tonight, would reverse this principle, and place on the corporation the onus of proof that it had no knowledge of the document in question.

"Colonial's" Montreal-New York Air Rights: Ottawa, December 1 (CP) -- The Air Transport Board of Canada today threatened to suspend Colonial Air Lines' licence to operate on the disputed Montreal-New York air route.

The United States Company, which has opposed a request by Trans-Canada Air Lines for the right to open a competitive line, today was asked in an order by the Board to show cause why its licence should not be lifted.

The Canadian order said it appeared to be "inequitable" to allow Colonial to "enjoy privileges" denied to T.C.A. and ordered the company to make a defence before an open hearing here next December 12.

Should the Board decide to suspend Colonial's licence, it will temporarily bring to a halt direct non-stop commercial air flying between Montreal and New York.

However, air service still will be provided by Northeast Air Lines, which has a licence to operate between Montreal and New York, via Boston.

Although the trip to New York via Boston is longer, Northeast's rates for Montreal-New York journeys are the same as Colonial.

The order asking Colonial to show cause was prepared and dispatched to Colonial's New York offices after a Washington Federal Court yesterday allowed a continuance of an injunction restraining the Civil Aeronautics Board from proceeding with the T.C.A. request.

(over)

Newfoundland's Deficit \$2,802,050: St. John's Nfld., November 30 (CP) -- Finance Minister Herman Quinton, bringing down today Newfoundland's first budget since confederation, estimated a deficit of \$2,802,050 during the first year of union.

The budget covers the period from April 1, 1949, to March 31, 1950. Revenue was estimated at \$20,182,550 and expenditures at \$22,984,600.

Not included in these figures are revenues of \$16,746,050 and expenditures of \$11,588,700 which are non-recurring accounts dating back to pre-union days. Taking the \$2,802,050 deficit from the pre-confederation surplus of \$5,157,350 leaves an over-all surplus of \$2,355,300.

This surplus will be added to the Island Province's present \$40,000,000 surplus account.

ICAO Appointment: Air Vice Marshall Alan Ferrier, CB, MC, has been appointed Assistant Secretary General for Air Navigation of the International Civil Aviation Organization, according to an announcement made on November 30 by Dr. Albert Roper, ICAO Secretary General, and will take up his new duties at the beginning of 1950.

Air Vice Marshall Ferrier is at present a member of the Canadian Air Transport Board which is charged with the economic regulation of all commercial air services operating in, or over, Canada.

Dr. Beaudesne's Suggestions: Ottawa, November 30 (Citizen)--Appointment of Senators by provincial legislatures for terms of 10 years to ensure up-to-date representation of all parties and all sections of the country was suggested Wednesday night by Dr. Arthur Beaudesne, former Clerk of the House of Commons.

Highlights of the provocative address, given as one of a series of public lectures sponsored by the National Museum and heard by Commons Speaker W. Ross Macdonald and several members of Parliament, included these additional proposals:

1. Abolition of appeals from decisions of the Speaker and of electing a new Speaker for every new Parliament.
2. Appointment of a committee on estimates in addition to the committee on supply to ensure closer scrutiny of public expenditures.
3. Division of each session into fall, winter and spring sittings with recesses in between to allow members to keep in closer touch with their constituents.
4. Establishment of a special standing committee on Orders-in-Council and regulations such as that set up by the Australian and New Zealand Parliaments.

Price Controls On Steel Withdrawn: The Wartime Prices and Trade Board announced today that all the remaining price controls on iron and steel products, except the price ceiling on steel scrap, have been withdrawn effective December 1. The price ceilings now being revoked are those on iron ore; pig iron; steel ingots, blooms, slabs and billets; hot rolled carbon steel bars; hot and cold rolled carbon steel sheets; carbon steel plates; and wire rods. Steel scrap is now the only commodity remaining under a Wartime Prices and Trade Board price ceiling.

Across Canada: R.C. Vaughan, retiring Chairman and President of the Canadian National Railways, released a farewell message to "fellow-employees" yesterday....Production of crude petroleum and natural gasoline rose to an all-time high in August due principally to gains from the Leduc and Redwater fields....Admiral Sir Frederick Dalrymple-Hamilton, K.C.B., Head of the Naval Staff of the British Joint Services Mission in Washington, is in Ottawa for a three-day visit.



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Vol. 1, No. 60

Friday, December 2, 1949.

In Parliament On December 1: The House of Commons approved a bill making government loans available to Nova Scotia and New Brunswick coal mines. Various views on Canada's trade were expressed during consideration of Trade Department estimates. Senator F. P. Quinn (PC--Nova Scotia) charged that a price-fixing combine exists in the fishing industry in the Maritimes.

Sees 1950 As Another Good Year: Ottawa, December 1 (CP) -- The Minister of Trade and Commerce, Mr. Howe, said today in the House of Commons that in the realm of economic prosperity, 1949 was a good year for Canada and 1950 also would be good.

Speaking during debate on Trade Department estimates, Mr. Howe said he had been accused of being Canada's No. 1 optimist, but he had no regrets for any trade prediction he had made.

The current years had been good to Canada, and while it might be "too early to forecast with any degree of accuracy," he believed that 1950 "will not be very much different from 1949."

There might be some falling off in foreign trade. Canada's grain production this year was lower than a year ago and exports therefore might be lower. Exports of a variety of manufactured goods might be reduced, but high domestic demand still would be maintained.

In the field of capital investment -- the flow of money into new industrial construction and the expansion of old industry -- the peak of \$3,300,000,000 invested in 1949 would be about the same amount invested next year.

A readjustment in the Canadian trade structure might have to take place within the near future, but Canada had a flexible economy, and would be strong enough to withstand the effects of such change.

Employment and earnings would continue high through development of such projects as the Labrador iron ore fields, hydro-electric production, and the building of the Trans-Canada Highway.

Mr. Pearson Asks USSR To Halt Threats: New York, December 1 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, today called on the USSR to stop the Cominform's violent threats as proof that Soviet peace proposals are sincere.

Mr. Pearson delivered a strong indictment of the Soviet Union, linked with a note of hope for East-West co-operation, shortly before the United Nations Assembly adopted an Anglo-American plan outlining essentials for permanent peace.

The 59-member Assembly rejected a Soviet call for a peace pact among the Big Five powers and prohibition of atomic weapons, lumped with a condemnation of Britain and the United States as war plotters.

The majority supporting the 12-point Anglo-American resolution was the largest in UN history on a major issue. The vote was 53 to 5, the same as the balloting in the Political Committee last week on the same topic. Yugoslavia abstained both times....

The final hours of one of the bitterest debates in the present Assembly Session saw Andrei Y. Vishinsky of Russia defending his pet scheme with personal thrusts against Mr. Pearson and other delegates.

(over)

Vishinsky wound up his "campaign for peace" by shouting a denial that his country is interfering with Yugoslavia. Such charges are nonsense, he said.

The leader of the Canadian Delegation told the Assembly that the greatest threat to peace now is embodied in Vishinsky's own words -- "ideological intervention is wont to become military."

"Above all," Mr. Pearson said, "we ask the USSR to keep its Cominform from attempting to overthrow by force other peoples' governments and institutions."

The Soviet sphere of influence is "one of the most unstable, restless and explosive areas in the world," he said. "This is a pressing danger to peace, the evidence of which is before us every day."

The evidence is to be found, Mr. Pearson said, in expulsion of Baltic peoples from their homes; the appointment of Soviet Marshal Rokossovsky in Poland; imprisonment of Joseph Cardinal Mindszenty of Hungary; the Rajk trial in Hungary; persecution of Czechoslovakia and "to complete the picture," threats against Yugoslavia.

High Commissioner In Pakistan: The Department of External Affairs announced on December 2 the appointment of David M. Johnson as High Commissioner for Canada in Pakistan. Since January, 1949, Mr. Johnson has been Acting High Commissioner for Canada at Dublin during the absence of the High Commissioner, the Honourable W. F. A. Turgeon. He will take up his duties at Karachi early in the new year. (For further details see Press Release No. 80)

Rent Control Test January 30: Ottawa, December 1 (CP) -- Validity of federal rent controls will be tested before the Supreme Court of Canada next January 30. About 200 Quebec tenants waited on the Finance Minister, Mr. Abbott, Thursday, asking that rental ceilings remain unchanged.

October Exports \$269,100,000: Canada's domestic exports in October were valued at \$269,100,000, showing an increase of 17.7 per cent over the September total of \$228,400,000, but were 12.4 per cent lower than last year's October value of \$307,000,000 -- the second highest monthly peacetime total on record.

Last year's September and October totals were at exceptionally high levels due in part to the removal of export controls on the shipments of cattle and meats to the United States and to large sales of ships to France.

Across Canada: The House of Commons Atomic Committee arranged today to meet in camera Monday to consider recommendations to the Government. It has been sitting once or twice a week for several weeks....A Canadian Aberdeen Angus bull calf sold yesterday at the International Livestock Exposition at Chicago for \$11,000, highest price paid at the show's Angus sale. Owned by Don Head Farms of Richmond Hill, Ont., the calf placed second in the senior class.



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Vol. 1, No. 61

Monday, December 5, 1949.

In Parliament On December 2 and 3: On December 2 Prime Minister St. Laurent said there might be a change in setting deadlines for tabling of government reports.

The House of Commons approved a bill allowing greater flexibility in administration of the Veterans Land Act.

Mr. St. Laurent pictured Canada as a country that will be absorbing increasing numbers of immigrants.

The Commons approved bills establishing three new departments.

The Commons voted 111 to 28 against a motion that would have given a six-month hoist to a pipe-line incorporation bill.

Health Department estimates were discussed.

Senator G.P. Burchill (Lib.--New Brunswick) urged the Government to do something to aid the Maritime lumber industry.

On December 3 Labour Minister Mitchell said a government Committee is studying unemployment in Nova Scotia.

The Commons gave second and third reading to a bill to extend provisions of the Gold Mines Assistance Act.

Approval was given to three other bills that will establish the Canadian Overseas Telecommunications Corporation, amend the federal-provincial tax rental agreements and the Customs Act.

Mr. Mitchell said the Government does not intend to introduce legislation to clean out Communists in the ranks of Canadian labour.

Legislation that may make some United Kingdom rums, whiskies and other spirits cheaper in Canada was passed by the Commons.

Labour Department estimates were discussed.

Government Bills Dropped: Ottawa, December 4 (CP) -- With Parliament rushing for prorogation this week, only one more government measure is to be introduced and two administration bills already brought in are to be dropped.

As House Leader, Public Works Minister Fournier gave the House of Commons this information just before it adjourned at the end of its second Saturday afternoon sitting.

With the legislative programme now set, members were betting on prorogation some time between Thursday morning and Saturday afternoon, depending on how the debates run on individual items. Some Liberals said Friday probably would be the day.

Mr. Fournier told the House the single new bill would be a two-paragraph measure amending the Customs Tariff Act, which he expected would be introduced Monday. He did not disclose its terms.

The two measures being dropped would have specified that the Agricultural Prices Support Act and the Fisheries Prices Support Act expire at the dissolution of the present Parliament--normally, in 1953.

Trains Guarded Against Doukhobors: Nelson, B.C., December 4 (CP) -- Freight and passenger trains tonight had advance guards as they sped through the West Kootenays in South-Central British Columbia.

(over)

A combined federal-provincial police operation is in action to put down terrorism, blamed on the radical Sons of Freedom, members of the Doukhobor religious sect, who have fought man-made laws for half a century.

Guards on speeders preceded all trains on the Kettle Valley line of the CPR, where recent bomb raids destroyed rail lines. Police said dynamite was used to blow up the tracks.

The speeders travel about 50 feet ahead of the locomotives. Guards are posted at strategic railway and highway bridges.

Police during the day swore in volunteers as special constables and assigned them to vulnerable points along the railway right-of-way.

Special provincial police details have arrived here, more are expected Monday, and RCMP patrols have been ordered from the prairies and the coast.

Action of government authorities followed demands of Nelson citizens and from railwaymen for protection against the terrorists. The citizens had threatened to form squads of vigilants; the railwaymen to halt all night trains.

De Bernonville Charges: Ottawa, December 4 (CP) -- The Government again will press charges of illegal entry against Count Jacques Duge de Bernonville, 51-year-old alleged wartime Nazi collaborator in France. An Immigration Board will hold hearings in Montreal within the next two weeks.

The case against the former official of the Vichy Government was thrown out last spring when a Montreal court upset an Immigration Board's decision to deport the French Count.

The court declared the Board unconstitutional since it was composed of only one member. Immigration laws call for three.

The Minister of Mines and Resources, Mr. Gibson said in an interview Saturday that a fully-constituted three-man Board now has been established. It was prepared to hear deportation proceedings against the Count just as soon as Government lawyers completed the collection of evidence. Names of the Board members were not disclosed.

Newfoundland Senator Dies: Ottawa, December 4 (CP) -- Senator George Penny, 51, of Ramea, Nfld., died suddenly here today in hospital.

He was one of three Newfoundland Senators who took their seats in the Upper Chamber when the 21st session of Parliament opened Sept. 15 last.

Operator of a southwest frozen fish plant business in Newfoundland, Senator Penny, a Liberal, was active in the movement for Confederation with Canada.

Reprimand In "Noronic" Case: Ottawa, December 2 (CP) -- A Transport Department steamship inspection official has been reprimanded by Transport Minister Chevrier as a result of the "Noronic" fire, it was learned today.

The official came before Mr. Chevrier, who rebuked him for "laxity" in signing the certificate which allowed the vessel to ply lake waters.

Mr. Claxton In Brussels: Brussels, December 4 (Reuters) -- The Minister of National Defence, Mr. Claxton of Canada arrived here today by air from Paris, where he has been attending the Atlantic Pact defence talks.

Tomorrow, after placing a wreath on the tomb of Belgium's unknown soldier, he is to meet Albert Deveze, the Belgian Defence Minister.

Later in the day he will visit the Belgian Air Force base at Beauvechain and the Belgian Royal Military Academy in Brussels, and in the evening, Deveze is giving a dinner in his honour at a Belgian Officers Club in Brussels.

Mr. Claxton is due to leave for Luxembourg Tuesday.

Across Canada: The Toronto and York Planning Board after a three-year study has released a report recommending unification of Toronto and seven suburban municipalities, which would bring a population of about 900,000 under one municipal government. The suburban municipalities which would be joined with Toronto in such a plan are East York, Leaside, North York, Forest Hill, York Township, Weston and Swansea.



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Vol. 1, No. 62

Tuesday, December 6, 1949.

In Parliament On December 5: The House of Commons approved legislation designed to curb the sale of crime-comic books and obscene literature.

Howard Green (PC--Vancouver-Quadra) charged delay in publication of the Canadian Maritime Commission report.

Transport Minister Chevrier said the Maritime Commission report was delayed by an over-abundance of work at the Printing Bureau.

A bill was passed bringing up to date Canada's bankruptcy laws.

Income-tax changes announced in the 1949-50 budget were discussed.

Senator W. Ruper Davies (Lib.--Ontario) said an "anonymous member" of the Revenue Department decides what books shall be banned in Canada.

Sees Agriculture Menaced: Brantford, December 5 (CP) -- Efforts are being made in the United Kingdom to drive from the British market a major part of Canada's wheat trade, Agriculture Minister Gardiner told a Board of Trade dinner here tonight.

With a four-year wheat contract drawing to a close, such a move is becoming apparent, he claimed. Also in the last two years, he said, other Canadian food products have been subject to similar attacks in Britain.

Mr. Gardiner declared that "the farmers of Canada have been able to stand up against this deliberate onslaught only through the increased purchasing power provided in centres such as Brantford, a city producing farm implements.

"It is estimated that well over \$200,000,000 is being invested by Canadian farmers this year in farm implements and machinery.

"I am a free trader and advocate the freest possible exchange of farm products for the necessities required on the farm. But when one is convinced that the other party to the trade has made up his mind he is not going to buy anything from us that he can avoid buying, free exchange is impossible."

Therefore, if Canada's agriculture was to be threatened further in the "cold war" over exchange, even free trade farmers would have to advise all farmers to buy where they could sell.

"And," Mr. Gardiner said, "the only place where he can sell freely for the time being is in Canada."

Food Surplus Committee: Washington, December 5 (CP) -- Canada and the United States today endorsed a possible solution to the problem of unmarketable food surpluses. The two countries accepted a proposal for a committee of the Food and Agriculture Organization of the United Nations to investigate the question.

The Canadian approval was made with reservations. Dr. G.S.H. Barton, Canada's delegate to the current FAO Conference here said he felt the proposal was inadequate.

The accepted proposition provides for a 14-man committee to receive reports of developing food surpluses and to seek to bring together surplus and food-deficient countries.

(over)

"Colonial" Lays Off Employees: New York, December 5 (CP) -- Colonial Airlines, faced with possible suspension of its lucrative New York-Montreal run after December 12, announced tonight that between 300 and 400 employees have been given two weeks' notice of "indefinite furlough."

The airline said notices were sent out to employees in all offices except Bermuda.

Colonial said the move resulted from a Canadian order which the airline said might mean "suspension of our entire domestic operations."....

The notice said that if Colonial's operation "into Canada is suspended, it would in effect mean a suspension of our entire domestic operation." The Syracuse official said he understood the lay-off was system-wide.

C.C.L. Ejects Red Union: Ottawa, December 5, (CP) -- A long running battle between the Red-dominated United Electrical Workers of America and the leadership of the Canadian Congress of Labour culminated today with the stormy union getting tossed out of the Congress.

The C.C.L. executive council indefinitely suspended the 22,000-member union--fourth largest in the Congress--and promptly slammed the door to its re-entry by giving affiliation to a new anti-Red union opposing the U.E.W.

Labour Combats Communism: London, December 5 (CP) -- Canadian labour is fully alive to the "menace of communism" and is taking strong measures to combat its inroads, Percy Bengough told the world Labour Conference today.

The tall, slow talking President of the Trades and Labour Congress who began his career in local labour councils of the Canadian West Coast, addressed representatives from 45 countries meeting here to set up a new non-Communist labour international.

New Trial For "Jehovah's Witness": Ottawa, December 5 (CP) -- The Supreme Court of Canada today quashed a judgment against a member of the Jehovah's Witnesses and ordered a new trial on a charge of seditious libel.

It was the first victory for the religious sect in a test case which began nearly three years ago. The Supreme Court, reversing a decision of the Quebec Court of King's Bench, ruled unanimously that the trial judge erred in his charge to the jury which heard the case in 1947.

Canada And Sterling Area: Halifax, December 5 (CP) -- John Marsh of Toronto, General Manager of the Canadian Exporters Association, said today that Canada "could not, without a drastic change in her way of life and a reduction in her standard of living, join the sterling area."

In a speech prepared for delivery at a Halifax Board of Trade banquet, Mr. Marsh said also that the United Kingdom "probably would not want to have us."

Across Canada: Canadian soldiers are to get smart new blue serge "walking out" uniforms in 1951....The Minister of National Defence, Mr. Claxton was made a citizen of the town of Synphorien, in Belgium, on Monday....Flames destroyed the home of John Lebedoff, leader of the radical Sons of Freedom, in the West Kootenays, Sunday, while men and women marched around chanting hymns and prayers....A successful heart operation on a dog, viewed as contributing important new knowledge to surgical medicine, has been performed by University of Toronto researchers. The experiment, involved use of the strange new technique of "low temperature" anaesthesia. The animal's heart was removed, its inner cavities opened and closed; the organ then was replaced. The dog revived without suffering any apparent ill effects.



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Vol. 1, No. 63

Wednesday, December 7, 1949.

In Parliament On December 6: The Minister of Fisheries, Mr. Mayhew, announced plans to improve the fisheries industry.

A. Wesley Stuart (Lib.--Charlotte) said Canadian producers have not been treated as they should by the United Kingdom.

Roy Knight (CCF--Saskatoon) criticized the Government's system of banning foreign books.

Two pipe-line bills were talked out during an hour devoted to private members' legislation.

Senator Arthur Roebuck (Lib.--Ontario) urged the Upper Chamber to move carefully in considering legislation to curb crime comics.

Screen CBC International Staff: Ottawa, December 6 (CP) -- The Minister of National Revenue, Dr. McCann, said tonight all permanent members of the staff of the CBC's International Service are being screened by the R.C.M.P., and heard George Drew charge that the check is directed at a group of employees "in a position to convey" messages behind the Iron Curtain.

The Progressive Conservative leader called in the Commons for establishment of a committee on radio immediately after the next session starts to probe, among other things, what is going on among a group that "could be an agency of very improper activity."

Dr. McCann said he had been informed "the answer is no" after Mr. Drew asked this direct question:

"Isn't the screening being done because of a suggestion that there has been certain broadcasting to Europe that is not in accordance with the purposes for which the service was originally set up?"

Mr. Drew launched the exchange five minutes before the 11 o'clock adjournment of the House. Members were discussing estimates for the international service.

Dr. McCann, answering a series of questions, said all members of the staff still are active in their jobs. No report had been received which would indicate that any action should be taken. The R.C.M.P. reports would go to A.D. Dunton, Chairman of the CBC's Board of Governors.

Alistair Stewart (CCF, Winnipeg North) intervened and was told by the Minister that topics of talks given over the service were carefully considered and some times the speakers themselves were screened.

Urges U.S. To Reduce Tariffs: New York, December 6 (CP) -- Trade Minister Howe of Canada tonight urged the United States to reduce tariffs and thus lead the way to a greater flow of trade between Canada and the U.S. and between the dollar and non-dollar areas of the world.

The world trade problems "we face today are no less serious than those we faced during the war," he told fellow alumni of the Massachusetts Institute of Technology in a speech prepared for delivery.

"Whether we like it or not," Mr. Howe said, "the peoples of the world are divided into three camps, one on the side of democracy, another on the side of totalitarianism and a third group, undecided, wondering which way to go.

"Under these circumstances, there can be no doubt of the importance of the example set by the democracies, and particularly the importance of maintaining prosperity and a high level of employment in their territories."....

(over)

"Colonial's" Air Rights: The Government still is "considering" a note received from the United States State Department, requesting an explanation of the threat to suspend Colonial Airlines' permit to operate between New York and Montreal, a spokesman said last night.

The note was delivered to the External Affairs Department late yesterday and is expected to be taken up today by External Affairs Minister Pearson.

Whatever action is taken by the Government, said the spokesman, will not prejudice the "show-cause" order to Colonial asking it to defend its recent actions before a public hearing here December 12.

Canada - U.S. Border Law Conference: Ottawa, December 6 (CP) -- Canadian and United States officials will meet in Washington next week to discuss U.S. border bars under which some Canadians have been barred from the U.S. as "subversive."

L.G. Chance, head of the Consular Division of the External Affairs Department, is expected to represent Canada at the discussions. Spokesmen said the talks will be "very informal."

Under wartime U.S. immigrant laws, still in operation, immigration officials can bar the entry of any person they think may be "subversive" or whose entry would not be in "the best interests" of the U.S.

Prosecute "Jehovah Witnesses": Montreal, December 6 (CP) -- This city, it was learned today, intends to proceed in the more than 1,000 cases pending against Witnesses of Jehovah despite a Supreme Court judgment ordering a new trial for a Witness convicted of seditious libel.

City lawyers claimed the Supreme Court judgment will have no effect on local prosecution of witnesses for infractions of city by-laws.

Defense lawyers Glen How and A.L. Stein disagreed, however, and said that all cases, seditious libel and by-law infractions alike, will be affected.

Mr. Claxton In Holland: The Hague, December 6 (CP) -- Defence Minister Claxton of Canada said today Canada's role in the North Atlantic Pact is to see that Western Europe has the necessary equipment.

"We are steadily co-ordinating our resources to stand together -- an idea which might have prevented the Second World War," he told a press conference after he arrived here from Luxembourg.

While in Luxembourg earlier today, Claxton held conferences with Pierre Dupong, Luxembourg's Premier and Defence Minister, he also attended an official luncheon with Prince Jan, heir to the Grand Duchy.

Canadian Succeeds Dr. Fishbein: Washington, December 6 (CP) Dr. Austin Smith, a native of Belleville, Ont., today became Editor of the Journal of the American Medical Association. He succeeds Dr. Morris Fishbein.

Across Canada: A delegation of Canadian municipal officials on Tuesday presented Prime Minister St. Laurent with a five-point brief that included a request for more financial aid for municipalities....Canadians bought more motor cars in October than in any month since the war, 29,577 vehicles, the Bureau of Statistics has reported.



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Vol. 1, No. 64

Thursday, December 8, 1949.

In Parliament On December 7: The Secretary of State for External Affairs, Mr. Pearson, announced that Canadian and United States officials will start talks today on the possibility of new power developments.

Mr. Pearson said that Canada and United States officials will confer on difficulties which have arisen under the bilateral air agreement.

The Minister of Reconstruction, Mr. Winters, said that no employees have been dismissed from the Film Board for being Communists.

George Drew, Progressive Conservative Leader, said Mr. Winters should resign as Film Board Chairman if he could not accept responsibilities.

Justice Minister Garson said new emphasis is being placed on re-habilitation of prisoners.

The Minister of National Revenue Dr. McCann, said that television broadcasts in Toronto and Montreal probably will start in September, 1951.

The Senate passed a bill banning crime comics. It now awaits royal assent.

Canada - U.S. Discuss Power: Ottawa, December 7 (CP) -- Canadian and United States experts will meet in Washington tomorrow to inaugurate informal discussions on the possibility of new power developments at Niagara Falls without affecting their beauty.

Few details of the discussions were disclosed in announcements made in the Commons by External Affairs Minister Pearson and in Washington by the State Department. But Mr. Pearson indicated that the talks will touch on the possibility of building new plants to replace inefficient plants now in use in Ontario and New York State.

A Transport Department official said later it was his understanding that Niagara's power potential now is fairly well in use. He understood the Washington talks were aimed at bringing about a more equitable distribution of the available water supply.

It was estimated that Ontario now gets about 800,000 horsepower from the falls....

Air Agreement Discussions: Ottawa, December 7 (CP) -- This capital -- locale for an air-route dispute hearing next Monday -- may also be the scene of extended Canada-United States Government discussion into the agreement which gave rise to that dispute.

A suggestion that official talks on the controversial Canada-U.S. bilateral air agreement be held in Ottawa will be incorporated in a letter to the U.S. State Department, a government spokesman said tonight.

Meanwhile, the Air Transport Board is completing arrangements for a public hearing Monday in which Colonial Air Lines of New York will be requested to "show cause" why its licence to operate a route non-stop between New York and Montreal should not be suspended.

Colonial's court fight to block issuance of a competing licence to Trans-Canada Air Lines to operate on the same route resulted in the Air Transport Board order December 1, threatening to lift Colonial's licence.

(over)

The Secretary of State for External Affairs, Mr. Pearson, said today that he had been handed a note from the U.S. State Department, asking him to explain Canada's action. The note was given to Mr. Pearson yesterday by Laurence Steinhardt, U.S. Ambassador.

Replying to David Croll (L. -- Spadina), Mr. Pearson said the note concerned both the "show-cause" order and the "delay surrounding T.C.A.'s application to the U.S. Civil Aeronautics Board to operate the route between Montreal and New York."

"In this note," said Mr. Pearson, "the Government of the United States proposes discussions between representatives of our two Governments, aimed at resolving the present difficulties."

Canada was ready to undertake the talks, said Mr. Pearson, but they would in no way "prejudice proceedings before the Air Transport Board, nor prevent the Board from proceeding with the hearing scheduled for December 12.".....

Canadians On Anti-Communist Labour Board: London, December 7 (CP) -- The International Confederation of Free Trade Unions formally came into being today and as its first acts elected a Secretary-General and chose Brussels as permanent headquarters.

The Confederation, organized in opposition to the Communist-dominated World Federation of Trade Unions, began its life with a membership embracing 53 countries and representing some 50,000,000 trade unionists in the non-Communist world....

Two of the four seats allotted to North America in the 18-member Executive Board of the Confederation went to Canadians. Pat Conroy, Secretary-Treasurer of the Canadian Congress of Labour, and Percy Bengough, President of the Trades and Labour Congress of Canada, were named along with Philip Murray, President of the Congress of Industrial Organizations, and William Greene, President of the American Federation of Labour.

Alberta To Provide Rental Courts: Edmonton, December 7 (CP) -- The Alberta Government on Wednesday announced plans to replace the federal Government's direct control of rent in the Province with a system of rental courts to adjudicate grievances between tenants and landlords.

The Premier said it does "not provide for any interference with rentals mutually agreed to by landlord and tenant." It would be designed to deal with "cases of exploitation on the part of either."

Premier Manning said the "many dissatisfactions and inequities resulting from the present system of rent controls indicate that it is not in the public interest to perpetuate the present system of controls any longer than can be avoided."

He declared that the desirable goal "is a return as quickly as possible to a free economy, in which landlords and tenants will determine rentals by mutual agreement, entirely free from government interference."

Across Canada: Rex Beach, 72, author, a frequent visitor to Canada, killed himself at Sebring, Florida, yesterday, with a pistol shot in the head.... An Assize Court jury at Toronto yesterday awarded Stanley Knowles, C.C.F. member of Parliament for Winnipeg North Center, damages of \$1 in his libel action against John Hladun, Editor of a publication which had termed Knowles a member of a Communist controlled organization.... The first Newfoundland Legislature prorogued yesterday.... Construction of the second electronics laboratory in Canada has started at McGill University. It will be the only one of its kind outside of a National Research Council Laboratory at Ottawa.



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Vol. 1, No. 65

Friday, December 9, 1949.

In Parliament On December 8: The Secretary of State for External Affairs, Mr. Pearson, said that a 12-man delegation will attend the Commonwealth Conference at Colombo, Ceylon.

Trade Minister Howe said a shipment of uranium oxide and uranium nitrate went to Russia in May, 1943.

Prime Minister St. Laurent proposed a general federal-provincial conference next September or October.

The Commons Atomic Committee suggested Canada build a second heavy-water radioactive pile at Chalk River.

Postmaster General Rinfret made no comment when opposition members suggested postage rates be reduced.

Transport Minister Chevrier said a board of engineers will consider the possibilities of a canal across the Isthmus of Chignecto, between Nova Scotia and New Brunswick.

Mr. Chevrier assured the Commons that recommendations of the Royal Commission inquiry into the "Noronic" fire will be put into effect as soon as possible.

The Senate cleared the decks for prorogation, possibly Saturday.

Mr. Pearson To Attend Colombo Conference: The following is the text of the statement made by the Secretary of State for External Affairs, Mr. Pearson, on December 8, on the Colombo Conference:

On November 17, during the debate on External Affairs, I stated that Canada would be represented by a Minister at the important forthcoming meeting of Commonwealth Ministers of External Affairs in Colombo, Ceylon. I am now in a position to state that the Government has decided that the Secretary of State for External Affairs should head the Canadian Delegation to this Conference.

The Minister of Fisheries, who will be representing Canada at the meeting of the Governing Body of the International Labour Organization at Mysore, India, at the beginning of January, will also, I hope, be available to attend the Colombo Conference.

The advisers to the Canadian Delegation to the Colombo Conference will consist of the Deputy Under-Secretary, Escott Reid; the Head of the Far Eastern Division of the Department, Arthur Menzies; and D.V. LePan of the Economic Division of the Department.

It has been arranged that the newly appointed Canadian High Commissioner to Pakistan, David Johnson, will travel with the Delegation to Colombo en route to his post, and will also act as an advisor. A senior official of the Department of Trade and Commerce will accompany the Delegation because we hope to take advantage of our presence in Karachi, New Delhi and Colombo to explore the possibilities of increased trade between Canada and Pakistan, India and Ceylon.

Uranium Shipment To U.S.S.R.: Ottawa, December 8 (CP) -- A half-ton shipment of Canadian uranium compounds went to Russia in May, 1943, Trade Minister Howe said today, as a "normal" wartime transaction between allies.

(over)

Informed officials, elaborating on his statement to the Commons, said the compounds are the sort used in nuclear fission, but the amount was too small to have any significant role in Russian production of an atom weapon.

Mr. Howe made these points clear in confirming Washington reports that a \$2,455 shipment of 500 pounds of black uranium oxide and 500 pounds of uranium nitrate was approved by both the Canadian and U.S. Governments:

1. The "very few" persons who did know at that time the new significance of uranium as an atomic ingredient "realized the wisdom" of approving the shipment rather than "calling attention" to the bomb effort by refusing to fill a commercial order. Uranium was being sold for a number of uses through ordinary commercial channels at the time.

2. Russia gave legitimate reasons for wanting it in placing the order through U.S. commercial channels. The oxide was to be used for ferro-uranium compounds which in turn would be used in production of arms. The nitrate would be used for medical purposes.

3. A Government-ordered probe into "irregularities" in the shipment of radium and uranium before 1944 disclosed nothing to suggest that the then-private Eldorado Gold Mining Ltd. and its agents dealt with other customers than the U.S. Government "and the ordinary buyers and users of these radio-active substances in Canada and the U.S."

"A close check of the files shows no evidence of any shipment from Canada being re-exported other than the one I have mentioned," Mr. Howe said. It was the Eldorado firm which made the shipment after Government approval....

Federal-Provincial Conference: Ottawa, December 8 (CP) -- A general federal-provincial conference in the fall of 1950 has been proposed by the federal Government, Prime Minister St. Laurent announced today in the Commons.

The proposal was made in letters yesterday to the 10 provincial Premiers. The conference hinges on their acceptance.

Mr. St. Laurent tabled copies of the letters which suggested that the conference be held next September or October to "discuss questions of common concern to the provincial and federal Governments."

While the correspondence gave few details, there was speculation that social-security measures, public-investment projects and new taxation agreements would be among major items on the agenda.

Canada Signs War Conventions: Geneva, December 8 (CP) -- Representatives of 29 countries including Canada and all the major powers except Russia, solemnly signed the four Geneva conventions of 1949 there today, setting a legal limit on the horrors of any future war.

The Soviet Union's delegate, Gen. Nicolai Vassilievitch Slavine, sent a telegram from Vienna, saying his plane had been held up by bad weather. He said he hopes to reach Geneva tomorrow. With him were the delegates of Byelo-Russia and the Ukraine....

Produce New Drug, ACTH: Ottawa, December 8 (CP) -- Canada is going to undertake production of ACTH, a new drug which has had "encouraging results" in treatment of arthritis and other diseases, Health Minister Martin announced tonight.

Across Canada: Hints of reprisals from Toronto's suburban municipalities quickly followed a statement by Toronto's Mayor McCallum that he is toying with the idea of a poll tax on suburbanites working in Toronto....Transport Minister Chevrier told the House of Commons last night that the position taken by Colonial Air Lines on the constitutionality of U.S.-Canadian air agreements is inconsistent....First interest of Canadians is the maintenance of their country's security, for it "is bound up inextricably and forever with the security and peace of the world," A.D.P. Heeney, Under-Secretary of State for External Affairs, told the Montreal Lions Club yesterday, the Gazette reported.

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Vol. 1, No. 66

Monday, December 12, 1949.

Parliament Prorogues: Ottawa, December 11 (CP) -- The first session of Canada's 21st Parliament closed Saturday night.

Prorogation came at 9:35 p.m. EST after the longest continuous sitting of the session. For 10 hours weary members of the Commons had alternated between sharp, extended debate and speedy approval of proposed Government spending.

The session concluded in a flurry of hand-haking and back-slapping -- an atmosphere of inter-party goodwill that contrasted sharply with the verbal tongue-lashings exchanged during earlier debate.

Two contentious issues -- combines and trade -- livened the final sitting.

Criticism of Government trade policies by M.J. Coldwell, C.C.F. Leader, set in motion a debate which saw Agriculture Minister Gardiner speak for 70 minutes, telling the House of Commons that the United Kingdom's official policy is to buy as little Canadian food, in fact none at all, if possible.

Later, George Drew, Progressive Conservative Leader, renewed an attack on the Government for failing to make public the report of alleged price-fixing in the flour milling industry within the 15 days required by law.

He topped it off with the reiterated demand that Justice Minister Garson resign.

In Parliament On December 9: Prime Minister St. Laurent announced a \$3,000,000, one-year subsidy to the Canadian shipping industry pending creation of a proposed allied shipping pool.

Finance Minister Abbott disclosed Saskatchewan definitely has undertaken to take over rent controls next April 1.

George Drew, Progressive Conservative Leader, called for the resignation of Justice Minister Garson for breaking the law by delaying publication of the flour-milling report.

Alistair Stewart (CCF--Winnipeg North Center) pressed for information on a decision to allow five alleged Nazi collaborators to remain in Canada.

Senator Arthur Roebuck (Lib.--Ontario) withdrew a Bill of Rights motion in the Senate but promised he would reintroduce the matter next session.

Federal-Provincial Conference: Ottawa, December 11 (CP) -- Prime Minister St. Laurent reiterated Saturday before the close of the first session of Canada's 21st Parliament that the federal Government does not plan a formal agenda for the federal-provincial conference.

\$3,000,000 Shipping Subsidy: Ottawa, December 9 (CP) -- Canada's depressed deep-sea shipping industry today was given a year to work out its survival on a drastically-reduced basis with the help of a \$3,000,000 subsidy.

At the end of the year, it will be up to the fleet to keep itself afloat while the Government depends heavily for any wartime shipping needs on a proposed allied "defence shipping pool" now being negotiated.

(over)

Proposed formation of the pool and the 1950 subsidy to help less than half the existing merchant navy take a year's lease on life were announced in the House of Commons today by Prime Minister St. Laurent.

He indicated that would be the first and last post-war subsidy for the deep-sea fleet, now hard-pressed by dwindling freight business. If the ships could not pay their way when the year was up, they would have to haul down the Canadian flag....

Agreement With Luxembourg: The Department of External Affairs announced on December 12 that another agreement has been made, this time with Luxembourg, enabling Canadian travellers to visit an increasing number of Western European countries without visas.

Canadian citizens holding valid Canadian passports may now visit Switzerland, Sweden and Denmark without visas for periods of three months and Belgium and Luxembourg, under the same conditions, for periods of two months.

Negotiations are under way with other countries of Western Europe which may result in similar relaxation of the entrance requirements for Canadian travellers.

Trade Commissioner In Madrid: Appointment of E.H. Maguire as Canadian Government Trade Commissioner in Madrid, Spain, was announced on December 10 by the Minister of Trade and Commerce. Formerly Commercial Secretary in Santiago, Chile, Mr. Maguire will take up his new position in February.

Canada - U.S. Power Talks: Washington, December 11 (CP) -- The first, exploratory stage of Canadian-American studies into the possibilities of obtaining more efficient use of Niagara River waters and increasing power production ended here Saturday.

Official sources said a joint statement may be issued tomorrow both here and in Ottawa.

Railway Conciliation Boards: Ottawa, December 9 (CP) -- Two federal Conciliation Boards will go to work in the next few days on the job of settling the \$74,000,000-a-year wage-hours dispute between the railways and 124,000 employees.

With the personnel of the Boards completed today, they are expected to reopen negotiations in the long-stalled dispute within a week.

Heading both Boards will be Mr. Justice J.O. Wilson of the Supreme Court of British Columbia. The remaining two members of each Board are different in the cases of the international and national unions involved.

Canada At The UN: New York, December 9 (CP) -- The United Nations Assembly voted tonight to establish international rule over Jerusalem. Both Israel and Hashemite Jordan, who divide control of the Holy City, indicated they will fight against the plan.

The vote on a key clause of the resolution sponsored by Australia, Russia, Lebanon and El Salvador was 39 to 14 with six abstentions. Canada voted along with Britain and the United States against the proposal.

Across Canada: Between 3,000 and 4,000 British war veterans living in Canada will become eligible for the war veterans allowance -- burnt-out pension -- under amendments that will be introduced in Parliament next session....The 10 scheduled trans-Atlantic airlines including Trans-Canada Air Lines have announced jointly through International Air Transport Association adoption of new reduced round-trip fares from North America to Europe effective January 1. Return trips must be started not later than March 31. The new fare for a 15-day trip is 11/10 times the regular one-way fare....A week-end icy storm glazed eastern highways and slowed highway traffic, as well as grounding 80 planes in the Toronto district alone.



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Vol. 1, No. 67

Tuesday, December 13, 1949.

National Agriculture Conference: Ottawa, December 12 (CP) -- The Minister of Agriculture, Mr. Gardiner, today suggested that Canada, the United States and the United Kingdom are not in sufficient agreement to assure the Canadian farmer of prosperity.

"The Canadian farmer has some reason for being concerned about the future," he said in a speech before the opening session of the 10th annual federal-provincial Agricultural Conference. The Conference heard reports of possible increased farm output and declines in export markets and prices in 1950.

Fear of the future was based on two facts, said Mr. Gardiner. One was that the Canadian farmer no longer could depend on a "free market" in the U.K.

The other was that world markets may be closed to Canada if the U.S. continues to declare farm products surplus under Marshall Plan aid.

Under the European Recovery Programme recipient countries must spend the money in the U.S. if goods which they require from foreign markets are declared surplus in the U.S.

The Conference, attended by more than 100 delegates including 10 provincial Agriculture Ministers, heard a report that bacon may be placed in this category, with grave repercussions in U.K. bacon buying in Canada.

Some way had to be found "to create relationships" among Canada, the U.S. and the U.K., said Mr. Gardiner, "which would remove these fears" about the farmer's future....

Colonial Airlines Hearing: Ottawa, December 12 (CP) -- Colonial Airlines of New York pleaded today that a United States law, the Logan Act, makes it impossible for it to defend itself on a "show cause" order by Canada's Air Transport Board. But the Board declined to adjourn its hearing on that point and went ahead.

At stake in the hearing is Colonial's 20-year right to provide an exclusive direct air service between New York and Montreal. The Board ordered the line to show cause why its licence to run into Montreal should not be revoked because of its opposition to Trans-Canada Airlines' plan to operate competitive run under an air agreement signed June 4 between Canada and the U.S.

Before adjournment of a two-hour session, Colonial's three legal counsel argued that the Logan Act "renders mute" any U.S. "citizen" -- in this case, Colonial -- on official disputes between the U.S. Government and any other.

They held that such a dispute exists between Canada and the U.S. over the case in question and said they could not speak in Colonial's defence "until the (U.S.) Ambassador speaks first."

Officials of the two Governments are conferring here later this week on it. Colonial counsel said the hearing should be adjourned until they have met....

(over)

Canada - Denmark Air Agreement: The Department of External Affairs announced that a bilateral agreement for air service between Canada and Denmark was signed on December 13 in Ottawa. (For further details see Press Release No. 82)

CPR Protests Spending On Highway: Ottawa, December 12 (CP) -- A protest against the spending of federal money on the proposed Trans-Canada Highway was voiced by the head of the Canadian Pacific Railway today before the Royal Commission on Transportation.

George A. Walker, CPR, said he would "quarrel" with the expenditure of money by the federal Government to build a road to compete with its own line--the Canadian National Railways--and the Canadian Pacific.

He said it would provide a route for Trans-Canada trucking, and there was no suggestion that truckers would pay even an "infinitesimal" part of the cost of new facilities.

(A claim of the Railway Association of Canada before the Commission has been that truckers provide unfair competition to the railways because they are "subsidized" by not paying their proper share of highway costs.)

Reject \$55 Per Month Pension: Windsor, December 12 -- Union officials today rejected a Ford Motor Co. offer of \$55 a month pension at age 65 after 30 years' service and insisted on acceptance of its proposal of \$100 a month at the same age but after 25 years' service. The company's offer is history-making in the fact that it is the first pension proposal made in union negotiations by a major Canadian corporation. The Canadian steel workers are preparing to make similar pensions demands.

"If Ford workers in the United States are entitled to pensions of \$100 a month, Canadian Ford workers are not prepared to accept less," said George Burt, regional organizer for the United Automobile Workers (CIO). "The company's offer is wholly unsatisfactory."

Says U.K. Coming Back: The United Kingdom, in spite of the recent deterioration in her position, is within striking distance of living within its international earnings, Louis Rasminsky, Alternate Chairman of the Foreign Exchange Control Board, said in Toronto on Monday. Mr. Rasminsky addressed the Canadian Club in the Royal York Hotel.

"This is surely a remarkable and extremely creditable performance for a country which lived under a regime of short rations and bombing for half a decade," Mr. Rasminsky said. "A nation capable of this degree of resiliency and achievement is not to be written off, not by a long shot."

Home-Building Up 25 Per Cent: Ottawa, December 12 (CP) -- The number of homes built in Canada during the first nine months of this year was 25 per cent higher than in the same period of 1948, the Bureau of Statistics reported today. The number under construction at the end of September was slightly less than 4 per cent below the number at the same period last year.

The number of completions was higher in every Province but British Columbia.

Across Canada: Mrs. Nancy Hodges on Monday was recommended as Speaker of the British Columbia Legislature. It is believed to be the first time in the British Commonwealth that a woman has been given the post of Speaker.... Because the Deputy Minister, rather than the Minister of National Revenue demanded that Jack Morris file an income tax return, Morris was acquitted today on a charge of failing to file a return....While Toronto enjoyed a 58 degree temperature yesterday, sub-zero weather came to the Prairies, and 35 below is predicted for tonight at Prince Albert, Sask....Major General V.A.S. Williams, former Commissioner of the Ontario Provincial Police, and first war military commander, died in Toronto yesterday.



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Vol. 1, No. 68

Wednesday, December 14, 1949.

Smallest Trade Deficit With U.S.: Ottawa, December 13 (CP) -- In October, the first full month after devaluation of the Canadian dollar, Canada had the smallest deficit on trade with the United States of any month this year.

The Bureau of Statistics today estimated the deficit at \$17,800,000, compared with \$43,600,000 in September.

On over-all foreign trade Canada had a surplus of \$37,400,000, a sharp rise from the surplus of \$9,400,000 in September.

The Bureau said, however, that part of the increase was due to seasonal factors not connected with widespread currency revaluations which took place in mid-September.

The October surplus compared with a surplus of \$66,000,000 in October, 1948, which was abnormally high as a result of removal of the ban on exports of livestock to the U.S.

The favourable balance for the first 10 months of the year was estimated at \$130,500,000, compared with \$327,600,000 in the same period last year and \$134,200,000 in the same period of 1947.

The 10-month deficit with the U.S. was \$449,500,000. In the January-October period of 1948 it was \$275,000,000 and in 1947 it was \$804,500,000.

Exports to the United Kingdom were higher and imports from the U.K. were lower.

Canada's credit balance on U.K. trade increased to \$53,300,000 from \$36,500,000 in October last year. The balance for the 10 months was \$341,700,000, compared with \$333,600,000.

The over-all October surplus resulted from exports worth \$269,100,000 and imports worth \$234,300,000. For the first 10 months of the year, exports were \$2,415,100,000 and imports were \$2,308,200,000.

National Agricultural Conference: Ottawa, December 13 (CP) -- The Minister of Agriculture, Mr. Gardiner, must face the responsibility of finding food markets for Canada, a Quebec farm union chief said today.

J. Abel Marion, President of the Quebec Farmers Union, said that among other things, a bacon contract had to be obtained from the United Kingdom for 1950.

He told the federal-provincial Agricultural Conference that if a contract for Canadian bacon was not obtained, there would be hardship in both Eastern and Western Canada.

The job of the farmer, he said, was to produce that bacon. It was up to Mr. Gardiner to find the markets.

One of more than a dozen delegates to speak at today's sessions of the three-day Conference, Mr. Marion echoed a plea voiced by other speakers that the farmer's lot be not forgotten.

Many delegates urged that Canada salvage whatever she could from the British market, even if it meant lower prices.

Opinion was divided, however, as to whether sales of one crop should be sacrificed so the U.K. could spread her small supply of dollars over food purchases.

The suggestion had been made yesterday at a closed session of the Conference that the U.K. buy less wheat and spend some of the dollars for Canadian cheese, eggs and bacon.

Western delegates from grain-growing areas didn't like the idea. It found more support from Ontario.

(over)

Colonial Airlines Hearing: Ottawa, December 13 (CP) -- Colonial Airlines of New York offered no defence today against argument by counsel for Canada's Air Transport Board that the Board should "seriously consider" cancelling Colonial's licence to fly into Montreal from New York.

Final legal effort was an unsuccessful attempt to challenge the right of the Board to proceed.

Colonial's three lawyers insisted to the end of a two-day four-hour hearing that United States law -- the Logan Act of 1798 -- forbade them to make defence against a Board order. The order directed the line to "show cause" why its licence should not be taken away for violation of the air agreement the U.S. signed with Canada June 4 last.

The three-man Board, under Chairman John Baldwin, reserved decision. Judgment is not expected to be announced until after officials of the two Governments meet here Thursday to seek to iron out difficulties that have arisen over the agreement because of Colonial's opposition to it.

Colonial's lawyers offered no direct retort to a charge by Lee A. Kelley, Board counsel, that the line had used "every possible delaying tactic" in the last six months to obstruct fulfilment of the agreement. Mr. Kelley placed "squarely on its shoulders" responsibility for failure of Trans-Canada Airlines to get a U.S. licence to fly in competition on the Montreal-New York route.

Opposes Radar Stations In Parks: Quebec, December 13 (CP) -- Premier Duplessis said today there appeared to be a federal Government plan to establish radar stations in provincial parks.

"One is wanted in Gaspé Park, one in Mount Orford Park and one in the Laurentides Park," said the Premier addressing a delegation from the St. Lawrence North Shore Saguenay region.

(The Laurentides Provincial Park is a vast preserve lying between Quebec and Lake St. John on the St. Lawrence North Shore. Mount Orford Park is in the Eastern Townships. The Gaspé preserve is in the Gaspé Peninsula.)

"Why should it be in our provincial parks?" the Quebec Premier asked, adding that he opposed the idea....

Canadian Resolution Vetoed At UN: Lake Success, December 13 (CP) -- The U.S.S.R. used her 42nd and 43rd vetoes in the United Nations Security Council to block a Canadian resolution offering formal commendations to The Netherlands and Indonesian Republic on their agreement to set up a United States of Indonesia.

Gen. A.G.L. McNaughton, Canadian Delegate and President of the 11-member Council for December, said after the vote that the veto would not prevent the Indonesian and Netherlands people from learning the wishes of the council majority.

Diesel Locomotive Inaugural Run: A huge three-unit diesel locomotive pulled 18 coaches out of Central Station in Montreal on Tuesday night and headed for Winnipeg and the Pacific coast. It marked a new era for Canadian National Railways in transfer of their passenger trains to diesel service.

N.B. Watson, C.B.E., Executive Vice-President, and leading officers of the C.N.R. were on hand to make the inaugural run.

Across Canada: An appeal will be launched against an Ottawa magistrate's ruling that the Minister of National Revenue must personally sign every demand sent out to taxpayers to file income tax returns.... Winnipeg City Council yesterday discussed unemployment, which is now said to involve over 10,000 persons, or about six per cent of the working total....R.C.M.P. are investigating the "looting" of buildings and fixtures, said to involve \$50,000 loss, at Farnham Military Camp in Quebec....Premier Smallwood of Newfoundland said yesterday he believes Labrador boundary problems, involving ownership of rich iron deposits, can be worked out amicably between the Provinces of Newfoundland and Quebec.



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Thursday, December 15, 1949.

National Agricultural Conference: Ottawa, December 14 (CP) -- The Minister of Agriculture, Mr. Gardiner, today painted a dismal picture on 1950 Anglo-Canadian food contracts.

Of the 1949 contracts for bacon, cheese, eggs, salmon and apples, no contracts appear in sight except for cheese, and even that still is uncertain.

Speaking before the closing session of the 10th annual federal-provincial Agricultural Conference, Mr. Gardiner said the United Kingdom has set aside "sufficient" dollars to buy Canadian cheese next year -- if Canada and the U.K. can agree on price.

In a brief interview later he said the U.K. has allotted \$25,000,000 in U.S. funds for the purchase of cheese in North America next year.

Negotiators had promised him that the U.K. was prepared to spend most of that money in Canada if the price was low enough. Mr. Gardiner said he would meet with representatives of the dairy industry next week and work out prices.

He felt confident that Canada would get the contract to clear all of the surplus cheese from this country.

The U.K. bought 50,000,000 pounds of cheese from Canada this year, at 30 cents a pound. Negotiators are asking that the price be reduced to 24. It appears the final price may be set at about 27 cents a pound. The available surplus next year may run to about 65,000,000 pounds.

Britain, which bought about 40,000,000 dozens of eggs from Canada this year at about 45 cents a dozen, will buy no eggs from Canada next year, said Mr. Gardiner.

A small amount of bacon might be purchased next year, but this was not definite. There had been a suggestion that part of the \$280,000,000 Britain has set aside for the purchase of Canadian wheat during the 1949-50 crop year be transferred to bacon. This suggestion was being explored.

Mr. Gardiner said because of the uncertainty of the bacon contract, Canada may have to ship bacon down to the U.S., to try and sell surpluses there.

Canada, however, has an embargo against the import of U.S. pork and any move to sell Canadian pork in the U.S., probably would bring on requests to open Canadian doors to U.S. pork.

The U.S. product sells at a slightly lower price than does the Canadian....

U.K. Not To Buy Canadian Newsprint? London, December 14 (CP) -- Sources confirmed tonight that Britain has told Canada that she will not buy Canadian newsprint in 1950 but will import a certain amount of Canadian pulp for use in her own mills.

A spokesman in close touch with the industry said that because of the dollar shortage Britain's 1950 contract with Canada for 100,000 tons, worth between \$10,000,000 and \$11,000,000, will be allowed to go by the Board.

Canada, exclusive of Newfoundland, sold 3,675,000 tons of newsprint, valued at \$292,000,000 to the U.S. in 1947.

(over)

At the same time the source said that Britain has closed a deal to take 120,000 tons from Scandinavian sources and 10,000 tons from new sources in the Netherlands and France. This year Britain took 85,000 tons of Scandinavian newsprint and 100,000 tons from Canada. The 1949 Canadian contract will be completed.

The spokesman said the shifts in the markets might mean that Australia could not get newsprint through Britain. There have been reports that in this event Australia plans to import some 35,000 tons from Canada next year, paying for it in dollars.

Colonial Airlines Controversy: At Washington yesterday, the Secretary of State, Dean Acheson, took issue with Colonial Airlines for using a 150-year-old law to justify its failure to take part in an aviation hearing before the Canadian Air Transport Board at Ottawa.

Mr. Acheson was quoted as saying that the Airline was advised last week that the State Department had no objection to Colonial's participation in the hearing and taking all other necessary steps to protect its rights.

John R. Baldwin, Chairman of the Canadian Air Transport Board, said last night he did not think any comment necessary on a charge attributed to the President of Colonial Airlines that the Board's "show-cause" hearing in Ottawa earlier this week was highlighted principally by an attack on the United States courts.

He said he thought it was unnecessary in view of criticism levelled at Colonial by Mr. Acheson.

The Board completed the hearing Tuesday and is expected to announce its decision next week following a Conference of Canadian and United States Government officials being held to discuss the bilateral air agreement signed by the two countries June 4. The Conference opens today.

C.P.R. Before Transportation Commission: Ottawa, December 14 (CP) -- The senior Vice-President of the Canadian Pacific Railway indicated today he felt the railway needed an additional freight-rate increase of from 12 to 15 per cent to take care of its financial requirements.

The Vice-President, N.R. Crump gave the indication to the Royal Commission on Transportation under questioning by Frank Covert, Commission Counsel.

Mr. Crump testified for an entire day before the three-man Commission, elaborating on the sections of the C.P.R.'s submission that dealt with the railway's operating problems.

He said the C.P.R. had drawn up an expansion programme, involving capital expenditures of around \$400,000,000 over a five-year period. The programme might have to be cancelled if the railway could not obtain higher earnings to bolster its credit position and raise the capital.

Across Canada: The Sons of Freedom, radical members of the Doukhobor sect, last night told British Columbia police they have decided to "come forward to confess and repent and never to repeat any more destructions." A statement signed by four sect members was presented to Inspector R.S. Nelson of the B.C. police, who agreed to discuss the matter further at a public meeting in nearby Krestova Sunday, the Canadian Press reports from Nelson, B.C.....An increase of approximately 10 per cent in the wholesale price of power has been announced by the Ontario Hydro Electric Power Commission....A federal-provincial Conference on the route of the trans-Canada highway opens in Ottawa today.



DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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Vol. 1, No. 70

Friday, December 16, 1949.

Discuss Canada-U. S. Customs, Immigration: The Department of External Affairs announced on December 16, that officials of the United States and Canadian Governments met in Washington on Thursday, December 15, to review immigration and customs procedures affecting travel between Canada and the United States. In these talks, it was recognized that only a very small proportion of individual border crossings, which number many millions annually from each side, give rise to any difficulties. The causes of possible and existing difficulties were examined in a frank, friendly and co-operative spirit within the framework of the laws and regulations of both countries. The meeting explored the possibilities of the improvement of administrative practices which might serve to facilitate border crossings and thus maintain, to the fullest extent, the traditional freedom of the international boundary.

Good progress was made in these discussions, and it is hoped that, as a result, difficulties in individual cases will in future be reduced to a minimum.

On the United States side, officials from the State Department, Immigration and Naturalization Service and the Bureau of Customs participated, and on the Canadian side, the Canadian Embassy in Washington, the Department of External Affairs and the Immigration Service in Ottawa were represented.

Colonial Airlines Discussions: Ottawa, December 15 (CP) — The right of Canada's Air Transport Board to issue its celebrated "show cause" order to Colonial Airlines of New York was conceded here today by officials of the United States State Department, informed Canadian sources said tonight.

That was a major point raised last week when the State Department asked for an inter-governmental conference to seek to iron out difficulties over fulfilment of an air agreement signed by the two Governments June 4. The conference opened here today.

The Board has reserved decision after challenging Colonial to show cause why its licence to fly into Montreal from New York should not be cancelled for what it considers violation of the agreement under which the Board says Colonial operates. The alleged violation lies in Colonial's U. S. legal actions to prevent Trans-Canada Air Lines from establishing a rival run under the agreement.

The inter-governmental talks were launched this afternoon and will continue tomorrow. The U. S. delegation of six, headed by Adrian Fisher, Legal Adviser to the State Department, left the first meeting after nearly two hours. Mr. Fisher told a reporter he had nothing to say other than "we are still consulting."

The Canadians sat another half hour under the leadership of H. O. Moran, Assistant Under-Secretary of State for External Affairs.

Informed sources said the State Department originally took the stand that the Air Transport Board was not justified in its "show cause" order, that any action taken by the Canadian Government should have been

directed against the U. S. Government and not against a citizen or private firm.

Canada has taken the stand that the Board is empowered to suspend licences either on grounds of public convenience and necessity or of violation of conditions of a Canadian licence.

Atomic Talks December 20: Lake Success, Dec. 15 (CP) - Gen. A.G.L. MacNaughton intends to find out just where Russia stands on the atomic problem.

The Canadian diplomat-scientist has called a meeting for December 20 of the Big Five powers and Canada to continue secret talks seeking agreement on international atomic controls.

The U.N. Assembly which ended December 10 directed Britain, United States, Russia, France, China and Canada to carry on with the discussions started last July.

Nobody expects agreement to arrive as a Christmas gift. But hope for an end to the impasse is implicit in continuation of the talks started when the 11-member U.N. Atomic Energy Commission bogged down in the deadlock.

New Film Board Commissioner: Ottawa, Dec. 15 (CP) - Climax to month-long criticism of the Government over the National Film Board came on Thursday with disclosure that a new Film Commissioner has been chosen.

W. Arthur Irwin, 51, Editor of Maclean's Magazine, will be appointed Commissioner, replacing Ross McLean, 44, whose three-year contract expires Jan. 9.

While no government announcement was immediately forthcoming, Mr. Irwin said in Toronto that he had been offered the job by the Minister of Reconstruction, Mr. Winters, and had accepted. In Ottawa, Mr. McLean confirmed his retirement but said he had no statement to make immediately.

The appointment has not yet gone through Cabinet.

Mr. Winters, who is Chairman of the Board, confirmed in an interview that Mr. McLean was retiring as head of NFB Jan. 9. However, he declined to disclose the name of his successor.

Mr. Winters emphasized that Mr. McLean was not retiring because of recent criticism over screening of NFB employees. It was just a case, he said, that Mr. McLean's regular term as Commissioner was up.

It was reported Mr. Irwin will be given a "free hand" in Film Board matters and will receive a salary of \$15,000 yearly. Mr. McLean's salary has been \$8,000 a year.

The reports also said that Mr. Irwin's appointment was being made on the understanding he will clear up the Film Board situation in such a way that it would regain public confidence.

Across Canada: A provincial Arbitration Board, reporting on an inquiry into a bitter, four-month asbestos industry dispute, has recommended a 10-cent hourly pay increase retroactive to the start of the year for employees of three companies... The Minister of Finance, Mr. Abbott, has refused to withhold until after the decision of the Supreme Court on rentals jurisdiction, the Government's permission to landlords to raise rents on unheated dwellings by 18 per cent, and on heated dwellings by 22 per cent.... The Province of Manitoba has advised the federal authorities that it does not propose to enter the rental control field at the present time.

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Vol. 1, No. 71

Monday, December 19, 1949.

Canada - Netherlands Agreement: The Department of External Affairs announced on December 19 that, effective January 1, Canadian visitors to the Netherlands who hold valid Canadian passports will not be required by the Netherlands authorities to be in possession of a visa provided they do not intend to remain in the Netherlands for more than three months. (For further details see Press Release No. 84).

Gen. McNaughton To Tackle Kashmir Problem: Lake Success, N.Y., December 18 (CP)
Gen. A.G.L. McNaughton of Canada was directed Saturday by the United Nations Security Council to seek a short-cut solution to the Kashmir dispute between India and Pakistan.

Gen. McNaughton is to hold informal private talks with representatives of the two Commonwealth countries and bring a proposal before the Council as soon as possible.

Appointment of the Canadian Delegate, who is Council President for December, came at the suggestion of Arne Sunde of Norway. He said an impasse has been reached in the Kashmir dispute.

U.K. 1950 Import Quotas: The United Kingdom Board of Trade has announced that the 1950 schedule of quotas under the United Kingdom Token Import Scheme will be continued on the same basis as in 1949. Some 260 Canadian exporters hold quotas to ship under this scheme.

Quotas for 1950 will cover about 200 items, and will be maintained at 20 per cent of the average prewar imports during the basic period from 1936 to 1938 inclusive. Any Canadian exporter having a prewar market in the United Kingdom for any of these commodities is now assured of obtaining British import licences for token shipments.

The complete list of items on the 1950 schedule will be published in the December 24 issue of "Foreign Trade", weekly publication of the Department of Trade and Commerce.

Savings Bonds Sales Near \$300,000,000: Sales of Fourth Series Canada Savings Bonds totalled nearly \$290 million at November 30, it was announced by the Bank of Canada. More than 631,000 purchasers invested \$140,350,150 through the Payroll Savings Plan while 290,000 individuals bought \$146,445,250 worth of Canada Savings Bonds through investment dealers, banks and other sales agencies.

The success of the Canada Savings Bond campaign to date plus the proceeds of the \$300 million short-term issue sold to the banking system on November 1 have provided the Government with most of the funds required to meet bond maturities this Fall totalling \$882 million. The residual amount was paid by drawing on Government's cash balances.

International Trade Fair: Maximum representation of local business interests from every part of Canada in the forthcoming 1950 Canadian International Trade Fair is heralded by the formation of a nation-wide network of local Trade Fair Committees to be headed by the responsible trade development officials of the various provincial governments.

(over)

Membership of the committees will include representatives of local business organizations, including the C.M.A., Chambers of Commerce, Boards of Trade, Retail Merchants' Associations, Commercial Travellers' Associations, Junior Chambers' of Commerce, and prominent local businessmen. They will be organized on a regional basis to insure that the local business interests of every part of Canada share to the fullest extent in the trade promotion opportunities presented at the Trade Fair.

ICAO Training Programme: The third programme designed to train young men from all over the world in the work of the International Civil Aviation Organization was announced on December 19 by Dr. Albert Roper, ICAO Secretary General. Letters have been sent to each of the 55 member nations of ICAO asking for nominations from which six persons will be selected for a five-month training course at ICAO headquarters in Montreal. Nominations must be received by 16 January 1950, and the course will begin on 20 February.

The prime purpose of the course is to acquaint the trainees with ICAO and its operation. Upon its completion, they will return to their home countries and there will help in maintaining liaison with ICAO.

Field Crop Value Down 16 P.C.: Gross value of the principal field crops produced on Canadian farms is currently estimated by the Bureau of Statistics at \$1,427,000,000, down 16 per cent from last year's record value of \$1,696,000,000. This is also below the 1947 value of \$1,531,000,000, but slightly above the value of \$1,424,417,000 in 1946, the first post-war year. Anticipated participation payments on western wheat, oats and barley, however, will place this year's crop value at a higher level than the current estimate. Reduction in the value of this year's field crops from the 1948 level is due to the joint effect of lower prices and reduced production of most crops.

Canadians Honoured By Norway: Announcement of the award of the King Haakon VII Cross of Liberation to Air Vice Marshal A.T.N. Cowley, CBE, Ottawa, and the King Haakon VII Medal of Liberation to F/L H.W. Looseley, Vancouver, and F/L A.P. Reed, Toronto, was made known by Air Force Headquarters, Ottawa, on December 16. The awards were given for the assistance rendered by these officers in the training of members of the Royal Norwegian Air Force in Canada during the Second World War, and particularly during the training of flyers at Little Norway, near Toronto.

Occupational Publications: The Minister of Labour, Mr. Mitchell, announced on December 16 the distribution of three new publications dealing with skilled construction trades. The crafts covered in the monographs and in the simplified pamphlet version are those of the Bricklayer and Stone-Mason, the Plasterer, and the Painter.

Across Canada: The City of Ottawa with the federal and provincial Governments has negotiated a housing scheme to start this Spring in Gloucester township at an estimated initial cost of \$15,000,000, it was reported. The plan is said to call for the erection of 1,000 homes a year for three years....Appointment of Ralph Allen, former Winnipeg and Toronto newspaperman, as editor of Maclean's Magazine, to succeed W.Arthur Irwin, new Commissioner of the National Film Board, was announced at the week-end....Chief Justice Severin Letourneau of the Quebec Appeals Court died at his Montreal home on Saturday.



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Vol. 1, No. 72

Tuesday, December 20, 1949.

Armed Forces Standardization: Tripartite arrangements for collaboration in military standardization among the armed forces of the United States, the United Kingdom and Canada were announced on December 19 in London, Ottawa and Washington.

These arrangements will insure that in time of necessity there will be no material or technical obstacles to full co-operation among the armed forces concerned and the greatest possible economy in the use of combined resources and effort will be obtained.

These arrangements are decentralized to the working level agencies of the armed forces of the three nations for study in the various fields of military equipment and operational procedures.

The studies which are carried on by exchange of observers among the three nations in connection with exercises and the development and testing of material of common interest, aim at the gradual development of common designs and standards in arms, equipment and training methods.

Co-operative arrangements for this purpose do not impair the control of any country concerned over any activities in its territory. No treaty, executive agreement or contractual obligation has been entered into by the participating nations.

These arrangements between Canada, the United Kingdom and the United States, which have been under discussion since July 1947, are a step towards the fulfillment of the wider arrangements under the North Atlantic Treaty Military Production and Supply Board which call for the promotion of "standardization of parts and end products of military equipment" in the North Atlantic area. They are similar to arrangements already made by the Brussels Treaty Powers.

Ministers To Seek New Markets: Ottawa, December 19 (CP) -- Two federal Cabinet Ministers will be combing the world next January, looking for new markets for Canadian commodities.

While the Secretary of State for External Affairs, Mr. Pearson, will be flying through the markets of the Far East, the Minister of Trade and Commerce, Mr. Howe, will do a trek through parts of Europe.

Mr. Pearson is planning the Far East jaunt after the Commonwealth Foreign Ministers' Conference in Colombo, Ceylon, in January.

Mr. Howe returned to his desk today after a week's illness and began preparations for a trip that will take him to most of the Western European capitals, including visits to all Canadian Trade Commissioners in the United Kingdom, France, The Netherlands, Portugal and Spain.

No definite itinerary has been drawn up, but he also may take in West Germany and Italy. Finally, he will stop off in the south of France for a brief holiday before returning to Canada.

Although both he and Mr. Pearson will be looking for markets, the energetic Mr. Howe, sometimes described as Canada's No. 1 optimist, said in an interview that there was little need to worry about the subject of foreign trade.

"Canada has been able to sell all her exportable surpluses in the past, and we hope to continue to be able to do so in the future," he said.

(over)

Food Contracts With U.K.: Ottawa, December 19 (CP) -- Along with bacon and cheese, Canada may complete 1950 contracts with the United Kingdom for salmon and lumber, it was learned today.

Dollars to pay for the salmon and lumber would be obtained by increasing deferred wheat shipments from 10,000,000 to 15,000,000 bushels.

The 10,000,000-bushel figure previously was decided as the approximate amount of wheat to be held back from shipment to the U.K. in the current crop year so Britain might be able to buy about \$18,000,000 worth of Canadian bacon next year.

By increasing this deferred wheat to 15,000,000 bushels, enough dollars would be made available to cover purchases of about \$5,000,000 or \$6,000,000 worth of salmon and about \$5,000,000 worth of lumber.

Britain purchased \$7,000,000 worth of salmon and about \$31,000,000 worth of lumber from Canada this year.

If negotiations are completed along the wheat-deferment lines, it is understood the salmon and lumber contracts both would go to the Pacific Coast.

Canada, it is learned, favours the wheat deferment plan, and expects to have little trouble selling the 15,000,000 bushels during the current crop year.

German Securities: As a matter of particular interest to persons holding German securities (stocks, shares, bonds and debentures other than German dollar bonds), the Department of External Affairs invites attention to the German Economic Council Ordinance No. 155 for the Settlement of Securities which became effective on October 1, 1949. This Ordinance requires that most securities of German issue must be revalidated to avoid becoming null and void.

The present Ordinance applies only to securities expressed in German currency which were issued up to May 8, 1945, by an enterprise which was within the British and American Zones on October 1, 1949. (For further details see Press Release No. 85).

Pilgrimages To Rome: Quebec, December 19 (CP) -- About 35,000 Canadians are expected to make pilgrimages to Rome during the Holy Year, which starts Christmas Eve, P.F. Gravina, Italian Consul in Quebec said Monday night.

Of this number, about 8,000 will come from Quebec. They will make pilgrimages in groups organized by the Franciscan Order, the Dominican Order, L'Action Catholique, Quebec daily newspaper, and other organizations. Others will go individually.

Most of the pilgrimages, to last about 50 days, will allow pilgrims to be in Rome for Holy Week, April 3-10, he said.

Sydney Mayor Held For Murder: Sydney, N.S., December 18 (CP) -- Dan Jack MacLean, Mayor of this Nova Scotia steel city, today was charged with murder in the death of Joseph MacKinnon, city registrar of voters.

Mr. MacKinnon died last night shortly after his battered body was found in a south-end alleyway. His head was gashed and his chest crushed.

Police quoted two youngsters as saying they had seen a car being driven over the body twice.

Mr. MacKinnon, who walked with the aid of a crutch, was vote registrar in Sydney's December 6 civic election when Mr. MacLean was re-elected for his fifth consecutive two-year term.

Across Canada: The Agriculture Prices Support Board on Monday announced it will sell Government butter stocks next year at present prices.... Ottawa Evening Citizen said on Monday in a newspaper story it learned from official sources that Ralph Foster, Executive Officer of the National Film Board, is leaving his post at the end of the year. He is second in command to Ross McLean, retiring Commissioner.



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Vol. 1, No. 73

Wednesday, December 21, 1949.

Atomic Arms Control Proposal: Lake Success, N.Y., December 20 (CP) -- Carlos P. Romulo of the Philippines today proposed to the Big Five powers and Canada that an atomic arms race be halted by a temporary international scheme for prohibition or control.

The President of the Fourth Session of the United Nations Assembly said in a letter to Gen. A.G.L. McNaughton of Canada that the "race for atomic armaments is accelerating at a frightening rate."

The letter was handed to Gen. McNaughton, Committee Chairman for this month, just before the 13th closed meeting of the six powers, attempting to find a basis for East-West agreement on atomic controls.

Romulo made his proposal as part of a requested outline of his previous appeals to the six powers to find a new approach to the deadlocked atomic question.

A communique issued following the six-power talk said all suggestions made during the recent Assembly Session were consolidated in one document and will be sent to the six Governments for comment.

The next meeting was set for January 19. Canada leaves the Security Council January 1 and Gen. McNaughton is expected to return to Ottawa early in the new year. However, it is understood he may continue to be Canada's Delegate in atomic talks here.

Power Project Turned Down: Washington, December 20 (CP) -- A United States Government Power Authority today threw out a bid by New York State for the right to develop a power project on the St. Lawrence River in co-operation with the Province of Ontario.

Subject to final approval of the full United States Power Commission, Presiding Examiner Glen R. Law ordered that application of the New York Power Authority for a licence for the project be denied.

Informed sources here said the United States decision might influence Canada's federal Government in its findings on an application from Ontario for the right to work with New York on the project. Ontario's application was filed in Ottawa a year ago.

These sources said there would be no point now in the Canadian Government granting a licence to Ontario, since New York State could not join in undertaking the development.

Today's decision was regarded here as one which would be welcomed by both the Canadian and the United States Governments because of their announced wish to see the power development form part of the larger St. Lawrence seaway scheme.

Newfoundland Bases: Ottawa, December 20 (CP) -- Months of Canadian-American negotiations over three United States military bases in Newfoundland are expected to come to a head within the next few weeks at a meeting of officials of the two Governments.

The Prime Minister, Mr. St. Laurent, and the Minister of National Defence, Mr. Claxton, have both been involved at one time or another in Canada's long efforts to bring civilian rule in the area of the bases more in line with the practice elsewhere on Canadian soil.

(over)

The meeting is regarded as a sign that the efforts are getting somewhere. It will probably be held in the U.S.

The U.S., under a 99-year lease signed in 1941 when Newfoundland was still a British colony, has certain judicial, taxation and customs rights which the Canadian Government feels should be modified now that the Island has become part of Canada.

American military leaders have taken the view that the lease was negotiated in good faith and that it isn't the fault of the U.S. that Newfoundland's constitutional status has changed since. The lease was signed at the time of the destroyer-for-bases deal between the U.S. and United Kingdom.

Some time ago U.S. Defence Secretary Louis Johnson informed Mr. Claxton that some proposal would be put up by the U.S. Government in an effort to strike a bargain.

Colonial Air Lines Talks: Ottawa, December 20 (CP) -- Canadian-American talks over implementation of the bilateral air agreement between the two countries will continue tomorrow, it was learned tonight.

Decision to extend the talks into a fifth day immediately raised doubt that a statement outlining progress of the talks would be issued tomorrow.

A spokesman for the Department of External Affairs announced earlier today that a statement would be issued tomorrow on the talks that started here Friday on difficulties over implementation of the agreement signed in June.

However, at that time the talks were expected to end late today, and the decision to meet again tomorrow may delay release of a statement.

Full implementation of the agreement has been delayed by Colonial Air Lines of New York, which challenged the validity of the air treaty in U.S. courts. Under terms of the agreement, Trans-Canada Airlines was given the right to fly the rich Montreal-New York route along with Colonial. The American company which has held sole rights to the route for 20 years obtained a court injunction preventing T.C.A. from obtaining a U.S. licence.

The Canadian Air Transport Board is expected to render a decision shortly as to whether Colonial will be allowed to retain its Canadian licence, Colonial appeared before the Board last week to "show cause" why its licence should not be cancelled as a result of its claim that the air agreement is not constitutional. The Board maintains that Colonial's licence is granted under the agreement.

Liberal Elected In N.S.: St. Peter's, N.S., December 20 (CP) -- Election of Earl Urquhart, Liberal candidate in the Richmond County provincial by-election, was reported by the Canadian Press at 7:26 p.m. AST tonight.

With 27 of the 35 polls heard from, Mr. Urquhart had 2,295 votes against 1,612 for his only opponent, Alfred Baccardax, Progressive Conservative.

The election was held to fill the vacancy in the Nova Scotia Legislature created by the elevation of former Attorney-General L.D. Currie to the Nova Scotia Supreme Court Bench.

Across Canada: Former Prime Minister Mackenzie King will be guest of honour at a banquet in Galt, Ont., January 9 to celebrate the centenary of his native Waterloo Township. Premier Frost of Ontario and members of the federal and Ontario Cabinets will also be invited.... Two convicts and an armed accomplice who aided their escape from Kingston penitentiary were trapped yesterday in a garage half an hour after their escape.... Sir Basil Brooke, Prime Minister of Northern Ireland, is to visit Canada soon, it is reported from London.



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Vol. 1, No. 74

Thursday, December 22, 1949.

Gen. McNaughton to International Joint Commission: The Prime Minister, Mr. St. Laurent, announced this (Thursday) morning the appointment of General A. G. L. McNaughton to the International Joint Commission. He also announced that two new Judges have been appointed to the Supreme Court of Canada.

The two new Judges are John. R. Cartwright, K. C. of Toronto and Mr. Justice Gerald Fauteux of Montreal.

Mr. St. Laurent also announced proclamation of the Act making the Supreme Court the final Court of Appeal.

Mr. St. Laurent also said that: (1) Canada will not take any action on recognizing the Chinese regime until the Commonwealth Conference in Ceylon on January 9.

(2) That the Government's trade plans are based on the assumption that 1950 will be as good a year for Canadian Exports as 1949.

"Colonial" Talks Adjourned: Representatives of the Canadian and the United States Governments have engaged during the past week in consultations concerning civil aviation relations between the two countries. These consultations were called so that both Governments might review questions arising under the Air Transport Agreement signed between the two Governments last June, including the details of recent problems relating to operations under the Agreement over the route between New York and Montreal. The discussions have been thorough and satisfactory progress has been made.

The United States representatives indicated their concern over certain aspects of the proceedings before the Air Transport Board which appeared to them to be based on the fact that Colonial Airlines was taking steps in the courts of the United States to test the validity of the Air Transport Agreement. The Canadian representatives stated that whereas the Air Transport Board had decided to hold hearing on the position of Colonial Airlines as a licensee of the Board on the route between Montreal and New York, at no time had the Canadian Government ever questioned the constitutional right of Colonial Airlines to have determined by the United States courts the validity of the Air Transport Agreement under United States law: nor had there ever been any desire on the part of the Canadian Government to interfere with judicial or administrative proceedings in the United States.

The representatives of the Canadian Government expressed themselves as satisfied that the United States had entered into the 1949 Agreement in good faith with every intention of carrying out its provisions. The representatives of the United States Government were also satisfied with the course adopted by the Canadian Government in implementing the provisions of the 1949 Agreement.

Although the discussions between the representatives of the two Governments took place within a general area of agreement, certain questions have arisen regarding the interpretation of particular articles of the bilateral agreement. It has been decided to adjourn the talks until an early date to permit each Government to consider the other's position in greater detail.

(over)

Consider Price Support For Eggs: Ottawa, December 21 (CP)— The Cabinet tonight decided to withhold action on price support for eggs for at least another week.

The decision was made after an all-day extraordinary session of the Cabinet—one of the longest in recent months.

The stand taken by the Cabinet to delay action developed out of suggestions by some ministers that the situation currently was "too chaotic" to make a firm decision.

Prices of eggs plunged downward 10 and 20 cents a dozen in some parts of Canada after the Minister of Agriculture, Mr. Gardiner last week announced that the United Kingdom will buy no eggs from this country next year.

Besieged by appeals from egg producers to bolster the egg market with government ensured prices, Mr. Gardiner placed the problem before the Cabinet today.

United Kingdom Contracts: Ottawa, December 21 (CP) Part of a United Kingdom pool of dollars earmarked for the purchase of Canadian wheat on Wednesday was drained off to provide the U. K. with money to buy east-coast spruce.

It began a program to shift slightly less than \$30,000,000 from Canadian wheat into other fields, giving the U. K. dollars to pay not only for Canadian lumber but for bacon and canned salmon as well.

Yesterday's contract—which still has two hurdles to leap-cut \$2,500,000 from the \$280,000,000 1949-50 Anglo-Canadian wheat contract to pay for 40,000,00 board feet of spruce from the Maritime Provinces. The spruce is to be shipped during the first half of 1950.

Mr. Howe Optimistic: Ottawa, December 21 (CP) Describing himself as an optimist, the Minister of Trade and Commerce, Mr. Howe, on Wednesday told a luncheon meeting of foreign commercial attaches stationed in Ottawa that he believes Canada's trade with other countries will remain at its present high level.

If it were true that some markets for Canadian products had been lost, he said, "experience has shown that other markets will open up." The "know-how" of Canadian industry would find them.

Across Canada: The Supreme Court of Canada is expected to hand down a decision today on railway rate increases....Asbestos miners in Thetford Mines, Quebec have asked in a resolution to be paid immediately the 10 cent-an-hour increase recommended by an arbitration board for 1949....Montrealers can look forward to complete television service by mid-summer of 1951, a CBC official said Wednesday in a public address....With temperatures 20 degrees above normal, and continued rain, a green Christmas appeared likely in Eastern Canada.



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Vol. 1, No. 75

Ottawa, December 23, 1949.

Commonwealth Conference: The Secretary of State for External Affairs, Mr. Pearson, released on December 22 further information about the Commonwealth conference on Foreign Affairs which will open in Colombo on Monday, January 9, 1950. It is expected that the conference will last for about 10 days although every attempt will be made to complete its work in a week.

The conference is being held so that an exchange of ideas may take place between the Commonwealth countries on various aspects of the world situation today. In addition to the meetings on international affairs, there will be a series of meetings on an official level to discuss some of the general economic matters of interest to the Commonwealth.

Canada's principal Delegates and Advisers are as follows:

Delegates: The Hon. L. B. Pearson, Secretary of State for External Affairs; The Hon. R. W. Mayhew, Minister of Fisheries.

Advisers: Mr. Escott Reid, Deputy Under-Secretary of State for External Affairs; Mr. D. M. Johnson, Canadian High Commissioner Designate to Pakistan; Mr. A. R. Menzies, Far Eastern Division, Department of External Affairs; Mr. D. V. Lapan, Economic Division, Department of External Affairs; Mr. T. N. Beaupré, Department of Trade and Commerce. (See Press Release No. 87)

To Review Freight Rates Decision: Ottawa, December 22 (CP) The issue of railway freight rates was opened up again today when the Supreme Court of Canada handed down a decision which, in effect told the Board of Transport Commissioners to review its Sept. 20 award of an eight per cent rate increase to the railways.

Declaring the terms of the Board decision constituted an "injustice" to the railways, the Court held the Board had failed to perform its duty, because of the way it deferred final determination of a railway application for a general 20 per cent increase.

The postponement was effected by the Board pending the outcome of the Royal Commission on Transportation and the general freight rate inquiry in which the Board itself has been engaged for more than a year.

The Court ruled these considerations were irrelevant to the specific rate case before the Board and that the Board had been in error in not bringing down a decision on the basis of the facts actually put before it.

Pending completion of the two investigations the eight per cent increase was awarded by the Board on an "interim" basis. It has been put into effect by the railways.

Discuss Chinese Situation: Ottawa, December 22 (CP) Canada will take no action on recognition of the Chinese Communists until the Commonwealth Conference that starts at Colombo, Ceylon, Jan. 9, Prime Minister St. Laurent said today.

The Secretary of State for External Affairs, Mr. Pearson, announced that the Conference is expected to last about 10 days, "although every attempt will be made to complete its work in a week."

Mr. St. Laurent told a press conference that Canada is one of several countries which wants to discuss the Chinese situation at Colombo. He did not rule out the possibility that some of the Commonwealth Governments may recognize the Reds before the Conference opens but indicated such action won't make any difference to Canada.

(over)

Federal-Provincial Conference: Ottawa, December 22 (CP) Power to amend the constitution on matters under provincial jurisdiction probably will not be transferred to the Canadian Parliament unless unanimous consent of the Provinces is obtained.

Prime Minister St. Laurent indicated at a press conference today that the amending power will be left with the United Kingdom Parliament unless unanimous agreement is reached at the Jan. 10 federal-provincial Conference.

The United Kingdom Parliament already has agreed to transfer to the Canadian Parliament the power to amend the constitution on most matters under federal jurisdiction.

The January Conference was called to discuss the possibility of transferring from the U. K. to Canada the power to amend the constitution on matters under joint federal-provincial jurisdiction or under full jurisdiction of the Provinces.

Mr. St. Laurent said he did not think anything could be done with respect to amendments on provincial matters unless there was unanimity of agreement on the formula to be followed in making the constitutional amendments.

It was possible that the views of the majority might make a dissident government change its mind, but he felt that the consent of all on an agreeable formula will be necessary.

Record December Temperature: Cellars were flooded and back-yards swamped yesterday as Ottawa's temperature went to an all-time December high of 57 degrees. This, according to Rockcliffe weather men, is the top temperature recorded in Ottawa for the month since 1890, the year records were first kept for this city.

Trade and Commerce Appointments: Staff transfers affecting Canada's two trade commissioner offices in Brazil were announced on December 23, by the Minister of Trade and Commerce, Mr. Howe. D. W. Jackson, formerly Assistant Commercial Secretary in Washington, has been appointed Commercial Secretary in Rio de Janeiro, and C. J. Van Tighem, until recently head of the Lima Office, has been posted to Sao Paulo as Commercial Secretary.

Across Canada: Asbestos miners at Thetford Mines, Que., are prepared to sign a collective agreement for 1949 under recent recommendation of an arbitration board, it was announced today.....The City Council of Sydney N. S. on Thursday accepted the resignation of Mayor Dan Jack MacLean, charged with murder.....About 250 Vancouver merchants may get summonses for opening their stores in defiance of the Wednesday closing by-law.



DAILY AIRMAIL BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

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Vol. 1, No. 76

Tuesday, December 27, 1949.

Recognition of The Republic of Indonesia: The Department of External Affairs released on December 27, messages from the Prime Minister of Canada to the Prime Minister of the Netherlands and to the Prime Minister of the Republic of the United States of Indonesia, extending greetings and informing them that the Government of Canada has given full recognition to the Republic of the United States of Indonesia. (See Press Release No. 88.)

Christmas Fatalities 37: Thirty-seven met violent deaths in Canada during the long Christmas holiday.

A Canadian Press survey showed fatalities included a murder, a plane-crash taking two lives, 17 traffic fatalities, 11 fire victims and a variety of mishaps which claimed six lives.

Fog and slippery roads were responsible for a few of the traffic accidents, but holiday weather was generally good, with Southern Ontario alone being deprived of a white Christmas.

Ontario had the most fatalities- 17-of whom 11 died in highway accidents.

C. N. R. Annual Statement: It is estimated that the gross revenues of the Canadian National Railways for the past 12 months will establish a record high total of \$499 million, an increase of \$8 million over 1948, states R. C. Vaughan, C. M. G., Chairman and President of the company, in a year-end statement covering the operations for 1949. However, he noted, the shrinking margin between revenues and expenses continues to cause considerable anxiety. Operating expenses, with higher labor costs and an increased general price index for materials and supplies, climbed to \$480,000,000 by the close of the year, an increase of \$15 million over 1948.

Mr. Mayhew leaves for India: The Minister of Fisheries, Mr. Mayhew, left on December 25, on the first leg of his journey to Mysore, India, where he will head the Canadian delegation to the 110th session of the Governing Body of the International Labour Office, it was announced by the Minister of Labour, Mr. Mitchell.

Mr. Mayhew, accompanied by A. H. Sager, his private secretary, left Montreal by air for London on Christmas Eve. Canada's alternate delegate will be Paul Bridle, First Secretary of the Office of the High Commissioner for Canada in India.

The Governing Body, sitting from January 3 to January 7, will discuss the agendas for the 1950 and 1951 annual International Labour Conference, as well as the report of the Director-General of the I. L. O. and the reports of several I. L. O. Committees.

The Governing Body acts as the executive of the I. L. O. and meets normally four times a year. Canada has the distinction of holding one of the eight permanent non-elective seats on this body, by virtue of its industrial importance.

Following the I. L. O. Conference, Mr. Mayhew will join the Canadian Delegation, headed by the Secretary of State for External Affairs, Mr. Pearson, at the Commonwealth Conference at Colombo.

(over)

World Wheat Crop: World wheat production this year is estimated at 6,185,000,000 bushels, up 100,000,000 bushels over the September forecast, and 170,000,000 bushels over the 1935-39 average crop of 6,015,000,000 bushels. If present indications are fully realized, the 1949 world wheat crop will be only some 200,000,000 bushels under the large outturn in 1948. The upward revision from September is due principally to higher estimates for some European countries and improved prospects in important producing southern hemisphere countries.

The North American crop in 1949 amounted to 1,511,000,000 bushels compared with 1,700,000,000 in 1948, and 1,086,000,000 in the five pre-war years. The United States crop for the sixth consecutive year has topped a billion bushels, compared with the 1935-39 average of 759,000,000 bushels. Canada's production of 367,000,000 bushels, though smaller than that of the war years, is still above the 1935-39 average of 312,000,000 bushels. Mexico's production, slightly less than last year's outturn, is also above the 1935-39 average.

Athletes to New Zealand: Three members of the RCAF have been selected as members of Canada's team in the British Empire Games in New Zealand and have been granted special leave by the Air Force it has been announced. They are Sgt. Jack Varaleau, Overbrook, Ont., a weight-lifter; Sgt. G. M. Plumb, Toronto, 150 lb. wrestler and LAC. A. T. Jones, Saskatoon, coach of the swimming team. The team leaves Canada by air in mid-January.

Industrial Disputes: Three strikes accounted for 87 per cent of the time loss due to work stoppages arising from industrial disputes in Canada during November, 1949, according to the monthly summary of strikes and lockouts issued by the Minister of Labour, Mr. Mitchell.

The strike of rubber factory workers at Toronto, lithographers at London, Hamilton, Ottawa, Toronto, and Montreal, and motor vehicle factory workers at Oshawa were responsible for 87 per cent of the total time loss and more than 80 per cent of the total workers involved in all work stoppages during the month.

Across Canada: About 65 persons were left homeless in Ottawa, on Monday night by a flash fire that swept through a large emergency housing unit at Uplands Airport.....Fire of unknown origin broke out Sunday in the officers mess at the Quebec citadel atop Cape Diamond and partially damaged the old two-storey stone structure.....It was reported in a New York dispatch that the Duke and Duchess of Windsor plan a visit to the Duke's Alberta ranch next year.

(No Bulletin was issued on December 26.)



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Wednesday, December 28, 1949.

November Credit Balance with U. S.: In the wake of devaluation Canadian exports to the United States soared to an all-time monthly record in November.

The Bureau of Statistics reported yesterday that Canada sent goods worth \$173,000,000 to the U. S. during the month, an increase of more than \$8,000,000 over the previous record set in November, 1948.

Import figures for November are not yet complete. But if commodity purchases from the U. S. were close to average, Canada will have a small credit balance with the U. S. for November.

The Bureau did not attempt to establish the effects of September's 10-percent devaluation of the Canadian dollar on the trade situation.

It did report, however, that exports to the U. S. increased from \$115,000,000 in September to \$150,000,000 in October and \$173,000,000 in November.

"While these three months are normally good months for our exports", the Bureau said, "there was a marked improvement of trend in comparison with last year."

Exports to the U. S. are particularly significant to Canada's economy because of the inveterate disparity between what this country buys from the U. S. and sells to it. Devaluation was aimed chiefly at raising the value of exports as near as possible to the value of imports, thus curbing the depletion of Canada's store of U. S. dollars....

Glass Combine Alleged: Ottawa, December 27, (CP) A combine has operated for 20 years to fix prices and restrain competition in Canada's multi-million dollar flat glass trade, F. A. McGregor, Combines Commissioner, charged in a report made public today.

The alleged combine of Ontario-Quebec companies, two of whose members were described as having "substantially controlled" the trade in all of Canada, was linked in the report with an international glass cartel stretching into Canada before the war but broken up since then.

Specifically named in the report as implicated in a combine "detrimental to the public interest" were nine Ontario and Quebec jobbing companies engaged in the wholesaling and installation of plate, window and other types of flat glass. The Secretary of their trade association - W. O. Matthews of Toronto - was also named personally....

Income Tax Relief For Industry: Ottawa, December 27, (CP) Canadian industries are given some tax relief in new regulations published today.

In effect, the change means that an industry won't pay income tax on money which it invests in a plant. It would pay tax on profits from the plant but not on the money put into it to build it.

Although the announcement didn't say so, the step is believed to be intended to encourage building and upkeep of plants. The regulations were outlined in a special issue of the Canada Gazette.

The relief is accomplished by allowing a company to charge increased amounts to depreciation, on which no income tax is charged.

V. W. T. Scully, Deputy Minister of Revenue, explaining the regulations to a press conference, said that previously the Minister of National Revenue had discretionary powers to fix the rates of depreciation.

(over)

Under the new regulations the discretionary power is taken away from the minister. The regulations fix specific rates of depreciation and depletion.

The rates are on a sliding scale, and vary for different industries and properties.

Employment Down, Incomes Up: Ottawa, December 27, (CP) Industrial employment in Canada is still slipping slightly, but those at work are taking home the fattest paychecks on record.

The dipping trend in the number of Canadians at work, which started a few months ago, was still evident at Nov. 1, according to preliminary tabulation of the Bureau of Statistics monthly survey.

But the average weekly payroll in the eight major industrial groups - not including farming - was at an all-time peak of \$43.78.

The advance index of employment at Nov. 1 was 201.9 compared with 203.6 a year previously and 202.1 a month before. The index is based on the 1926 figure as 100. The index does not include Newfoundland.

Mr. McLean with UNESCO: Ottawa, December 27, - Ross McLean, whose resignation as Commissioner of the National Film Board becomes effective early in the new year, has accepted the position of head of the film section of UNESCO. He will leave Ottawa late in January and will take up his duties in Paris at the beginning of February, the Ottawa Citizen reported last night.

Across Canada: Christmas fires brought death to four Manitobans, injured 10 others and destroyed the homes of nine families, leaving at least 40 per cent homeless, the Canadian Press reported from Winnipeg this morning.... Three days of heavy rain was "the best Christmas present Ontario could possibly get" from a power standpoint, Robert H. Saunders, Chairman of the Ontario Hydro-Electric Power Commission said Tuesday. It averted possible further power cuts..... Eastern Canada is enjoying record-breaking mild weather, about 16 degrees warmer than average. Yesterday's "low" of 40.3 degrees at Montreal was the highest "low" temperature of any December 27 in recorded weather history, The Montreal Gazette reports. Laurentian winter-resort proprietors, however, are reported to have lost \$500,000 to \$1,000,000 as a result of the abnormal weather conditions over the holiday season.



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Thursday, December 29, 1949.

Premier Macdonald on 1944 Conscription Crisis: Halifax, December 28, (GP).-

For the first time a member of Canada's wartime Cabinet has broken silence on a phase of the bitter and delicate conscription crisis. He indicates that the initiative for the 1944 departure of the late Col. J. L. Ralston from the Cabinet came from Rt. Hon. W. L. Mackenzie King - not from his Defense Minister.

This and other hitherto undisclosed official glimpses of what went on behind the scenes during the critical reinforcement situation which rocked the country, were contained in a statement issued here today by Premier Angus L. Macdonald, wartime Navy Minister and personal friend of Col. Ralston.

His statement on a situation aired as far as security, the Cabinet oath of secrecy and practical politics would permit in 1944, and made the subject of many unofficial and contradictory reports and guesses since, was occasioned by the latest published version of what went on.

This version is contained in the book, "Mackenzie King of Canada", by H. Reginald Hardy, a member of the Parliamentary Press Gallery at Ottawa. Right at the outset Mr. Macdonald says his recollection of the events of those hectic days differs widely from Mr. Hardy's report. In fact, Mr. Macdonald thinks any one basing his opinion on the Hardy version of the events would "lay down the book with an unfairly low estimate of the character and work" of Col. Ralston, his fellow Nova Scotian and brother infantry officer in the First World War.

Mr. Macdonald's prepared statement, handed the Canadian Press here, took issue with stories that the resignation from the army of its field commander, Gen. A. G. L. McNaughton, early in 1944, was a device to save face for Canadian headquarters, Col. Ralston and the Government; that Col. Ralston had used his resignation as a cudgel at Mr. King's head to get conscription; that the general staff had bordered on mutiny against the King reinforcement policies and that the wartime Navy Minister himself had promised to stay in the cabinet and hold a sort of watching brief for Col. Ralston on conscription....

On the full story, he declared it "ought one day to be told completely", adding: "It will differ vastly from the pages of Mr. Hardy's book."....

H. Reginald Hardy, author of "Mackenzie King of Canada", said in Ottawa today in a statement he doubts if there is any unanimity of opinion on what occurred in the federal Cabinet during the 1944 conscription crisis.

He was commenting on a Halifax despatch which said Premier Macdonald, of Nova Scotia, wartime Navy Minister, disagreed with Mr. Hardy's version of what occurred during the crisis. The late Col. J. L. Ralston resigned as Defence Minister during the crisis.

Mr. Hardy said that while he did not wish to enter into a controversy with Mr. Macdonald, "I should be surprised, indeed, if there exists a complete unanimity of opinion in the minds of all who were then in the Cabinet as to just exactly what did occur...."

Mr. Hardy said, " One thing I should like to make clear at the outset, however, is that I cannot for one moment accept Mr. Macdonald's suggestion that my book places the late Col. Ralston in a position where the necessity for any defence, no matter how kindly meant, is indicated."....

Coal Shortage Pares C. N. Service: Montreal December 28, (CP).- Serious depletion of coal reserves has forced Canadian National Railways into a system-wide 25 per cent cut in steam-operated passenger trains, effective next Jan. 9, the company announced today.

The fall-off in reserves, from a satisfactory four-month supply last August to one of only 30 days at present, was attributed to "work stoppages and shortened working hours in United States mines upon which the company relies for huge quantities of fuel."

No reduction in service is planned by the Canadian Pacific Railway.

Floods Menace British Columbia: Vancouver, December 28, -(CP)- Floods threatened British Columbia tonight following blizzards and torrential rainfall.

Record snowfalls blocked southern interior highways for many hours. They hampered train services and disrupted telegraph and telephone communications.

Scores of motorists are still marooned in roadside camps. Many communities east of Vancouver are isolated.

Mr. McCubbin's London, Ontario. Speech: London, Ont, December 28, -(CP)- An early return to selling Canadian farm products by private enterprise rather than by Government contracts was urged today by Robert McCubbin, Parliamentary Assistant, to the Minister of Agriculture, Mr. Gardiner.

"The sooner the Canadian Government gets out of handling the farmer's products the better the farmer will be in Canada," the Liberal member of Parliament for Middlesex West told some 100 farmers attending a three-day conference at the University of Western Ontario.

Speaking on the future prospects of world markets for Canadian farmers he said he felt " it is impossible to balance out trade with Britain. To ask 13,000,000 people to balance trade with 50,000,000 is impossible- it never will be possible. We can never buy as much as we can sell to Britain."

Across Canada: The King has received and acknowledged Christmas and New Year greetings made on behalf of Canadians by the Governor-General, Government House announced Wednesday.....A detective disguised as a rag-picker investigated activities of a group of unemployed men, six of whom were arrested today and charged with obstructing police during a demonstration outside the National Selective Service office in Toronto.... Canada is in good shape for coal supplies and will get through the winter comfortably, barring a complete and prolonged strike of United States coal-diggers, the Canadian Press reported.



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Vol. 1, No. 79

Friday, December 30, 1949.

Year-End Trade Review: The Minister of Trade and Commerce, Mr. Howe, today said the political and trade struggle which was encompassing the world could only be overcome by bold and sweeping measures by the world's democracies.

"That a solution must be found is of vital importance to Canada," he said in a review of trade conditions in 1949 and a forecast of 1950 conditions.

To a large extent the successful outcome of the struggle depended on a solution to the chronic world shortage of dollars, said Mr. Howe. This will require action on four fronts: Opening of new markets, greater stimulation of investment abroad, increasing European productivity and stabilizing the political situation in Asia and Western Europe.... Canada's policy in 1950 would be to co-operate to the fullest extent with the British export drive; to divert imports from U.S. dollar markets to sterling and other non-dollar sources wherever economically feasible; and at the same time take full advantage of the reciprocal trade agreements act and other means to expand Canadian exports to the U.S.

Generally, the 1950 trade picture and prosperity for Canada looked good.

There would be a continued high level of national employment and income, but with some decrease in the special areas and localities that will be under economic pressure.

"Adjustments will have to be made - some drastic, some painful. We also may have to face further adjustments in our foreign trade," he said....

Press Gallery Privileges Temporarily Denied Tass Writer: Ottawa, Dec. 29 (CP) -

The new Ottawa correspondent of Tass, the Russian news agency, today was temporarily denied working space in the Parliamentary Press Gallery because he did not have credentials satisfactory to the gallery executive.

The correspondent, Tinosy Remizov, was ordered from the gallery when he insisted that he was entitled to use the desk of his predecessor, Simeon Scherbatykh, who recently returned to Moscow.

Chester Bloom, 31-year-old Ottawa correspondent of the Winnipeg Free Press and gallery president, ruled that no privileges would be given Mr. Remizov until he presented a letter from his employers accrediting him as a resident correspondent.

When the Tass man persisted in his demands and said he would protest to the Secretary of State for External Affairs, Mr. Pearson, Mr. Bloom ordered him from the gallery and threatened to have him ejected.

The press gallery provides working space and other facilities for accredited correspondents. It now has nearly 80 members and is administered by an elected executive responsible to the Speaker of the House of Commons.

N.R.C. Improves Oil Technique: Ottawa, Dec. 29 (CP) - The Government's National Research Council reported today its scientists have developed and doubly proved a process that might open up great new reserves of oil in oil-booming Alberta.

The trouble, an official said, is that there is so much oil more easily available in Alberta now that the council's method for extracting more of it from the bituminous sands in the north will hardly be economically feasible.

But an emergency, such as a war, might easily change that situation.

In a year-end review, the Council reported activities that ranged from improvements in foghorns to new and improved methods for keeping hog products good.

Mr. Spender To Visit Here: Canberra, Dec. 29 - Australia's policy, as set out by Prime Minister Menzies and Minister for External Affairs P.C. Spender, include the closest co-operation with Canada and the United States. As soon as the pressing duties of his post allow, Mr. Spender will revisit Canada, which he last saw in 1948.

No one in politics in Australia knows North America better than Mr. Spender. He knew it well even before he entered the Australian Parliament in 1937.... (CP)

Mr. McGregor Offered Post: Ottawa, Dec. 29 - (CP) - F.A. McGregor, retiring federal Combines Commissioner, has been offered a teaching post at a Canadian university, it was learned today.

Mr. McGregor, who retires as Combines Commissioner at the end of the month, declined to comment on his future plans. But he said he might be able to make an announcement next week.

It is understood he was offered a position in a university Economics Department where he would be lecturing on the subject of combines and their effect on Canadian economic life.

Across Canada: One person was killed and more than 40 injured, many severely, early Thursday in a train wreck described as the worst in Southern Alberta history.... Cancellation of the Ocean Limited's daily run between Halifax and Montreal is part of the C.N.R.'s plan to reduce passenger services due to depletion of coal reserves, it was announced at Montreal. Concurrently, Nova Scotia's Minister of Mines, Mr. Patterson, expressed surprise at the C.N.'s curtailment of services inasmuch, he said, as no coal operator in Nova Scotia had been asked to supply additional coal. It was strange, he added, that the C.P.R. was not compelled to curtail their services while the Government-owned railway had found it necessary to do so.... A wage increase settlement proposal in the Thetford Mines, Que., asbestos miners' dispute was accepted last night by Catholic Confederation of Labour officials.... Colder weather in the mountains is lessening the menace of British Columbia's floods.... The Minister of Labour, Mr. Mitchell, made an optimistic forecast for 1950 in a year-end message, but President Percy R. Benough of the Trades and Labour Congress of Canada and President A.R. Mosher of the Canadian Congress of Labour, in statements, did not share his optimism and expressed fear of unemployment or industrial strife.

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Vol. 2, No. 1

Tuesday, January 2, 1951.

New Session On January 30: Ottawa, December 29 (CP) -- Parliament is being called to meet Monday, January 29, the Prime Minister, Mr. St. Laurent, announced today.

The special session of Parliament, adjourned since September last, will be prorogued that day and the 1951 session will be opened the next day, Tuesday, January 30.

Mr. St. Laurent declined to indicate the Government's legislative programme, beyond saying that it will include "concrete proposals" covering "everything that we think of concern to the Canadian public at this time."

He made the announcement at a press conference called following a series of Cabinet meetings yesterday and today and on the eve of his departure Sunday for the conference of Commonwealth Prime Ministers opening in London January 4.

He made these other statements:

1. The position of Canada's special 10,000-man force is the same as it was when it was formed in August -- that it would go when fully trained to the theatre in which it can be best used. This could be either Korea or Western Europe.
2. Consideration has been given to the revival of women's units in the armed forces, but he could not say anything until Parliament meets.
3. He still does not think there is any immediate prospect of a world war....
4. He hopes External Affairs Minister Pearson will be able to join him in London before the end of the conference there.

Prime Minister's New Year's Message: Ottawa, January 1 (CP) -- Prime Minister St. Laurent last night counselled Canadians to set aside fear and face a troublous 1951 with confidence and steadiness.

In a New Year message over the CBC's network, he warned that the country faces heavier burdens and some deprivations for all in the cause of peace, but he looked for progress towards that goal.

The cause of the free world is just, he said, and, if their people do their part, "providence will not allow the forces of evil to triumph in the world."

Mr. St. Laurent In London: London, January 1 (Reuters) -- The Prime Minister, Mr. St. Laurent, said here tonight he was still optimistic on world peace.

"My faith that sanity will prevail over the present turmoil is unshaken," the Canadian leader said as he arrived at Waterloo Station, London -- 24 hours after leaving Ottawa.

His plane, an R.C.A.F. transport, was to have landed at London Airport, but was diverted to St. Eval Airport in Cornwall because of fog and snow. Bad weather also had caused an earlier change in flight plans when the plane, scheduled to refuel at Gander, Nfld., was forced to set down at the alternate American base at Harmon, Nfld.

He assured reporters he was "always optimistic" where peace is concerned.

"There is too much war talk at the present time," he added. "Although we must not take peace for granted, it is equally wrong to talk of war as inevitable. Our chief aim must be to intensify our efforts to prevent war."

"This Commonwealth Conference is not to prepare for war, but to strengthen the ties between nations of the Commonwealth for the preservation of peace."

Britain, like Canada, was being forced by circumstances to devote an increasing proportion of her resources to provide for defence against possible aggression, he said.

"By building up our strength, we can deter Communists from unleashing a third world war."

(over)

Government Approves Construction Of New Reactor At Chalk River: Ottawa, January 2 --

The Government has authorized the Atomic Energy Control Board to proceed with plans for the construction of an additional atomic energy pile at Chalk River, it was announced today by the Minister of Trade and Commerce, Mr. Howe.

While it is yet too early to predict the exact size and power of the new reactor it can be said that the new pile will be much larger and many times more powerful than the present NRX reactor.

Construction of the new reactor will guarantee the permanency of Canada's position as a leading country in the development of all aspects of the peaceful applications of atomic energy for the benefit of mankind.

Early in January 1951, it is expected that the Atomic Energy Control Board will begin the preparation of plans for the new pile. It is hoped that sufficient progress will be made early in the year to permit actual construction to be undertaken in the late summer of 1951. Until plans are more matured it will be impossible to determine the date of completion. The schedule of operations will depend on the time required for development studies, the availability of essential materials, and other construction problems.

Estimates will be placed before Parliament at its next Session to cover the cost of this new pile, which is expected to be approximately \$30 millions.

No New Bacon Contract With U.K.: Ottawa, January 1 (CP) -- Canada and the United Kingdom have failed to reach agreement on a new 1951 bacon contract. It is the first disagreement in 10 years of bi-lateral bacon negotiations.

However, the lack of a contract is not expected to cause many problems for Canada. Demand for bacon in this country has been so great that the government has been unable to fill Anglo-Canadian contracts in the last two years.

The Minister of Agriculture, Mr. Gardiner, in a statement Saturday, placed the cause of failure at Britain's doorstep. Britain's price he said, of 29 cents a pound for grade A Wiltshire sides was not high enough to attract Canadian sellers.

Nevertheless, the government in 1951 will continue to offer to buy bacon at 32½ cents a pound--the basic 1950 support price.

If the government succeeds in obtaining any supplies--and Mr. Gardiner believed no "important quantities" would be obtained -- these will be made available to Britain or any other country "at prices to be agreed upon."

Minerals Pass Billion Output In 1950: Ottawa, January 1 (CP) -- Canada's mineral production went past the \$1,000,000,000 mark for the first time in 1950.

With the country riding a wave of heavy demand and high prices, increased value over 1949 was general through the list of products, though in many cases the actual output was lower.

The \$1,040,000,000 value for 1950 given in a preliminary estimate by the Bureau of Statistics compared with \$901,000,000 for 1949. It also contrasted strikingly, the Bureau reported, with a \$65,000,000 value 50 years ago.

The actual 1950 value probably was considerably higher than the official figures, for a significant omission from the total was the output of pitchblende products from the Northwest Territories. Production and value of these products--from which atomic fission materials are extracted--are kept a close secret.

Chief gains in value of production during the year were in crude petroleum, asbestos, gold, zinc, copper and nickel. For all of these except gold, the 1950 value was the highest on record.

Gold, worth \$168,500,000, again was the leading mineral product in value. The quantity recovered was up 7.3 per cent from 1949.

Across Canada: Dr. Frank S. Hogg, 46, director of the David Dunlap Observatory at suburban Richmond Hill, died yesterday after a heart attack. A past president of the Royal Astronomical Society, he also was head of the University of Toronto's department of astronomy....The Boy Scouts Association has launched a three-year plan for the further development of Canadian Scouting, Mr. Jackson Dodds of Montreal, deputy Chief Scout for Canada, announced yesterday....The New Year's weekend fatality toll in Canada stood at 12 early today, the Canadian Press reports....Hockey Sunday: Toronto 4, Detroit 2; New York 3, Boston 0; Monday: Montreal 3, Chicago 3; Boston 3, New York 2.

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Vol. 2. No. 2

Wednesday, January 3, 1951.

Mr. St. Laurent In London: London, January 2 (CP) -- The Prime Minister, Mr. St. Laurent, indicated today he hopes that the forthcoming Commonwealth talks in London will help promote closer understanding between the Eastern and Western members of the Commonwealth.

St. Laurent, who arrived by plane Monday from Canada on his first visit to London since October, 1948, addressed a dozen Canadian correspondents at a press conference in Canada House. He will represent Canada at the parley beginning Thursday.

Choosing his words carefully, the Canadian Prime Minister said it is obviously in the interests of "free men everywhere in the world that there should be cordial relations" between Europe and North America on the one hand and the peoples of Asia on the other.

"The things I'm most concerned about," he said, "are the most appropriate methods of strengthening the mutual feeling of common interest among the governments and peoples of the Commonwealth."

U.S. May Share Atomic Information: Ottawa, January 2 (CP) -- Canada's capital reacted with guarded pleasure today to official notice that the American Government probably will seek soon to open the way for freer exchange of atomic information with Canada and the United Kingdom.

That move plus another here indicated greater Canadian-U.S. co-operation in the atomic field is emerging in two important respects -- swapping of secret information and sale of atomic materials.

It did not appear to be known here just how far the Americans are prepared to go in releasing more information. But the first crack in a curtain that fell at the time of the famous Fuchs case in London emerged in a Washington press conference during the day.

There Gordon Dean, U.S. Atomic Commission Chairman, said the Commission probably will ask Congress within the next two months to revise the Atomic Energy Act to allow greater freedom in exchanging information and material with Canada and the U.K.

Canada's Role In Middle East: London, January 2 (Reuters) -- Observers expressed belief here tonight that an attempt may be made at the forthcoming Commonwealth Prime Ministers' Conference to encourage Canada to play a part in the Middle East in the event of war.

\$500,000,000 B.C. Aluminum Development: Victoria, January 2 (CP) -- British Columbia started off 1951 with a bang today--an agreement with Aluminum Co. of Canada that will lead eventually to a \$500,000,000 development in the Northern B.C. wilderness.

The Minister of Lands, Mr. E.T. Kenney, signed an agreement giving the company water rights for a vast hydro development in the Tweedsmuir Park area, about 400 miles north of Vancouver.

Union Organizations Seek Controls: Ottawa, January 3 (CP) -- Heads of Canada's four major trade union organizations, will meet here today to plan an unprecedented joint brief to Cabinet on price-rent controls.

Now united in a joint campaign for re-imposition of price controls and retention of rent controls, the four bodies with membership of more than 1,000,000 will go before Cabinet together for the first time in Canadian labour history.

(over)

Return Of Korea Advance Party: Publication of this news in the United States (See Daily for December 29) gave rise to some misunderstanding which was corrected by the following statement issued by the Prime Minister at a press conference on December 29. The text follows for your information:

"There has been an unfortunate misunderstanding with respect to the return of some of the men from Korea to Fort Lewis. Some men from each of the Units of the Special Force went to Korea; some of them were from the Princess Pats and others were from the other Units making up the Special Force. Having completed what they had to do there, they are returning to join their Units and continue their training with their Units at Fort Lewis. That's all. There have been no changes made in the ultimate use of the Special Force. When the others are ready for combat duty, if the proper place to use them is in Korea, that is where they will go. Our first obligation with respect to this Special Force is to make them available to fulfil our obligations under the United Nations Charter. Besides that, if it isn't desirable to have the rest of that force go to Korea, then the Government will have to decide whether or not it will have to be made a part of the integrated European army under General Eisenhower and we will make it possible for Parliament to review this decision if it isn't the proper decision."

Across Canada: Canada yesterday started off the new business year free of emergency import controls for the first time since 1947....A five-man court-martial appeal board was named yesterday to launch the new system of allowing Canadian servicemen to fight court-martial decisions....Prison guards may take training at the University of British Columbia in the planned revamping of B.C.'s prison system, the Canadian Press reports....The worst storm of the winter on the Pacific coast blew itself out up-coast Tuesday after battering northern Vancouver Island with winds that reached 80 miles an hour....A decrease of at least 6½ per cent in government taxation is being sought by the Ontario race tracks from the Provincial Government. Racing in 1950 in Ontario showed a drop of five and one-half million dollars from 1949.

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Vol. 2. No. 3

Thursday, January 4, 1951.

Canada To Increase Air Training Facilities: Ottawa, January 3 (Montreal Gazette) -- Important new steps are being taken to expand Canadian military power and to integrate it with that of Canada's North Atlantic Treaty allies.

This was disclosed tonight by the Minister of National Defence, Mr. Claxton, in a stock-taking survey of Canada's armed forces.

He revealed that:

1. Canada has offered to "increase substantially" the aircrew training facilities which this country has already placed at the disposal of other North Atlantic treaty nations;
2. Canada's "seaward defences" will be completed during 1951, with the operational activities of the Royal Canadian Navy doubled;
3. The 10,000-man Korean Special Service Force, plus the airborne brigade group of the regular army which has been designated for the defence of Canada, will give the Canadian Army a force-in-being "the equivalent of a full-sized division capable of rapid assembly as such if that was desirable";
4. The 69,000-man ceiling placed on the three armed forces "will be increased as desired;"
5. "The time has come when every young man must consider if it is not his duty to serve his country by joining either the reserve or active armed forces;"
6. Conditions of training and service in the reserve units of all three services will be improved;
7. Arrangements have been made for the purchase of modern U.S. equipment for an entire Army division, to replace older divisional equipment shipped to the Netherlands recently;
8. Wartime Canadian equipment sufficient to equip a second division will be offered to North Atlantic Treaty nations shortly, to be replaced in turn by the latest U.S. equipment;
9. Proposals now under consideration by the Canadian Government would commit at one stroke all of the \$300,000,000 appropriated for mutual aid at the special parliamentary session in September. These proposals would include the production of some equipment of exclusively Canadian design accepted as standard by other nations.

Most important of Mr. Claxton's disclosures were those with respect to expanded Canadian training facilities for North Atlantic Treaty nations aircrew, the replacement of Canadian military equipment with the latest and best produced in the United States, and the possibility that the \$300,000,000 mutual aid fund will be exhausted immediately if North Atlantic Treaty nation proposals, designed to bolster Western European defences, are accepted.

The Minister made it clear that the expanded aircrew training facilities would, while becoming much more impressive in size and scope if Canada's offer was accepted, not measure up to the huge wartime Commonwealth air training plan. This might come later.

Plan To Fill Navy Officer Complement: Ottawa, January 3 (AP) -- The Navy tonight announced a new plan to fill gaps in its officer complement.

Naval headquarters said the plan entails entering officers of the Royal Canadian Naval Reserve on three-year appointments in all branches of the Navy.

It explained that recent increases in the Navy's manpower ceiling from 9,600 to 13,440 created a number of vacancies in the officer complement. It was hoped the three-year appointment scheme would fill these as quickly as possible.

(over)

Copyright Fees Hearing: Ottawa, January 3 (CP) -- The Copyright Appeal Board meets tomorrow to hear objections to the proposed 1951 copyright fees of the Composers, Authors and Publishers Association of Canada.

The annual hearing will be in the Exchequer Court, with Mr. Justice J. T. Thorson presiding as chairman of the Appeal Board.

More than a half dozen organizations are expected to appear to object to the fees charged for the use of works in the repertoire of C.A.P.A.C. or associations affiliated with it. The fees are collected from radio stations, dance halls, theatres and other places of entertainment and amusement using musical or non-dramatic works.

Mr. Gardiner On Food For U.K.: Ottawa, January 4 (Montreal Gazette) -- The Minister of Agriculture, Mr. Gardiner, tonight denied persistent stories that the United Kingdom wanted bacon from Canada but couldn't get it.

During the past three years the British Government has told the Canadian Government it didn't want any Canadian cheese. Then, the Minister explained, Canada would urge Britain to take some bacon, and the United Kingdom came back with the suggestion it would take Canada's bacon surplus.

Vancouver Daily Province Fire: Vancouver, January 3 (CP) -- Seventy-five guests fled blindly from the four-storey Parks Hotel today when a three-alarm fire burst from the basement, a newsprint storeroom of the adjoining Vancouver Daily Province on downtown Pender street.

Ten firemen were overcome by smoke.

Across Canada: Solicitor-General Antoine Rivard, said today Quebec Crown authorities will oppose any request for postponement of the execution of J. Albert Guay who is due to be hanged January 12....A drift of farm labour to the cities in the past year is noted in the quarterly labour force survey of the Bureau of Statistics. The trend cut sharply into available farm workers and by November had dropped their number by 84,000 from a year earlier. The farm labour force slipped below the 1,000,000 mark....Size and value of sea fish catches on the Atlantic and Pacific coasts increased sharply in the first 11 months of 1950, the Bureau of Statistics reported today. Landings in the period totalled 1,209,484,000 pounds, valued at \$62,859,000.

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Vol. 2. No. 4

Friday, January 5, 1951.

Mr. St. Laurent In London: London, January 4 (CP) -- The Prime Minister, Mr. St. Laurent, was guest of honor tonight at a dinner given by the Canadian High Commissioner to the United Kingdom, L. Dana Wilgress, and Mrs. Wilgress, at their residence in Grosvenor Square.

Among the guests were French Ambassador René Massigli, Viscount Jowitt, the Lord Chancellor, and the Lord Mayor of London, Denys Lowson.

The function brought to a close a crowded day of activity for the Prime Minister. Earlier, with other Commonwealth Prime Ministers here to attend a conference, he lunched with the King and Queen and other members of the Royal Family at Buckingham Palace.

He also sat in at a Privy Council meeting presided over by His Majesty and later was received in audience by the King.

Arms Standardization Speeded: Ottawa, January 4 (Gazette) -- The Canadian Army is speeding up its changeover from British to U.S. military type equipment.

The trend of world events -- particularly in Korea -- has resulted in a decision that standardization of arms in the Western Hemisphere must be accomplished with a minimum of delay so that its armies will, as far as possible, be using interchangeable arms and equipment.

Traditionally, the Canadian Army has used weapons and equipment of the British pattern, though much of it has been manufactured in Canada. With few exceptions, that is the way that it is armed today.

All military equipment of the familiar British pattern will, effective immediately, be placed on the North Atlantic nations auction block just as rapidly as buyers can be found and suitable replacement equipment can be assured.

Late last year, Canada shipped equipment sufficient for an entire division to The Netherlands. Arrangements have now been made for its replacement by U.S. equipment.

The latter, taken from U.S. Army reserve stocks, has not yet started to reach Canada but will within the next few months.

Canadian Troops On Battle Front: Ottawa, January 4 (CP) -- Canadian troops are expected to join battle with the Communists in Korea within relatively few weeks, possibly this month.

February is marked down here as the month the 2nd Battalion, Princess Patricia's Canadian Light Infantry, is slated to be finally trained and ready.

A combination of circumstances and intense day-and-night training may put the time-table ahead into January.

So far there is no official word here that immediate action is in prospect for the Patricias because of the abandonment of Seoul and the general United Nations withdrawal.

No notice has come through official channels to indicate there is any change in the situation for the battalion--namely that it is continuing its final phase of training in preparation for action.

Anti-Dumping Regulations To Be Reapplied: Ottawa, January 4 (CP) -- Canada is withdrawing special "dumping" concessions on imported motor cars next May, to the keen disappointment of the British motor industry.

A Revenue Department spokesman said today anti-dumping regulations, waived two years ago on imported motor cars, will be reapplied May 31.

It will mean that imported cars, selling at less than what the Government considers is a "fair" price either in Canada or in the home market, will bear additional duty to bring the price up.

(over)

Informed officials said the British motor industry, which has concentrated on the Canadian market to produce more dollars for Britain, is keenly disappointed at the Canadian move.

It could lead to curtailment of the Canadian market for British cars, now flowing into Canada at the rate of about 4,000 or 5,000 a month.

365,000 Vehicles Produced In 1950: Oshawa, Ontario, January 4 (CP) -- Canadian automobile plants produced 365,000 vehicles in 1950, made up of 255,000 passenger cars and 110,000 trucks, and exceeding 1949's output by 73,000 vehicles.

These figures are given in a review of the automobile industry in Canada by William W. Wecker, President of General Motors of Canada Ltd.

The Canadian market absorbed around 400,000 cars and trucks. Some 79,000 units were imported and 31,000 Canadian cars were marked for export.

Pay Rise For Reservists: Ottawa, January 4 (CP) -- Training maximums for reservists in the Navy, Army and Air Force are going to be increased and as a result they'll be able to make more money as citizen servicemen, a defence spokesman said today.

At present, a member of the reserve may draw up to 30 days' pay for headquarters training with his unit, the training time being calculated on the basis that two nights' drill equals a full day at regular Army pay rates.

Gold, U.S. Dollar Holding: The Minister of Finance, Mr. Abbott, announced on January 4 that Canada's official holdings of gold and U.S. dollars were \$1,742 million at December 31, 1950. The comparable figure for September 30, 1950, was \$1,790 million; for October 31, \$1,827 million; and for November 30, \$1,787 million. At the end of 1949 the corresponding figure was \$1,117 million. All these figures are in terms of U.S. dollars.

Across Canada: Grain men said yesterday they look for a difficult situation this spring in the handling of frost-damaged grain from the 1950 crop. August frosts froze more than half the spring wheat crop of 430,000,000 bushels. Other grains were similarly hit. Much damaged grain still is in farm storage....R.C.A.F. officials yesterday rushed plans to free the experimental deicing aircraft "Rockcliffe Ice Wagon" from a frozen bog off the end of an airport runway at North Bay. The big four-engined North Star overshot its landing yesterday, plowed 200 feet through the bog and froze tight during the night when temperatures dropped. None of the R.C.A.F. National Research Council personnel aboard was injured....Canada's birth rate dropped in 1949 to 27.1 per 1,000 population from 27.2 in 1948 and 28.8 in 1947, the Bureau of Statistics reported.

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Vol. 2, No. 5

Monday, January 8, 1951.

The Impending Session Of Parliament: Ottawa, January 7 (CP) -- Though most of the key Ministers are out of the capital, the tempo of behind-the-scenes government activity has stepped up in preparation for perhaps the most important Parliamentary session since the war.

Parliament assembles January 29 and -- once the formality of proroguing last summer's adjourned emergency session is out of the way -- will immediately face a series of pressing problems.

At the head of the list will be defence -- the direct measures to be taken to ensure national safety and the way the defence programme is to be integrated into the national economy.

Financing of the programme will be a major topic of debate, with a sharp boost in taxation inevitable. For some months now, Cabinet Ministers have been preparing the public for the blow with repeated statements that it must get ready for "deprivations" and sacrifices.

With defence expenditures expected to run over \$1,000,000,000, the members are expected to give long and hard scrutiny to the Budget. The Minister of Finance, Mr. Abbott, is planning on bringing it down early in the session.

November Exports Slightly Higher: Ottawa, January 7 (CP) -- Canada's November exports were slightly higher than a year ago as increased shipments to the United States, Latin America and Europe were counter-balanced by decreases to the United Kingdom and other Commonwealth countries, the Bureau of Statistics reported today.

The November shipments were valued at \$292,700,000, compared with \$292,300,000 in November, 1949. This brought the total for the 11 months ended November 30 to \$2,828,500,000, about 4.5 per cent higher than the \$2,707,411,000 in the corresponding period of 1949.

During the 11 months, declines were shown only in January, February and April.

November shipments to the United States were six per cent below the all-time peak reached in October but 12 per cent above the corresponding month of 1949, being valued at \$192,000,000 compared with \$204,400,000 in October and \$171,300,000 in the previous November. Total value for the 11 months rose 36 per cent to \$1,829,478,000 from \$1,343,693,000 for January-November, 1949.

Exports to the United States accounted for 65.6 per cent of total shipments to all countries in November as against 58.6 per cent a year earlier, while the 11-month proportion was 64.6 per cent as compared with 49.6 per cent in the corresponding period of 1949.

Directorate Of Non-Ferrous Metals: Ottawa, January 7 (CP) -- The Government has moved a step closer to control of many strategic materials for its defence programme.

With steel already under allocation, the Department of Trade and Commerce has set up a new directorate of non-ferrous metals, a move seen as possible forerunner to controls on such vital products as nickel and copper.

The new branch, the Department announced Saturday, will be under Frank Hewett, 43, consulting mining engineer of Toronto who was Deputy Associate Metals Controller during the Second World War.

(over)

Officials said his appointment does not mean that immediate controls over non-ferrous metals have been decided upon, though they said the metals squeeze has reached the point where eventual controls must be regarded as almost inevitable.

Such a move undoubtedly would apply further brakes on production for civilian use, which already is being curtailed to some extent by government restrictions on the availability of Canadian-produced steel for amusement construction and similar projects.

Metals affected by new controls would include such products as aluminum, tin, cobalt, lead, zinc and the like.

Stiffer Penalties For Illegal Fishing: Ottawa, January 7 (CP) -- Stiffer penalties for illegal catches in Canada's rich fishing grounds on the east and west coasts, and inland lakes are being considered by the Fisheries Department, it was disclosed tonight.

The Fisheries Department Trade News, a monthly publication, said despite all the protective measures of the Department "there is some evidence of an increase in illegal fishing." The "Department, therefore, is considering the imposition of more severe penalties for these offences."

Easier Entry For Asiatics: Ottawa, January 7 (CP) -- Canada is opening her doors a little wider to Asiatics who want to come and settle here, but she still has them barred against Japanese.

The Minister of Citizenship and Immigration, Mr. Harris, announced Saturday that under a new order-in-council Canada will now allow entry to husbands and unmarried children under 21 of Canadian citizens of Asiatic origin. Up to now only wives and unmarried children under 18 of Canadian Asiatic citizens could come to Canada.

May Review Copyright Charges: Ottawa, January 8 (CP) -- The whole basis of copyright charges against radio stations for use of works in the repertoire of the Composers, Authors and Publishers Association of Canada may be reviewed by the copyright appeal board.

Mr. Justice J.T. Thorson, Chairman of the Board, said Friday the review will be undertaken if an agreement cannot be reached by the CBC, the Canadian Association of Broadcasters and CAPAC.

Across Canada: Possibility of a new mayoralty election in Windsor was forecast after it was learned that certification of the current recount of the disputed December 6 election is in doubt. With 50 of the City's 185 polls still to be recounted, Mayor Thomas R. Brophy's margin over ex-Mayor Arthur J. Reaume has been cut from 38 to seven votes....Gérard Lévesque, lawyer for J. Albert Guay, who is due to be hanged as the convicted mastermind in Quebec's airplane time-bomb case, announced yesterday that a stay of execution has been requested for the 33-year-old jeweller....It was reported by the Canadian Press that the Prime Minister, Mr. St. Laurent, might move into his new Ottawa residence -- future home of all Canada's Prime Ministers -- some time in March.

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Vol. 2, No. 6

Tuesday, January 9, 1951.

Mr. St. Laurent's London Speech: London, January 8 (CP) -- The main struggle in the world today is between "the new Communist imperialism, directed from Moscow, and the forces of freedom and civilization both in the East and in the West," the Prime Minister, Mr. St. Laurent, said tonight.

"It is not a struggle between East and West, but between liberty and tyranny," he told the audience at a dinner given by the Canada Club. "It is as much a part of Communist aims to weaken and divide the independent nations of Asia as it is to weaken and divide the Western Powers."

"That is why," he told the gathering, "all members of the Commonwealth, Western and Asian, share a common peril, and in meeting it rely upon ideals which are common to us all."

Among more than 500 guests were other Commonwealth Prime Ministers in London to confer on problems of Empire concern, members of the British Cabinet, and prominent personalities from all ranks of life. Two former Canadian Governors-General -- the Earl of Athlone and Lord Bessborough -- were among the guests.

First Civil Defence School: Ottawa, January 8 (CP) -- Canada's first civilian defence school opens late this month, the forerunner in a series of steps to prepare the country's civilian population for any emergency.

Maj.-Gen. F.F. Worthington, Civil Defence Co-ordinator, said today the school will be opened January 29 in the armories at Hull, across the Ottawa River from the Capital. It will be in the form of a central staff college for the training of key civil defence planners from all parts of Canada.

Later, federal schools for the training of instructors will be opened in other parts of the country. These men in turn will teach civil defence, from rescue work to how to deal with gas and atom bomb and other forms of attack, to civil defence workers in their home centres.

New Wireless Set Canadian Invention: Ottawa, January 8 (CP) -- A secret portable, short-range army wireless set is expected to become the first exclusively Canadian contribution of military equipment to joint Western European defence.

It has been designed and developed in Canada and is under test now. The equipment Canada has already sent to Europe is British-type equipment out of stocks left over from the Second World War.

The set's details still are on the secret list but it is believed to avoid one famous weakness of its predecessors in front line company and platoon use, a long, skinny aerial sprouting skyward as an invitation to enemy fire.

The set was developed by army signals experts and is expected to be produced in this country. Ottawa has high hopes that it will be accepted as standard by the other nations of the North Atlantic Treaty Organization.

"Pats" May Be Assigned Defensive Post: Ottawa, January 8 (CP) -- Defence authorities said today it is not impossible that Canada's Korean battalion has been moved or assigned to a defensive position in the old Pusan perimeter on the supposition that fighting will reach there fairly soon.

(over)

But they said this is only guess-work on their part, based on apparent circumstances and past military conduct. No word has reached here through official channels to indicate anything other than that the 2nd Battalion of the Princess Patricia's Canadian Light Infantry is continuing its training at Miryang.

Dollar Sterling Trade Advisory Council: London, January 8 (CP) -- Two organizations which have worked since 1949 to promote Anglo-Canadian trade are being merged into an enlarged new office, it was announced today.

It will be called the Dollar-Sterling Trade Advisory Council and will absorb the functions of Canada's Dollar-Sterling Trade Board, created in October, 1949, and its older British equivalent, the Dollar Exports Board.

James S. Duncan of Toronto will be Chairman and G.H. Ward, Secretary of the Canadian Chamber of Commerce in Great Britain, will be Secretary. The Council will also take under its umbrella the Toronto office of the Federation of British Industries, which will be expanded into a trade-promotional centre similar to that established in New York last September.

C.M.A. Submissions: Toronto, January 8 (CP) -- The best remedy for rising prices, the Canadian Manufacturers' Association states in a letter to the Prime Minister, Mr. St. Laurent, is the production of more raw materials and goods.

The letter, over the signature of W.F. Holding, President, states that 6,400 members of the association stand ready to pay their full share of the cost of the new defence programme.

At the same time it submits that the taxation policy adopted should be so designed as "to put a premium and not a brake on maximum production of all kinds; and to curb, instead of adding to, current inflation."

Across Canada: The "vanishing" Winnipeg goldeye is coming back into Manitoba waters, the Manitoba Government Fisheries Branch has announced....Arthur J. Reaume, at the end of a recount which paralleled election night for excitement, was sworn in late yesterday as Mayor of Windsor for his sixth successive two-year term. Three judges who conducted the four-day recount certified that Reaume had been elected over Thomas R. Brophy by 16 votes....A group of 35 white-clothed "Children of Light," in seclusion for 14 days at Keremeos, 200 miles east of Vancouver, expects to be selected as the flesh and body for God on his return to earth, which they have scheduled for Tuesday, it is reported this morning from Vancouver.

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Vol. 2, No. 7

Wednesday, January 10, 1951.

Forecasts Tripled Flow Of Arms In 1951: Ottawa, January 9 (CP) -- Canada's government arsenals, slowly gathering steam, produced \$10,800,000 worth of armament in 1950 and likely will produce "three or five times" that amount in 1951, Maj.-Gen. John H. MacQueen said today.

The President of Canadian Arsenals Limited, a \$90,000,000 Crown organization spreading into two Provinces, added that the plants' labour force in Ontario and Quebec now totals 3,600 and likely will be doubled by the end of the year.

Heaviest concentration in 1951 production, he predicted in an interview, will be in development of radar and the 155-millimetre gun, a United States artillery piece.

He anticipated, too, that soon a multi-million-dollar retooling programme will be approved to reanimate plants now functioning in low gear and that more millions will be set aside for resumption of giant armament production in Canada.

The retooling programme and the production plan, which would extend over a period of several years, may be approved within the next few months, Gen. MacQueen said.

Coupled with these moves is one to expand electronics production facilities with the building of a new \$2,000,000 plant in Toronto. This development still is in initial stages.

Wartime Controls Planning: Ottawa, January 9 (CP) -- The old concept of a federal prices board, to deal with wartime controls is just about washed up.

Officials disclosed today that in the event of a third world war, government planning covers blueprints for a new department to replace the Wartime Prices and Trade Board.

The new department, if and when it is established, will be under ministerial control and directly responsible to Parliament.

Selection of the kind of men the Government would like to see in charge of various segments of the department now is being made on paper. It is not expected that all of them will be available and therefore the selection planning is undergoing constant revision, the officials said.

This will mean that the Prices Board, which terminates May 1, will not be reorganized or renewed in the event of war, although some of the key personnel in the prices organization may be asked to work in the new department.

Quebec Planning Rent Control: Quebec, January 9 (CP) -- Premier Duplessis announced today that the Quebec Government plans a rent control system to replace federal controls due to be abandoned in April.

The Quebec Government leader made the announcement to a delegation representing the Quebec Labour Federation (TLC) which appeared before the provincial Cabinet with a memorandum on recommendations on behalf of its 75,000 members.

The Premier said planned provincial regulations would be designed to protect the interests of every one and meet their legitimate aims.

"We want to prevent tenants from being exploited and at the same time protect the rights of proprietors," he said.

(over)

Rail Running Trades Seek Pay Rise: Montreal, January 10 (CP) -- Canadian Pacific Railway officials and the negotiating committee of three railway brotherhoods of the "running trades" will meet here today to discuss a union request for a 30-cent hourly wage boost and improved working conditions.

Mr. Diefenbaker On Policy Toward Asia: Ottawa, January 9 (Gazette) -- Warning that Asia held the key to a third world war, John Diefenbaker, a leading Opposition member of Parliament, said tonight that the "cheapest insurance" which Canadians could secure against the engulfing of that continent by Communism would be to contribute \$50,000,000-a-year to raise Asiatic living standards.

He warned, however, that "no one excepting apologists for the Government can deny that our armed forces are shockingly weak" and that the huge spending programme in Asia under the Colombo plan would have to be coupled with a tremendously expanded preparedness effort.

Senator Isnor's Senate Election Plan: Halifax, January 9 (CP) -- Gordon B. Isnor, who spent 15 years in the House of Commons before he was appointed to the Senate last May, today suggested that all future vacancies in the Senate be filled by election in the Provinces where the vacancies occur.

Communist Booklets Seized: Montreal, January 9 (CP) -- In a series of surprise raids aimed at smashing the propaganda machine of the Labour-Progressive party here, police in the last 24 hours seized 16,000 communist books, leaflets and circulars. Montreal and Quebec Provincial police combined in the raids.

Across Canada: Thomas R. Brophey, knocked out of the Windsor mayor's chair, by a recount of the December 6 election ballots, charged yesterday that another defeated candidate, "posed as a reform candidate" and "tricked" 2,500 Windsorites out of their ballots....Cost-of-living indexes for seven of eight regional Canadian cities went up during November, the Bureau of Statistics reported....A second petition for a stay of execution for J. Albert Guay, sentenced to be hanged Friday as the mastermind behind the time-bombing of an airliner will be made today....Royal Canadian Mounted Police, armed with a warrant charging manslaughter, yesterday arrested Alfred John Arthur Atherton, the young telegrapher who handled a despatcher's order to the troop train that ran head-on into a passenger train in the Rocky Mountains.

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Vol. 2, No. 8

Thursday, January 11, 1951.

Mr. St. Laurent's London Broadcast: London, January 10 (Reuters) -- The Prime Minister, Mr. St. Laurent, said tonight he believed the Russian people want peace -- but their leaders seek world domination.

"We have not lost hope of preventing a third world war," he said in a BBC broadcast. "The prevention of war is certainly the first concern of free peoples.

"I believe the people themselves in every country want peace, and I am sure that if the people of the Soviet Union had access to the truth and a voice in their own affairs there would be peace.

"But that is not the situation, and we do not dare ignore the fact that that great country is armed to the teeth; and that the policies of the Soviet Government leave no doubt that the real aim of its rulers is the dominion of the world by force or fear of force."

Mr. St. Laurent, in London to take part in the present Commonwealth talks on world affairs, said no country "is going to start a war without feeling it has a good prospect of winning it."

That was why, he added, North Atlantic pact countries must build up their military resources "to prevent a world war by removing the prospect of successful aggression."

No responsible person, he said, wanted to see the war in Korea "develop into a sort of undeclared war between the United Nations and the Chinese people."

Such a war would benefit "no one on our side," and "might give a great relative advantage in world power to the Soviet Union if that country is able to avoid being directly embroiled in it."

Though armed strength was necessary in the present world crisis, there would "never be stable and enduring peace in the world until we can achieve among all nations something of the mutual respect and understanding we are striving to maintain within the Commonwealth," he said.

"I believe the greatest service of the Commonwealth today is that it points the way to the ultimate goal in which peace and brotherhood, the genuine desire to live and let live, will be the ideals of men and nations everywhere."

Strengthening Coastal Defences: Ottawa, January 10 (CP) -- The Department of National Defence is aiming to complete the complex shield of defences around Canada's main coastal harbours this year.

The work has been proceeding swiftly and in secret at such places as Halifax, St. John's, Nfld.; Sydney, N.S.; Vancouver, Victoria and probably Prince Rupert, B.C.

The drive to whip what the navy calls seaward defences into shape has taken on a note of urgency ever since the Korean War broke out and involves all three forces, but primarily the navy.

They are designed to beat off any enemy attacks, either by submarines or surface craft, by a combination of devices, including vast underwater nets, a system of gates, mines and other equipment, as well as guns and, in some cases, aircraft.

(over)

Toronto, Chicago, N.Y. To Toronto -- 4 Hours, 22 Minutes: Toronto, January 11 (CP) -- The Canadian-built Avro jetliner, only jet-powered commercial transport in North America, arrived back late yesterday after completing a record-breaking, 1,570-mile triangular flight--with stops at Chicago and New York--in four hours and 22 minutes.

Officials of the A.V. Roe (Canada) Limited said the flying time of regular airliners over the same route is seven hours and 20 minutes.

The big plane reached a ground speed of 520 miles an hour on the flight from Chicago to New York. It averaged 360 miles an hour for the 1,570 miles.

On the Chicago-New York flight it set two records for transports in the United States: An altitude record of 36,000 feet and a rate-of-climb performance by climbing to 30,000 feet in $22\frac{1}{2}$ minutes. The jetliner has flown as high as 39,000 feet in Canada.

Officials said the plane flew the 360 miles from New York to Toronto-- a two-hour flight for regular passenger planes--in one hour and nine minutes.

Canada's Population Reaches 14,000,000: Ottawa, January 10 (CP) -- Canada's population has hit the 14,000,000 mark, nearly double the figure at the start of the First World War.

Government officials confirmed today that the figure has been reached, virtually coinciding with the halfway mark of what Sir Wilfrid Laurier called "Canada's century."

The figure compares with these others:

The 7,200,000 people in Canada in the 1911 census, last before the First World War.

The 11,500,000--2,500,000 less than now--Canada had in the 1941 census, after the start of the Second World War.

The figure of 15,000,000 Canadians by 1990, of 14,600,000 by 1971 was predicted by the Bureau of Statistics in 1946.

R.A.F. Trainees Due Saturday: Ottawa, January 10 (CP) -- Ten years ago--on April 29, 1940--a group of young Britons reached No. 1 Initial Training School at Toronto and the Commonwealth Air Training Plan was on its way.

On Saturday, a group of young Britons will arrive at Montreal as the first batch of R.A.F. members slated to train in Canada's far smaller peacetime version of that plan.

There will be 28 of them stepping out of an R.A.F. Hastings transport plane at Dorval Airport, the first of at least 200 R.A.F. fledglings slated to come to Canada this year to learn how to fly and navigate planes.

Mr. E.W.T. Gill's Appointment: London, January 10 (CP) -- E.W.T. Gill, of Ottawa, Counsellor at the office of the Canadian High Commissioner in London, tonight was named to the new Atlantic Pact Defence Production Board. Plans are under way to call the first meeting of the group tomorrow.

Flow Of U.S. Capital Reduced: Ottawa, January 11 (CP) -- Freeing of the dollar apparently put a crimp in the unprecedented movement of United States capital into Canada. That's just what the Government wanted.

The Bureau of Statistics yesterday reported that the capital movement was sharply reduced in October, after achieving unparalleled heights in August and September.

Across Canada: Canada's first combination steel mill is being installed at Algoma Steel Corporation, Sault Ste. Marie, Ontario. Value of the mill is said to be about \$10,000,000....Kenneth Harris, Canada's steel administrator, said yesterday there is little chance of more steel being made available for new civilian production until the whole steel situation in Canada is reviewed....Without fanfare, 62 Canadian youths from 16 to 23 years of age began a 40-week flying training period at Gimli, Manitoba, this week as part of the North Atlantic Pact defence organization....

File

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INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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Vol. 2, No. 9

Friday, January 12, 1951.

Parliamentary Preview: Ottawa, January 11 (CP) -- Cabinet preparations for a stormy Parliamentary session dominated by defence issues will move into high gear Monday with the return of the Prime Minister, Mr. St. Laurent, and other key members of the Government.

Mr. St. Laurent's return from the Commonwealth Prime Ministers' Conference in London and from a visit to Paris will coincide with the arrivals of the Minister of Trade and Commerce, Mr. Howe, and the Secretary of State for External Affairs, Mr. Pearson.

Two days later, Progressive Conservative Leader George Drew is due back from New York to begin his own preparations for a new session now little more than two weeks off. It starts January 30.

The opening rounds have already been fired in what is bound to be the session's leading issue -- Canadian and joint Western defence and the manpower problems associated with it.

Senior spokesmen for both the Liberal and Progressive Conservative parties have said this week that Canada must boost her forces, but neither party shows any signs of touching the political dynamite inherent in the conscription issue.

That issue, however, in one form or other, is bound to hover over the session....

Conference Of Defence Associations: Ottawa, January 11 (Montreal Gazette) -- The conference of defence associations met behind closed doors here today to open discussions which are expected to influence the future course of Canadian defence policy.

Attended by men who held key military positions during the last war and who will be called into service again in the event of another emergency, the session will carry on in the Chateau Laurier until Saturday afternoon.

One of the results of the meetings may be that the Government will receive a new demand for the implementation of a National selective policy to provide a much larger reservoir of trained manpower for the three armed services than now exists.

There is no question whatever that Canada's military manpower problem will be discussed. There appears to be an excellent possibility that the discussions will lead to the passage of a resolution--and resolutions from the conference of defence associations are not regarded lightly by the Department of National Defence.

The conference will also study another military problem which has been under Cabinet consideration--that of employing women in the services both in peacetime and in time of war.

It is understood that the Government will furnish the conference with the frankest outline of Canada's present military position that has been made available outside Government circles since the invasion of Korea.

Millions For Steel Expansion: Ottawa, January 11 (CP) -- Millions of dollars are being poured into the vital job of expanding Canada's steel-making facilities. This move, however, likely will bring only the tiniest increase in steel production this year.

The reason is that it takes months to expand, to instal new furnaces and get them stoked up to the point where they can materially add to Canada's fight to defeat a crucial shortage in steel.

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Meanwhile, the squeeze on civilian production of goods has begun. Plans for the construction of new bridges, new truck trailers and other items needed in an expanding economy, are being held up by the shortage.

Some existing firms already have been forced to close their doors. Others are being threatened by diminished supplies. Hundreds of Canadians have been thrown out of work.

Mr. St. Laurent To Paris: Paris, January 11 (Reuters) -- The Prime Minister, Mr. St. Laurent, will arrive here Saturday for a 36-hour visit, during which he will meet President Vincent Auriol, Premier René Pleven and Foreign Minister Robert Schuman.

The Canadian Prime Minister will come by air from the London Conference of Commonwealth Prime Ministers. On Sunday he will attend Mass at Notre Dame Cathedral here.

Those accompanying the Prime Minister include: Norman Robertson, Clerk of the Canadian Privy Council, Jack Pickersgill, Mr. St. Laurent's Chief Adviser, Renault St. Laurent, his elder son, and Mathieu Samson, his son-in-law.

To Act Against Hoarding: Ottawa, January 11 (CP) -- The Government is prepared to move in on hoarders of strategic materials, but it won't operate through any specific anti-hoarding legislation.

Officials said today the means of hitting out at hoarders will be through the powers vested in the Minister of Trade and Commerce, Mr. Howe, under the Essential Materials Act.

This legislation, passed at the last session of Parliament, gives Mr. Howe extensive power to control prices and allocations of any materials needed in Canada's expanding defence effort.

Officials added that it will be used against speculators if they are found to be gathering huge stocks of scarce materials for the purpose of gaining big profits.

Butter Production Down 19,000,000 Pounds: Ottawa, January 11 (CP) -- Canada's creamery butter production dropped by almost 17,000,000 pounds last year while the output of margarine increased more than 20,000,000 pounds, the Bureau of Statistics reported today. Production of the butter substitute amounted to 94,032,000 pounds, compared with 73,958,000 pounds in 1949.

Across Canada: Purchase of Alberta's historic Government House by the federal Government for \$350,000 has been announced. The Government will use the big grey stone mansion for a military convalescent home....Premier Duplessis announced last night he has authorized Montreal City Council to permit construction of a CBC television transmitter atop Mount Royal. The Premier placed one condition on the permit. He said there should be "no monopoly."....The Children of Light began to break camp late yesterday after waiting vainly for 17 days for the world's end or at least a "message from God." Several children and a few adults among the 35-member religious cult quit the shuttered stone cottage on the outskirts of this interior British Columbia town as summonses were about to be served on the parents....Justice was meted out early today to J. Albert Guay, master-mind of one of the most odious crimes in Canadian criminal annals. The little Quebec jeweller walked to the gallows at Montreal Jail at Bordeaux shortly after midnight, for the murder of his wife, Rita, who died along with 22 other persons in the time-bombing of an airliner at Sault au Cochon, Quebec, September 9, 1949.

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Vol. 2, No. 10

Monday, January 15, 1951.

Canada, France In Accord On World Issues: Paris, January 14 (CP) -- The Prime Minister, Mr. St. Laurent, left tonight for home after two-days conversations with top French officials. He came to Paris after attending the British Commonwealth Conference in London.

Mr. St. Laurent and French Government members confirmed a "fundamental identity of views on major international problems" the French Foreign Ministry announced.

Premier René Pleven saw the Canadian leader off at the airport. He said Mr. St. Laurent had assured him that Canada would not object to France taking part in any negotiations with Communist China in case Peiping accepts United Nations terms for discussing a cease-fire order in Korea.

A Commonwealth conference resolution on the subject had not specifically mentioned France one of the negotiating countries.

Mr. St. Laurent's talks with Government officials "showed a common desire to maintain peace and to defend the free nations of the world, as well as to settle the Korean problem and to apply the terms of the Atlantic Pact," the statement said.

It added that Canada and France wish to develop good relations still further and to profit to the full extent from a Franco-Canadian consultative committee meeting at Ottawa later this year.

At a press conference Saturday, Mr. St. Laurent said Canada is pinning her hopes for world peace on a proposed conference of the Big Powers to talk about the Far East.

The Canadian leader said that "we hope that such a conference would proceed to the settling of all matters arising out of the Far Eastern conflict."

Conference Of Defence Associations: Ottawa, January 14 (Montreal Gazette) -- For the second time within three days, an influential organization of ex-servicemen has opened fire on the federal Government for inadequate defence preparations and has called bluntly for "an enforceable and enforced system of selective service" for the Canadian Reserve Army.

The demand was aimed at the Minister of National Defence, Mr. Claxton, who has opposed such proposals in the past and who, as recently as Friday night, replied to a similar demand from the Canadian Legion that "the question of compulsory training for Canada's reserve forces is...a matter for the Government and for Parliament."

The new pressure came from the Conference of Defence Associations which released a three-page statement of its position with regard to selective service only after having heard confidential outlines of Canada's defence position from Mr. Claxton himself, from Lt.-Gen. Charles Foulkes, Chief of General Staff, and Air Vice Marshal F.R. Miller.

The Conference -- consisting of former Army officers in 12 military associations--renewed in sharp and critical language a demand it has been making annually since the war.

A resolution adopted unanimously at the annual meeting said it is "vital to the security of Canada that the Government introduce immediately a policy of selective service in the Reserve (Army) Force."

This, it declared in a statement presented to the Minister of National Defence, would involve a national registration system and an enforced system of selecting men for training.

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The statement declared that a selective service policy for the Reserve Army was essential "if it is not to be Canadian policy to lean on our Allies in the initial stages of a war--and we are satisfied that the national pride of our people will tolerate no such situation..."

It also noted that every member-nation of the North Atlantic Pact had adopted some form of compulsory military service--"with the sole exceptions of Canada and Iceland."

Expect National Income Record: Ottawa, January 15 (CP) -- Government economists predict belt-tightening for Canada this year, even though this rapidly-expanding country is expected to produce a record-smashing \$20,000,000,000 in goods and services.

They estimate that the gross national product, sum total of everything Canada produces, will zoom ahead by about \$2,500,000,000 over the previous high of \$17,500,000,000 in 1950.

Canada's national income, they added, likely will run to a peak of \$15,400,000,000, an increase of about \$1,400,000,000 over the 1950 record of \$14,000,000,000.

Normally, all this rapid expansion of production would lead to an increase in the standard of living, through bigger sales, greater availability of goods and higher incomes.

This year, however, with Soviet-backed communist aggression facing the free world, the prospect of increased living standards has grown dark, the economists say.

A looming record peacetime defence budget, linked with tax boosts and price inflation, is expected to devour most of the \$2,500,000,000 increase in total production.

Report Third Battalion, Royal 22nd, At Fort Lewis: Quebec, January 15 (CP) -- L'Evenement-Journal said in a front page story today it had learned from a "reliable source" that the Third Battalion, Royal 22nd Regiment, now is in training at Fort Lewis, Wash.

It joined the regiment's Second Battalion as part of Canada's Special Service Force.

The newspaper said the battalion, commanded by Lt.-Col. Henri Tellier, moved from nearby Valcartier Army Camp to Fort Lewis in small groups. The last group left last week.

UN Association Of Canada Resolution: Ottawa, January 14 (CP) -- The United Nations Association of Canada in a resolution endorsed at a Saturday meeting urged that Canada should not hesitate to act against aggression when the U.N. determines aggression has taken place.

In a three-point resolution endorsed by the national executive committee the U.N. Association urged that Canada recognize that freedom anywhere in the world "is not expendable"; that Canada should act against aggression, and that she should be "prepared through every possible channel" to implement the principles of collective security which form the basis of the U.N. Charter.

Across Canada: A full-scale winter offensive, largest ever attempted in Northern Manitoba, is on against the marauding timber wolf. He faces a siege of poison baits carefully tested last winter and found most effective of the weapons tried. Under observation are 170,000 square miles of bush country and lakes, three-quarters of it covered by the 1,800 registered trap lines of the north, the Canadian Press reports from The Pas....An important section of the 60th parallel of latitude designated by Act of Parliament as the northern boundary of British Columbia and Alberta will be surveyed and marked out on the ground by a Geodetic Survey party leaving Ottawa on Saturday January 13. The need for this precise survey and accurate ground markings has arisen from the intensified exploration in northern areas, and the demand for mineral and oil leases....Arthur L. Smith, Progressive Conservative member of Parliament for Calgary West, has announced he will tender his resignation shortly after the House of Commons convenes January 29. He said that his physicians advised him not to continue his Parliamentary duties.



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Vol. 2, No. 11

Tuesday, January 16, 1951.

The Prime Minister Returns: Ottawa, January 15 (CP) -- The Prime Minister, Mr. St. Laurent, harried by engine trouble, left tonight in a Trans-Canada Air Lines North Star aircraft from Iceland for Canada.

An R.C.A.F. spokesman said the Prime Minister is expected to arrive at Montreal Airport about 7.10 a.m., EST, tomorrow. He will be picked up there by an R.C.A.F. Dakota aircraft and brought to the capital, arriving about 8.30 a.m.

The Air Force spokesman said no further details were available. It was not known here whether the T.C.A. plane was on a regular flight from the Continent.

The Prime Minister, returning from Commonwealth Prime Minister talks at London, was forced to land at Keflavik Airport -- about 25 miles northwest of the Icelandic capital of Reykjavik -- early this morning when trouble developed in the No. 3 engine carburetor of a giant R.C.A.F. C-5 transport plane.

New Toronto Radar Plant Heralded: Ottawa, January 15 (CP) -- A new \$2,500,000 Government plant may soon be erected in the Toronto area and geared to the production of \$45,000,000 worth of radar equipment for West Europe's defences.

This was disclosed by informed quarters today as Canada continued to study what contributions she will make in men and materials to the common defence of North Atlantic nations against the threat of Communist aggression.

The radar project will form part of the Government's \$300,000,000 programme to feed, without charge, Canadian-made armament and other defence equipment into West Europe's continental armies.

Delay Freight-Rate Inquiry: Ottawa, January 15 (CP) -- Eight provincial Governments today won their fight for a delay in the Board of Transport Commissioners general freight-rate inquiry.

The Board deferred public hearings in its investigation -- due to start today -- until March 5 after the eight Governments had called for postponement and three had threatened to boycott the proceedings of the Board if it went on now.

The deferment was sought by the Provinces -- all except Ontario and Quebec -- because the same question of equalization of freight rates as between various areas of Canada is currently under consideration by the Royal Commission on Transportation, due to report to the Cabinet early in the year.

Mr. Measures' Appointment: The Department of External Affairs and the Department of the Secretary of State made the following announcement on January 14:

Mr. W.H. Measures, for some years Head of the Protocol Division of the Department of External Affairs, has been appointed to head a special division of the Department of the Secretary of State having to do with state ceremonies, precedence and related matters.

This appointment will permit of the close co-ordination, under the Secretary of State, of a number of functions for which responsibility has hitherto been shared with other Departments of Government.

(over)

Mr. H.F. Feaver, previously Head of the Commonwealth Division of the Department of External Affairs, will succeed Mr. Measures as Head of the Protocol Division of that Department.

Mr. A.J. Pick, of the Legal Division of the Department of External Affairs, will succeed Mr. Feaver as Head of the Commonwealth Division.

Bar Communists From Canada: Ottawa, January 15 (CP) -- The Immigration Department said today it has refused a British Communist permission to enter Canada and will turn back all other Communists who seek to enter this country.

The man turned down was John Ross Campbell, a member of the British Communist Party, who was invited to attend the national convention of the Labour-Progressive Party in Canada in Toronto, January 25-28.

Lower R.C.A.F. Entry Standards: Ottawa, January 15 (CP) -- Defence Headquarters sought a way out of one of its most serious bottlenecks today by lowering and widening entry standards for Air Force ground crew.

The action came on the heels of two important calls for compulsory service in the reserve forces and served as an indication of increasing government efforts to make the voluntary recruiting system work.

Although the question of manpower and, within it, possibly of compulsory service, is bound to be a dominant one at Parliament's nearing session, there is no sign the Cabinet will change its opposition to conscription.

Mr. Rhys M. Sale's Address: Toronto, January 15 (CP) -- Rhys M. Sale, President of the Ford Motor Company of Canada Limited, today called for a greatly-expanded Canadian defence effort and for a crack-down on Communists.

"We have the wherewithal for a defence effort 10 times greater than the puny programme now in effect without seriously crippling the nation's ability to provide a decent standard of living," he said in an address to the Canadian Club. "We may have to go without some of the luxuries we enjoy today, but we can afford to do without them if the security of our homes, families and institutions is at stake.

"The price of national security, however high it may be, is worth paying. The price of insecurity might be slavery."

He said Canada has the soundest economy of any nation.

Two Ships Missing In North Atlantic: Halifax, January 15 (CP) -- The grip of winter was felt today by two ships, missing in the North Atlantic.

Military aircraft from the United States and Canada swept wide over the ocean off Newfoundland to search for a Gloucester, Mass., trawler that reported itself sinking yesterday.

At the same time, a Portuguese freighter reported it is in need of immediate aid.

British Columbia Hurricane: Victoria, B.C., January 15 (CP) -- A ferocious hurricane slugged Victoria and southern Vancouver Island today, leaving the British Columbia capital groggy. Damage was estimated in thousands of dollars.

Across Canada: The Canadian destroyer Sioux is en route home loaded with messages after cheering her replacement, the Nootka, into United Nations service in Korea....Archbishop Alexandre Vachon of Ottawa told a Sunday gathering that Roman Catholics in Ontario are more united than ever and will strongly oppose any move to lower the status of separate schools in the Province....Lord Tweedsmuir, son of the former Governor-General, came to Ottawa yesterday for the first time in a decade and said with emotion, "It's just like coming home"...General Mark Wayne Clark, Chief of the U.S. Army Field Forces, will pay an official visit to Ottawa and Kingston next week, arriving Monday afternoon.

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Vol. 2, No. 12

Wednesday, January 17, 1951.

The Prime Minister Reasonably Optimistic: Ottawa, January 16 (CP) -- The Prime Minister, Mr. St. Laurent, told a press conference tonight that he thinks that if East and West "get started in the right direction we will go a long way."

No one, he said, could do "anything but hope" about the attitude behind the Iron Curtain.

But, on the Korea cease-fire issue, the West had put forward its view "in such a way that one would have to be quite unreasonable to reject it offhand."

"I think that if we get started in the right direction we will go a long way," he continued.

Mr. St. Laurent, who arrived back this morning from the London Conference of Commonwealth Prime Ministers and a visit to France, said he had drawn some comfort over the world situation from the trip.

It might be a bit of an over-statement to say that there was improvement in the situation, he told reporters at a press conference in his office in the East Block.

"But," he added, "there was some comfort to me in the unanimity of all with whom I came in contact at the conference, in Paris and elsewhere."

"I don't know if that is improvement. Probably it existed before. But it's confirmation to me."

Discussing the possibility of a cease-fire in Korea, Mr. St. Laurent quoted an old French proverb: "C'est le premier pas qui coute." (The first step is the hardest.)

He was asked if he thought there was an appreciable gap between the views of the United States and those at the London Conference over the Korean issue.

"I don't think so, really," he replied. "The Commonwealth officials may be a little more optimistic than what is reflected in some United States papers, but I do not think there is a substantial difference."

As to some criticism that the cease-fire request of the United Nations' cease-fire committee displayed too soft an attitude towards Red China, Mr. St. Laurent said it was not always wise to express one's real feelings to those with whom negotiations were starting.

"I don't think any of us want to sell our souls to Soviet Russia or Red China," he observed.

Fighter Squadron To England: Chatham, N.B., January 16 (CP) -- The first airlift of Canada's famous No. 421 Red Indian Fighter Squadron streaked into a clear sky today on the first leg of a history-making flight to complete training in England.

It will be the first time for an R.C.A.F. squadron to train outside this country in peacetime, and when the airlift is completed No. 421 will have been the first squadron to leave Canada since the end of the Second World War.

Today's departure of the airmen on a North Star transport will be followed, possibly tomorrow, by a second group. Further airlifts are scheduled for January 22 and January 28.

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Mr. Howe To Washington: Ottawa, January 16 (CP) -- Refreshed from a 10-day holiday in Mexico, the Minister of Trade and Commerce, Mr. Howe, is preparing to fly to Washington to discuss general trade and economic developments between Canada and the United States.

He is expected to leave here Thursday and likely will return to Ottawa either Friday or Saturday.

During his Washington visit he will hold talks with Charles Wilson, in charge of the United States' general industrial mobilization effort.

"Pats" In Attack Drill: Miryang, Korea, January 16 (CP) -- A company of the 2nd Battalion, Princess Patricia's Canadian Light Infantry, rehearsed an attack drill today and for the first time since arriving in this war-torn peninsula December 19 was "married up" with its supporting weapons -- mortars and medium machine-guns.

Lord Tweedsmuir's Address: Ottawa, January 16 (CP) -- A British Lord who was wounded as a Canadian soldier in Sicily said today the democracies are in a race against time and if they lose it will be primarily their own fault.

Lord Tweedsmuir, 39-year-old son of the former Governor-General, told Ottawa's Canadian Club the West "must awake to its danger" and must avoid five major illusions which could give Russia the world conquest she is after.

Mr. Claxton On Maritime Tour: Ottawa, January 16 (CP) -- The Minister of National Defence, Mr. Claxton, leaves tomorrow on a four-day tour of military establishments in the Maritimes.

Accompanied by Brig. H.L. Cameron, Defence Secretary, Mr. Claxton, will take off from Rockcliffe Airport in an R.C.A.F. plane for Halifax where he will speak to a gathering of active and reserve force officers tomorrow night.

Food A Factor In World Peace: Montreal, January 17 (Gazette) -- Improvement of the world's food conditions is "a prerequisite for the peace and well-being of the world," Dr. G.H.S. Barton, C.M.G., Special Assistant to the Minister of Agriculture, told the eastern section of the Canadian Feed Manufacturers Association yesterday.

A former Deputy Minister of agriculture and now senior Canadian representative in the United Nations' Food and Agriculture Organization, Dr. Barton was guest speaker at a luncheon meeting in the Mount Royal Hotel.

Ontario To Grade Tourist Resorts: Toronto, January 16 (CP) -- Travel Minister Cecile said today Ontario plans to grade all tourist resorts according to quality of food and service. The programme will be started this year.

He told the tourist resort section of the Ontario Hotel Association at its 26th annual convention that grading will help visitors judge resorts at which they wish to stay.

Across Canada: The cash Canadian farmers received for their products in 1950 slipped from the levels reached in 1949 and 1948, the Bureau of Statistics reported today. The sharpest declines were felt on the Prairies. In a preliminary report, the Bureau estimated 1950 cash income from the sale of farm products at \$2,170,000,000, down 12 per cent from \$2,457,000,000 in 1949 and \$2,459,000,000 in 1948....The nine-member CBC Board of Governors has recommended approval of licences for five new radio broadcasting stations. Two of the stations, one in Saskatoon, Sask., and the other in Gravelbourg, Sask., will broadcast exclusively in the French language....The Saskatchewan Government has served notice it will "attempt to force the private (fur) dealers to bring prices up"....The Minister of Justice, Mr. Garson, said yesterday that there has been a steady growth in co-operation between Canada's provincial and federal governments.... Laurier House, the Ottawa home of Sir Wilfrid Laurier and W.L. Mackenzie King, is expected to be opened to the public as a national historic site late this summer....A 4,500,000-pound shipment of New Zealand butter -- first since 1948 -- will arrive next month to help Canada round the corner of a possible butter shortage.

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Vol. 2, No. 13

Thursday, January 18, 1951.

Mr. Pearson On Chinese Counter-Proposals: Ottawa, January 17 (CP) -- Chinese Communist counter-proposals for settlement of the Korean War were termed unacceptable today by the Secretary of State for External Affairs, Mr. Pearson.

He said the counter-proposals, as reported in the press, "must be considered as amounting to a rejection" of the United Nations proposal for a Korean cease-fire.

He added:

"It would appear that the Peiping Government has attached conditions that would not be acceptable.

"Apparently, they have insisted that before there can be a cease-fire, negotiations must begin. That would be directly contrary to the principle the United Nations has been operating on all along."

The Cabinet held a brief meeting today, but the Peiping reports began to roll over news service wires too late to come before the Council's attention.

The meeting, which lasted throughout the morning, dealt with routine business and heard from the Prime Minister, Mr. St. Laurent, a report of his two-week visit to London for the Conference of Commonwealth Prime Ministers. It was the first full dress meeting of the Cabinet since Mr. St. Laurent left for Europe December 31.

Mr. Pearson, a member of the U.N.'s cease-fire committee, noted that that committee had made it conditional that fighting must stop before negotiations open.

He did not know whether he would return immediately to Lake Success, where he heads Canada's U.N. Delegation. He had been in touch with Lake Success by telephone. If a meeting of the U.N. Political Committee were called--and he expected one would be called--he would go to New York.

The official text of the Peiping reply is expected to reach Ottawa tonight via diplomatic channels.

One major question now looming was whether the U.N. now would brand Red China as an aggressor nation.

Fighter Planes For Allies: Ottawa, January 17 (CP) -- The Government has sent Canada's Air Chief to Washington for high-level discussions linked with plans to offer to build fighter planes for other North Atlantic Treaty powers, notably Britain.

The plunge into this field would contribute heavily to Canadian defence costs which are expected to zoom into the neighborhood of \$1,500,000,000 in the next fiscal year.

China's rejection of the latest Korean cease-fire offer was seen here as eliminating any doubts that Cabinet will go before Parliament within a short time with a defence budget of that magnitude -- nearly four times this year's original defence budget and nearly twice the one finally authorized at the special session in the fall.

Fighter production for Europe would be a big item. The plane that would go is the F-86 Sabre and they cost around \$400,000 apiece, ready to fly and fight.

Air Marshal W.A. Curtis, chief of the air staff, flew to Washington last night and may return tomorrow night with a report for Cabinet on discussions with American and British air leaders.

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His report will concern what can be done to step up Canadian aircraft production by increasing the flow of jet engines and component parts from the United States.

Labour Asks Price Controls: Ottawa, January 7 (CP) -- Chiefs of central bodies representing the bulk of Canada's organized labour today drew up a brief asking the Cabinet for new price controls and retention of rent controls.

They also decided to seek a February date with Prime Minister St. Laurent and his Ministers to present personally the first joint submission ever made by the four major labour organizations.

Another organization--the Executive of the Canadian Association of Consumers--today passed a resolution here calling for extension of some form of rent control.

The executive decided to ask the association's 13,000 members to petition provincial governments to take over rent control when the federal Government's powers expire. The expiration is scheduled for April 30.

Preparation of the unions' brief, concluded today in a second meeting of the labour leaders, is another step in a controls campaign launched in December by the groups representing about 1,000,000 workers. Another phase of the campaign consists in regional meetings to which members of Parliament have been invited to hear organized labour's views.

President Truman Urges Seaway: Detroit, January 17 (AP) -- President Truman said today the St. Lawrence seaway should be built "as quickly as it is physically possible to do so."

He made the statement in a message to a meeting here of American federation of Labour leaders in the Great Lakes area.

Mr. Truman said the St. Lawrence project "has been needed for years." "In the present emergency," he added, "the St. Lawrence project has become a matter of very high urgency.

"What we are doing in this country--what the war-like attitude of the Soviet Union has forced us to do--is to build up our defences very rapidly."

Across Canada: Canadian labour's 1950 pay probably swelled to a record-breaking \$8,000,000,000. Record figures for the first 10 months of the year, estimated by the Bureau of Statistics, indicated the 12-month income would hit the \$8,000,000,000 mark for the first time....A \$250,000 headquarters to help battle deadly viruses will be built in Ottawa as soon as a site is located.... More than 2,000,000 foreign cars entered Canada during 1950, a 3.5 per-cent increase over the record the previous year....Britain is trying to strengthen her air defences by buying an undisclosed number of F-86 Sabre aircraft--latest American jet-propelled fighter--from the United States and Canada, the Canadian Press reports from London.

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GOVERNMENT



OF CANADA

DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

(For official use only. This bulletin is intended solely for the information of Canadian Government officials stationed abroad. Its contents are not for publication or distribution.)

Vol. 2, No. 14

Friday, January 19, 1951.

Mr. Pearson On China's Reply: Ottawa, January 18 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said today that Red China's reply to United Nations proposals for a Korean cease-fire brings the U.N. membership face to face with a new stage in the Korean issue -- what to do now that cease-fire efforts apparently have failed?

He told a press conference he presumed -- and subsequent press reports from Washington bore this out -- that the United States now would seek to win U.N. Political Committee support for some form of resolution branding Red China as an aggressor.

But he did not indicate what stand Canada would take when that ticklish question came to debate.

The expectation here is that Canada will work for a middle-of-the-road approach to the question, one that would condemn China on the one hand but leave the way open on the other for further exploration of Red Communist conditions for settlement.

Mr. Pearson, who left later for New York to join in the diplomatic tussle, may have had this in mind when he told reporters he did not feel the Chinese reply had completely closed the door to possibilities of settlement.

He noted that considerable ambiguity existed in the language used in that reply and suggested this perhaps was because the English text was a translation from the Chinese. It was a "complex" document in which some points made by the Chinese were "not absolutely clear, but pretty clear."

Then he indicated that he felt steps should be taken to get a clearer understanding of what the Chinese had in mind.

From a study of the official text, he said, it would seem "pretty clear that the Chinese Government does intend to accept our proposals as a basis of discussion, but are attaching to that discussion certain conditions."

On the surface, the two main conditions appeared to be unacceptable to the West. Those were Red China's apparent insistence that before the fighting stops discussion of political problems must be launched, and Red China herself must be accepted as a member of the U.N.

Mr. Claxton Outlines Defence Efforts: Halifax, January 18 (CP) -- Canada's business-as-usual era is over, the Minister of National Defence, Mr. Claxton, said tonight for all to hear. It may be gone for a generation.

For the second time since Korea started he told Halifax Board of Trade in an address that the Government is going to give the defence effort a major acceleration. It will have "a big effect on the civilian economy."

Defence costs are going to soar "very much higher" than this year's record \$860,000,000.

Canadians will have to "do without a lot of things all of us would like to have." Manpower will be needed in increasing numbers. The country will move more and more toward a war footing.

Because Russia aims at unlimited expansion and has shown increasing willingness to risk a general war, "we are going to have far more business than usual and it is going to put pressures on the resources of manpower and raw materials and productive capacity of this country."

The Minister, on a maritime tour, placed those implications of expanding preparedness on the line amid Ottawa reports the defence budget for the next fiscal year will zoom to around \$1,500,000,000.

(over)

He said these are among the effects:

1. The United States and Canada "are setting up a ring of stations and establishments on the coasts of Labrador and Newfoundland" as part of a joint defence zone that takes in the Maritimes and the whole Atlantic coast.
2. Canada has proposed that she manufacture radar and wireless sets, medium guns and aircraft for Atlantic Pact allies in quantities large enough to use up the \$300,000,000 already voted by Parliament for European arms aid.
3. The navy will accelerate its programme of refitting, rearming and commissioning all existing ships as well as preparing to handle 27 new ships when they are ready.
4. Orders have been placed for tooling up for the production of U.S.-type motor vehicles and other military equipment in Canada.
5. \$60,000,000 will be spent to replace for the army the division's equipment sent to Holland. This will be of American design and some of it may be produced in Canada.
6. Both the F86 and CF100 fighter planes may be produced here for pact allies. Aircraft production--by far the biggest element of all-- is being pressed on to the full limit of the enlarged capacity of the Canadair plant near Montreal and the Avro Canada Ltd. near Toronto, producers of the two jet fighters.
7. All the major aircraft industries in Canada are busy, either making new planes or modifying old ones.
8. "Perhaps the biggest development of all proportionately is in the electronics and electrical field where, in addition to large orders for our own use, major contracts are expected for other countries."
9. The full-time personnel, service and civilian, engaged on defence, has been increased from 50,000 to 85,000 and "we are going to need more men and more money."

Defence Production Department: Ottawa, January 18 (CP) -- Unprecedented peacetime defence preparedness spurred by a defence budget that may soar to \$1,500,000,000 in the next fiscal year, is paving the way for the creation of a new defence production department, a source close to the Cabinet said today.

Legislation establishing the department now under active Government consideration, likely will be placed before Parliament at the session opening January 30, he said.

Constitutional Amendments: Ottawa, January 18 (CP) -- The federal Government expects that some further discussions with the Provinces will be necessary before they accept proposed amendments to the Constitution to provide for a provincial indirect sales tax and a federal contributory old-age pensions plan.

A government official said today that drafts of the amendments were sent to the Provinces earlier this month by the Minister of Justice, Mr. Garson, on instructions from the Prime Minister, Mr. St. Laurent, who was attending the Conference of Commonwealth Prime Ministers in London.

Across Canada: A capital gains tax on stock market profits to halt inflation and help pay for Canada's rearmament programme was demanded in Montreal last night by C.C.F. Leader M.J. Coldwell....Canada may still sell bacon to Britain this year although no firm contract has been sealed, the Minister of Agriculture, Mr. Gardiner, said in an interview....Canadian imports of coal jumped 36 per cent in 1950 while domestic production fell slightly below the all-time peak set in 1949, the Bureau of Statistics reported.

File 455



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Vol. 2, No. 15

Monday, January 22, 1951.

Review Sessional Programme: Ottawa, January 21 (CP) -- Major portions of the Government's 1951 legislative programme will be reviewed at a series of Cabinet meetings starting Tuesday.

In little more than a week, the Government will face a Parliament anxious to know what is planned in the way of manpower policies, defence measures and price and wage control.

The special emergency session called last August to settle the general rail strike and to authorize the dispatch of troops to Korea, will be prorogued January 29. It was adjourned last September and was subject to recall in the event of serious international developments. On January 30, a new session will be formally opened by the Governor-General, Viscount Alexander, with the reading of the Speech from the Throne.

Kashmir Controversy: Karachi, Pakistan, January 21 (Reuters) -- Prime Minister Liaquat Ali Khan of Pakistan told reporters Saturday night that the Prime Minister, Mr. St. Laurent of Canada was "not correct" when he said "Our Eastern friends" had rejected a proposal to send a composite Commonwealth armed force to troubled Kashmir.

The Pakistan Prime Minister said he had not opposed the proposal made at the London Conference of Commonwealth Prime Ministers that Commonwealth forces patrol Kashmir pending a plebiscite there.

The Kashmir controversy between India and Pakistan was one of the major problems taken up at the recent London Conference. Both powers contend they should control the state.

Non-Essential Spending Down: Ottawa, January 21 (Gazette) -- After a slow start, the federal Government's economy drive is now in full swing.

The campaign, initiated in mid-August as a means of curtailing all non-essential spending not related to Canada's new preparedness programme, is now putting the squeeze on almost all agency budgets.

Aside from the Defence Department, only a handful of departments, branches or agencies are now spending as much as they were a year ago-- particularly with respect to administrative costs. And most of those showing increases can attribute them directly to increased activities related to Canadian security.

The latest statement of revenues and expenditures released by the comptroller of the Treasury indicates one problem with which the Government and Parliament will be confronted in future attempts to reduce non-defence spending. The largest single expenditures which continue to show increases--in most cases consistently large increases--are those connected with Canadian social security.

Canadians Guerrilla-Hunters: Miryang, Korea, January 22 (CP) -- Guerrilla-hunting seems slated to replace deer-stalking as a favourite training pastime of the Princess Patricia's Canadian Light Infantry in Korea.

The whole camp is envious of the company commanded by Maj. Vincent Lilley of Hamilton, which returned from a hunting trip late Friday with a record--estimated conservatively--of four Communist guerrillas killed and at least five injured.

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There were no Canadian casualties.

Previously, deer-hunting had been a favourite of the troops. Now all are eager for a sample of the action conducted by Maj. Lilley--"training with a stimulus."

Influenza Information Centre: Ottawa, January 21 (CP) -- An influenza information centre has been established in the federal Health Department to help fight any flu epidemic in Canada.

The information centre was established in the laboratory of hygiene after medical experts recognized it would be impossible to prevent air travellers from carrying flu germs from the United Kingdom to this country.

National health quarantine service officials have been closely examining travellers from the United Kingdom where a flu epidemic is spreading.

Edmonton Bulletin Ends Publication: Edmonton, January 21 (CP) -- The Edmonton Bulletin, Alberta's first newspaper, ended publication today.

Rising costs of materials and restricted newsprint supplies and limitations on building and mechanical expansion were given by publisher L. Straight as reasons for the death of the paper founded in 1880 by Hon. Frank Oliver who carted a press and type by oxcart 700 miles from Winnipeg.

The announcement was carried high on the front page of Saturday's final edition: "The Bulletin ends publication today." It was signed "the management."

Across Canada: British Columbia's barren, sparsely-populated northern coastline was hammered Saturday by two hurricanes sweeping in from the Pacific Ocean. One life was lost but damage was not great....The Progressive Conservative Leader, Mr. Drew addressed the Progressive Conservative Student Federation's fifth annual meeting in Toronto Saturday....Thomas Maher, Quebec forestry engineer, Saturday urged in an interview in Quebec the formation of a national commission to launch a vast reforestation programme designed to regularize the flow of St. Lawrence River waters in Ontario and Quebec Provinces....The 1st Division's Hastypees and their favourite British lord finally got together Saturday after six long years. The celebration, said Lord Tweedsmuir, the son of the former Governor-General of Canada, was well worth coming 3,500 miles for....One man, the engineer, was killed and 25 other persons were injured, none seriously, Saturday, when the Canadian Pacific Railway's Dominion Flyer smashed into a stalled coal truck at a level crossing and jumped the rails near Ottawa....Sub-zero weather settled over Eastern Canada at the week-end.

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Vol. 2, No. 16

Tuesday, January 23, 1951.

Mr. St. Laurent's Part In Peace Move: Ottawa, January 23 (CP) -- Intercession by the Prime Minister, Mr. St. Laurent, paved the way for Communist China's further message to the United Nations regarding a cease-fire in Korea, a government source said last night.

The source confirmed reports current in United Nations corridors that it was the Canadian Prime Minister who took the initiative in seeking clarification of three main points in the original Peiping note to the U.N.

At the end of last week, Mr. St. Laurent asked Prime Minister Nehru of India if he would be willing to have the Indian Ambassador seek clarification from Peiping on the three points, the source said. "Mr. Nehru was agreeable and the clarification was sought."

The three points on which clarification was sought were:

1. Just what troops were included in the Chinese proposals for withdrawal from Korea.
2. The question of Chinese representation on the U.N.
3. What the Chinese meant by their statements regarding priority in time of negotiations on a cease-fire.

Mr. St. Laurent made his request directly to New Delhi, the source added, because Canada has no representation in Peiping at the moment.

11-Month Import Surplus: Ottawa, January 22 (CP) -- An unprecedented buying surge in the markets of the world has virtually ended Canada's traditional favourable balance of trade.

For years Canada sold more to the world than she purchased. But in the first 11 months of 1950, the Bureau of Statistics reported today, the shoe was on the other foot.

While exports increased about five per cent to \$2,863,600,000, imports climbed 14 per cent to \$2,908,000,000, making for an 11-month deficit of \$44,400,000.

This compared with a surplus of \$186,400,000 in 1949 when exports totalled \$2,734,200,000 and imports \$2,547,800,000.

The trade report showed three other realignments in the trading pattern:

1. A sharp climb in exports to the United States, driving down the long-time bulky balance in United States' favour.
2. A drop of one-third in exports to the United Kingdom, bringing Canada's trade with the U.K. into near balance.
3. Canada's over-all total trade, in value, has reached boom levels.

Gen. Mark Clark In Ottawa: Ottawa, January 22 (CP) -- Gen. Mark Clark, Chief of training for the American Army's field forces landed in Ottawa today for high level conferences and to renew acquaintances with old wartime friends.

He arrived at Rockcliffe Airport aboard a twin-engined R.C.A.F. Dakota shortly before 3 p.m., E.S.T., and was greeted by an Army guard of honour and an R.C.A.F. band.

Heading the reception group was Lt.-Gen. Charles Foulkes, Chief of the Canadian Army General Staff, and Maj.-Gen. H.F.G. Letson, senior aide to the Governor-General, Viscount Alexander.

Gen. Clark is here for conference with Canadian military and Government officials and to see Army training schools.

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Mr. Paul Hoffman's Address: Toronto, January 22 (CP) -- Paul Hoffman, former Marshall Plan Chief, said tonight a bold programme of military, political, economic and propaganda activity is democracy's greatest hope for lasting peace.

In the face of Russian "gangsterism," he told the Toronto Board of Trade, no "little plan" and no short-term plan will do.

"We will be safe only if we make bold plans which call for intense activity over the period of at least a decade."

Mr. Hoffman, Director of the Ford Foundation and still a Marshall Plan consultant, said that, "although I don't believe in appeasement, I don't believe that a global (preventive) war is any solution to our present dilemma."

"I believe that any attempt to crush Communism with atom bombs would miss the objective. It would be an admission that we lack the brain power and the will power to develop a programme for waging the peace sufficiently to prevail against the Kremlin's war on peace."

Mr. Robert A. Ford To Moscow: The Department of External Affairs announced on January 23 the appointment of Mr. Robert A.D. Ford as Chargé d'Affaires at the Canadian Embassy in Moscow. He will replace Mr. J.B.C. Watkins, who is returning to Canada on home leave. (See Press Release No. 2 of January 23).

Across Canada: The Minister of Transport, Mr. Chevrier, announced that the Government has authorized the construction of a \$4,500,000 car, freight and passenger ferry to provide year around service between Port aux Basques, Nfld., and North Sydney, N.S.....Premier Duplessis of Quebec said the current danger facing democracy is not communism or subversive ideas but the "apathy, indifference and complacency of good people."....Prairie Government lawyers attacked the railways' application for a general freight-rate increase of five per cent at Ottawa yesterday....Shortages of certain skilled tradesmen for Canada's expanding aircraft industry will probably be met in part by immigration from the United Kingdom, it was announced by the Minister of Labour, Mr. Gregg.



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Wednesday, January 24, 1951.

Mr. St. Laurent Silent On Korea Plan: Ottawa, January 23 (CP) -- The Prime Minister, Mr. St. Laurent, who pressed the trigger in the latest east-west diplomatic skirmish in the Korean War, appears to be waiting to see what develops once the smoke clears.

His office told reporters today, in response to queries, that he has nothing to say for publication about Red China's clarification of terms for a Korean cease-fire--a clarification which the Chinese produced at his request.

His office has confirmed that Mr. St. Laurent asked Prime Minister Nehru of India, during the week-end, to seek clarification of the main points of the communist counter proposals. He used this roundabout route because Canada has no diplomatic representation in Peiping, the capital of Red China.

But, now that that clarification has been given, Mr. St. Laurent, for the moment, is keeping his views to himself.

U.S. Equipment Available To Canada: Ottawa, January 24 (Citizen) -- United States military equipment ranging all the way from tanks and trucks to the Garand automatic rifle will be made available to the Canadian armed forces, General Mark Clark, Chief of the United States Army Field Services, told a news conference here yesterday.

Use of the new equipment and continuation of standardization "may involve some slight changes in the organization of the Canadian army", he further disclosed.

Here for talks with Canadian Army staff chiefs, General Clark said these conversations covered training, organization and equipment. It was also an occasion to renew his acquaintance with Field Marshall Viscount Alexander, his Commander in Italy, now Governor-General of Canada.

Aluminum Export Halted In August: Ottawa, January 23 (CP) -- The Department of Trade and Commerce said today that it stopped issuing permits for the export of aluminum to Communist countries in August last year.

Officials acknowledged that some aluminum went to Communist points as late as October last, but emphasized that permits for such shipments had been obtained before August. No permits were granted after that month.

They were commenting on a Washington dispatch in which an American manufacturer told a congressional investigating committee that Canada is shipping aluminum, now in short supply, "almost continuously to Russian-satellite countries."

Gen. Eisenhower To Arrive Friday: Ottawa, January 23 (CP) -- Gen. Dwight Eisenhower plans to report to President Truman and to Congress after winding up his Atlantic Pact tour in Ottawa Saturday, members of his advance party said today.

The General is due here about noon Friday for a brief, all-business visit. He is expected to be shown Canada's plans to aid his effort to build up a European defence force as well as to shore up Canada's own defences.

The four-man advance party flew in today from Iceland aboard a T.C.A. plane. They will fit arrangements for Gen. Eisenhower's visit in with the plans of the Canadian Government.

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French Prime Minister To Visit Ottawa: Ottawa, January 24 (CP) -- The Prime Minister, Mr. St. Laurent, announced officially yesterday that Prime Minister René Pleven of France will visit Ottawa February 2 and 3.

Mr. St. Laurent said in a statement that Mr. Pleven is expected here at noon, Friday, February 2, and will remain in Ottawa to confer with members of the Canadian Government until afternoon of the following day, Saturday, February 3.

Mr. Pleven will visit Ottawa in conjunction with a trip to Washington.

Mr. St. Laurent told a press conference last week that he had extended an invitation to Mr. Pleven during his visit in Paris earlier this month.

President Auriol of France is scheduled to come to Ottawa early in April.

Flying Clubs Alerted: Ottawa, January 23 (CP) -- Canada's civilian flying clubs prepared emergency plans today to aid in a quick buildup of military air power should a third world war break out.

At the 22nd annual meeting of Royal Canadian Flying Clubs Association, delegates from coast to coast heard the former Chief of the Air Staff, Air Marshal Robert Leckie, warn that war may be around the corner. He asked them to be ready and urged the R.C.A.F. to make use of the club's training potential.

These days, he said, might well be compared with the days of Munich.

Employment Much Better Than Year Ago: Ottawa, January 23 (CP) -- Employment in Canada is "considerably better" than a year ago, the Labour Department said today in reporting that the number of registered unemployed jumped 33,000 in two weeks.

Unemployed registered at National Employment Service offices January 4 were 248,100, some 50,000 fewer than at January 5, 1950. Canada's manpower pool totals more than 5,000,000 persons.

Across Canada: Canada's dollar volume of wholesale sales in the first 11 months of 1950 was five per cent higher than in the corresponding period of 1949, the Bureau of Statistics reported....The Minister of Agriculture, Mr. Gardiner announced that in future anyone desiring to import butter to Canada will require a permit from the federal Government....The Quebec Legislature opens today....A new speed record in railway freight-rate cases is expected to be chalked up by completion of the current five-per-cent case by Wednesday.

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Thursday, January 25, 1951.

Three New Senators, Five Parliamentary Assistants: Ottawa, January 24 (CP) -- The federal Cabinet, in an important pre-session meeting, today considered the international situation, prepared plans for the Parliamentary opening January 30 and approved the appointment of three Senators and five Parliamentary Assistants.

The eight appointments were announced by the Prime Minister, Mr. St. Laurent, in a press statement, which did not touch on other matters under Cabinet study. Cabinet rose at 6.30 p.m. EST.

It was understood the main work of the Cabinet today dealt with the Government's programme of legislation to be presented to the new session of Parliament next week. Cabinet will next meet on Friday afternoon to confer with Gen. Dwight Eisenhower. Next regular meeting of the Council will be held Saturday morning.

Mr. St. Laurent had no comment on the international situation as today's meeting dispersed.

However, it was believed the Council shaped Canada's policy in the complex and quickly-moving developments stemming from efforts to establish a cease-fire in the Korean war.

This policy likely will be placed before the United Nations tomorrow by the Secretary of State for External Affairs, Mr. Pearson, who attended today's meeting and then returned tonight to New York.

The new Senators, all from Newfoundland;

Hon. H.W. Quinton, Newfoundland Provincial Treasurer and a former member of the Newfoundland Commission of Government; Calvert Pratt of St. John's, Nfld., and Michael Basha, Curling, Nfld.

With their appointment, the standing in the 102-member Upper Chamber is: Liberals 80; Progressive Conservatives 11; vacancies 11. There are three vacancies each in Quebec and New Brunswick, two in Ontario and one each in British Columbia, Prince Edward Island and Manitoba.

The new Parliamentary Assistants, raising to 13 the number of these aides to Cabinet Ministers:

Transport Department -- William Benedickson, 39, Liberal member of Parliament for Kenora-Rainy River.

External Affairs -- Jean Lesage, 38, Quebec lawyer and member for Montmagny-l'Islet.

Post Office -- Leopold Langlois, 37, member for Gaspé.

Health and Welfare -- Dr. E.A. McCusker, 61, Regina.

Defence -- Ralph Campney, 56, Vancouver lawyer.

Mr. St. Laurent also announced that Ralph Maybank, Parliamentary Assistant to the Minister of Mines, Mr. Prudham and member for Winnipeg South Centre, leaves that post to become Assistant to the Minister of Resources and Development, Mr. Winters.

As the Cabinet met, word reached Ottawa of the new Red China note to the United Nations and of Prime Minister Nehru's call for a big power conference to discuss world problems.

There was no official comment on either of these developments, though they doubtless came under study as segments of the over-all picture as it affects the far Eastern Theatre.

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Dr. O.M. Solandt's Address: Ottawa, January 24 (CP) -- Canada has jumped straight into work on guided missiles and skipped "the more conventional weapons" in a search for better air arms, Dr. O.M. Solandt said tonight.

In a speech bristling with brief, scanty references to Canada's contribution to military science, the Director-General of Defence Research indicated this country is widening its studies of biological and gas warfare and said Canada's long-range fighter, the Canuck, now seems assured of plenty of foreign markets.

He took the Royal Flying Clubs Association into a world where scientists are wrestling with problems like "human engineering," the effort to tame the mad advance of aviation to the abilities of man.

Dr. O.M. Solandt hailed the creation of a National Aeronautical Establishment as "a major step forward in the history of Canadian aviation."

Decision to create the establishment at nearby Uplands Airport was announced earlier by the Government as a move "designed to meet the urgent need for the improvement of facilities for aeronautical research and development."

Naval Officers' Conference: Ottawa, January 24 (CP) -- The Navy will muster top officers here next week to discuss activities for the biggest peacetime year Canada's sea force has ever known.

It was announced today the annual conference of senior officers will be held next week at Naval Headquarters with Vice-Admiral H.T.W. Grant, Chief of the Naval Staff, in the chair.

Mr. Garson's Brandon Address: Brandon, Man., January 24 (CP) -- The Minister of Justice, Mr. Garson, said tonight that as a result of international developments it is doubtful if the Canadian Government will be able to repeat offers made at a federal-provincial conference in 1945.

In a speech prepared for delivery to the Brandon Chamber of Commerce, Mr. Garson said the refusal of some of the Provinces to accept the proposals six years ago was possibly the worst blunder in Canadian political history.

At the Conference which broke up in failure in 1946, the federal Government had offered to improve old-age pensions, to extend social welfare and health services, and to co-operate with the Provinces on public investment programmes.

Quebec's Rent Control Proposals: Quebec, January 24 (CP) -- Rent ceilings applied by federal controls will be maintained until August 1 by a bill laid before the Legislative Assembly today by the Quebec Government. Federal controls expire at the end of April.

The Quebec Government's rent control plan, will provide:

Maintenance of controlled rents at their present levels until August 1; regulation of rates after August 1; revision of rates at present uncontrolled and considered abusive; a ban on evictions until August 1; administration by a three-man commission.

Across Canada: Canada's pulp production has reached a record level, research officials reported in Montreal yesterday as the 38th annual meeting of the Canadian Pulp and Paper Association got under way with 1,500 delegates from four countries in attendance....The Canadian Commercial Corporation, the Government's purchasing agency, started off the new year by authorizing more than \$6,000,000 worth of defence and other contracts to Canadian industry in the two weeks ending January 13....Provincial Treasurer C.M. Fines said the estimated loss in operation of the Saskatchewan Government's compulsory automobile insurance plan for the 1950-51 licence year is approximately \$200,000.

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Friday, January 26, 1951.

Gen. Eisenhower's Visit: Ottawa, January 25 (CP)-- A three-way Canadian plan to bolster European defences will be discussed by Cabinet with Gen. Eisenhower here tomorrow.

The cost, in all its ramifications, will quite probably go beyond \$500,000,000 in the next 12 to 15 months.

It involves the dispatch of arms and the commitment of ground and air units to Europe and the training of European air and ground officers here.

Recruiting for the armed forces has tripled its pace to back up the programme.

The Supreme Commander for the Allied Powers in Europe, rounding off his fact finding study of European defence preparations, is due at Rockcliffe Airport between 12:15 and 12:45 p.m., E.S.T., for a 20-hour visit.

A police guard will join with the Minister of National Defence, Mr. Claxton and other dignitaries in greeting him. Authorities see little prospect of a communist demonstration but they are taking no chances.

Gen. Eisenhower will hold a brief press conference and then enter into conferences with the Prime Minister, Mr. St. Laurent, the Cabinet and defence officials during the rest of the day.

He is expected to tell Cabinet Ministers what he has found in his tour of 10 Pact Powers and to elaborate on one basic impression--that Europe can be defended against communist aggression but that its going to take a terrific amount of manpower, money and work.

He is expected, too, to lay the problems of building up those defences before the Canadian Government in all their vast scope and leave it to Ottawa to decide what Canada can do to help.

Sir Benegal Reads Text Of Questions: Lake Success, N.Y., January 25 (CP) --

India's Sir Benegal Rau said today that the Prime Minister, Mr. St. Laurent, initiated the questions seeking clarification of communist China's attitude towards United Nations' cease-fire efforts.

(In Ottawa, Tuesday, Mr. St. Laurent's office confirmed that the Canadian Prime Minister asked Prime Minister Nehru of India to seek clarification of the main points of the communist counter-proposals.)

Sir Benegal told the 60-member Political Committee of the U.N. Assembly that the questions delivered to Peiping arose out of a message sent by Mr. St. Laurent to Mr. Nehru concerning Peiping's January 17 reply to the U.N. cease-fire proposal.

The Indian Delegate said that, as a result of Mr. St. Laurent's message, the Indian Government sent the questions to Communist China.

Sir Benegal had read to the Committee last Monday the answers to the questions. Some Western powers said the answers called for further consideration.

Today, as a result of requests from some delegates, Sir Benegal read the text of the questions sent to Peiping.

Immigration Agreement With India: The Department of External Affairs announced on January 26 the conclusion of an immigration agreement with the Government of India. The agreement takes the form of an exchange of notes. The notes were exchanged in Ottawa on January 26, which is India's national day. The agreement comes into effect immediately. The Canadian note was signed by the Prime Minister, Mr. St. Laurent. The Indian note was signed by Mr. P.K. Banerjee, the Acting High Commissioner for India.

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The agreement, which may be terminated by either Government on six months' notice, provides, in part, that in the twelve month period commencing on the 1st day of January, 1951, and in each succeeding twelve month period thereafter, the admission to Canada for permanent residence of one hundred and fifty citizens of India, including both sexes and all ages, shall be authorized provided the immigrants comply with the provisions of the Canadian Immigration Act. (See Press Release No. 4, January 26).

N.Z. Prime Minister's Visit: The Department of External Affairs has announced that the Right Honourable S.G. Holland, P.C., Prime Minister of New Zealand, will arrive in Canada on Monday, January 29, for a brief visit to Ottawa. (See Press Release No. 3, January 25).

Unfavourable Trade Balance: Ottawa, January 25 (Globe) -- External trade in 1950 showed the first unfavourable balance since 1932, it became clear today with publication of the Bureau of Statistics preliminary statement of exports and imports for December.

On the year's business, Canada had an excess of imports over exports amounting to \$17,000,000. Business in December ran counter to recent months and produced a favourable balance for the month of \$27,000,000, which pulled down the cumulative adverse balance of \$44,000,000 reported at the end of November.

Instructing Fighting Men: Ottawa, January 25 (Globe) -- The problem of arming Canadian soldiers, sailors and airmen with the ideological weapons for the war of ideas as well as with weapons for physical combat is engaging attention.

It is understood studies will be made on means of instructing the average fighting man to a greater extent than is now possible in political science and history, particularly as they relate to the relative claims of capitalism, democracy and western concepts of a free society and communism.

Mr. Claxton's Toronto Address: Toronto, January 26 (Globe) -- A tremendous increase in Canada's defence programme, both in men and equipment, was forecast yesterday by the Minister of National Defence, Mr. Claxton. In a broadcast address before a combined meeting of the Empire Club of Canada and the Canadian Club at the Royal York Hotel, he said:

"You will see what I mean when I present my defence programme before the next session of the House, which will be bigger than ever."

Mr. Claxton said war is not inevitable--but neither is peace.

Across Canada: Twenty-one Canadian rubber companies yesterday renewed legal action in an attempt to kill a report on suspected price-fixing in the rubber industry....The Alberta Government has extended its embargo on the export of natural gas for at least nine months, declaring that proven reserves do not yet exceed the Province's own needs....The railways' bid for a new \$23,000,000-a-year increase in freight rates is under consideration by the Board of Transport Commissioners. Hearings on the application for a general five-per-cent boost concluded yesterday.

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DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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Vol. 2, No. 20

Monday, January 29, 1951.

Gen. Eisenhower's Visit And N.A.T.O. Planning: Ottawa, January 28 (CP) -- Canadian troops, airmen and more arms will probably be committed to Gen. Eisenhower's European Command within a couple of months.

Ottawa looked forward today to a quickening of the 12-nation effort to defend Europe in the wake of statements here by Gen. Eisenhower that what is done in the next 12 months is of the most crucial importance for peace.

The next year, he told Ottawa, is of more importance than the next 10 years.

At Fort Lewis, Wash., the Army's Special Force pitched into the last phases of its training, and the word was that it will be ready for action within a month. About half of its 10,000 troops may be en route to Europe to bolster Gen. Eisenhower's Atlantic Pact Army within two months.

Shortly after a smiling Gen. Eisenhower waved goodbye to Ottawa at 9:40 a.m., Saturday, the Minister of National Defence, Mr. Claxton, told reporters his talks here covered the whole field of Atlantic Pact Organization and co-operation, including "procedures and arrangements for the transfer of more equipment" to Europe.

Mr. Claxton said Canada hopes to get word from the N.A.T.O.—specifically the three-nation standing group of military leaders in Washington—within a few days of the proposed destination for Canadian equipment for a second European division.

Holland, Italy and Belgium have been reported as countries bidding for the arms for an infantry division, including rifles, anti-tank and artillery pieces, machine-guns and other arms.

Mr. Claxton said they could be on their way within three weeks. The first shipments went to Holland to arm a Netherlands division.

The equipment is of British type left over from the last war. As it goes, it is being replaced with American equipment.

Gen. Eisenhower's stimulating personality captivated Ottawa as it did all the other pact capitals. He sold himself completely, and he sold, too, everywhere he went, the argument that North America must boost Europe's morale in every way possible, spiritually and physically, if the military wall against Communism is to be built on firm foundations.

Role Of Scientists, Engineers, In Defence: Montreal, January 28 (CP) -- The Minister of Transport, Mr. Chevrier, Saturday night placed emphasis on the role of scientists and engineers in the battle for survival against communism and said the need for expanding these forces, especially French-language segments, is imperative. Mr. Chevrier was speaking before graduates of the Montreal University Polytechnical School.

In dealing with the tremendous responsibility facing the engineering forces, Mr. Chevrier warned that the alliance of Red China with Russia has set the democracies at a numerical disadvantage, "so much so that the survival of our civilization now depends above all on our scientific and technical superiority."

"It rests with our scientists to create and develop the arms which, in case of a conflict, will ensure victory in the defence of our country."

Mr. Chevrier touched briefly, too, on the role of the engineer in the tremendous development of Canada's natural resources and made these points:

1. At current rates of development, enough oil will be produced in Canada within the next two years to make her totally independent of foreign supplies.

2. Ungava and Steep Rock iron ore discoveries soon will place Canada among the top-ranking iron ore producing countries of the world.

(over)

3. The need for developing the St. Lawrence seaway and power projects was pressing. Ontario and Quebec would face a possible power shortage in a few years unless new sources of power were tapped.

4. He hoped the United States soon will erase difficulties in the way of constructing the \$500,000,000 Kitikan aluminum project in British Columbia, which eventually would produce 1,000,000,000 pounds of aluminum a year, making it the largest in the world.

New Zealand Prime Minister Delayed By Weather: Ottawa, January 29 (Citizen) -- Prime Minister Sydney Holland of New Zealand, who was scheduled to arrive at Rockcliffe Airport this morning to begin a three-day visit in Ottawa, is not expected to reach the Capital until late tonight or early Tuesday morning.

A late dispatch from Shannon, Ireland, last night reported that the Prime Minister's plane was forced to remain there over night, when his flight was held up by a 70-mile-an-hour headwind over the Atlantic.

The dispatch indicated the Prime Minister would leave Ireland about mid-day today.

Mr. Holland's party, which includes A.D. McIntosh, New Zealand Secretary of External Affairs, and K.M. Sleight, Holland's Chief Private Secretary, will be guests at Government House for their three-day stay.

Canadian To Organize Burma Census: Ottawa, January 29 (Citizen) -- The man largely responsible for organizing Canada's census next summer has been loaned to the Burmese Government for a similar purpose.

Nathan Keyfitz, 37, of Westmount, Quebec, senior research statistician at the Bureau of Statistics, left yesterday for Burma. He will spend three months there, planning a census next year that will cover population, cottage industries, mining and manufacturing.

Canada co-operated with the technical assistance administration of the United Nations in making Mr. Keyfitz available.

H.M.C.S. Sioux Homeward Bound: Ottawa, January 28 (CP) -- H.M.C.S. Sioux, en route back to Canada after a tour of operations in the Korean theatre, left Pearl Harbour today, Naval Service Headquarters announced.

The Sioux is due at Esquimalt, B.C., on February 4. She was replaced in mid-January by the destroyer Nootka, which has joined the other two Canadian destroyers--Athabaskan and Cayuga.

Expand Picton Gunnery Range: Picton, Ontario, January 28 (Globe) -- Plans are underway to expand anti-aircraft activities in connection with the Royal Canadian School of Artillery (A.A.) at Picton. The ranges at Point Petre, 18 miles south of here, are to be greatly extended.

Recently, the federal Government advised owners of land in the vicinity of the ranges that it is to be purchased. Earlier, options were taken on the land. About 3000 acres are involved.

Across Canada: Parliament meets today for prorogation....After receding slowly since a spectacular rampage in the early hours of Friday, flood waters of the St. Lawrence River jumped more than two feet within three hours yesterday to cause fear again among residents of Longueuil and other South Shore communities, the "Gazette" reports today....Work which began last September on new salary scales at the University of Toronto has been completed, President Sidney Smith said last night, announcing increases which will benefit 1,100 members of the staff and add half a million dollars to the University's annual payroll....A \$400,000 fire Saturday destroyed a big wharf and its shed in Westview, B.C., a town of 2,500 about 75 miles up-coast from Vancouver....Robert H. Saunders, Chairman of Ontario Hydro Commission said yesterday in Windsor that Ontario would have to go ahead with the development of Hydro steam plants if the St. Lawrence Waterway and power scheme is not initiated "very shortly.".... Gen. A.G.L. McNaughton was honoured by the Association of Professional Engineers of Ontario on Saturday, when he received the Association's gold medal for "outstanding accomplishment to the nation."....The 1951 Canadian managing editors' conference closed at Quebec yesterday, after electing R.J. Churchill of the "London Free Press" as President. Winnipeg was chosen as 1952 meeting place.

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Vol. 2, No. 21

Tuesday, January 30, 1951.

Speech From The Throne: The following is the partial text of the Speech From The Throne, read at the opening of the Fourth Session of the Twenty-First Parliament today:

"Since you met in Special Session in the autumn of last year, there has been a further deterioration in the international situation. The intervention of Chinese forces in active opposition to the United Nations forces in Korea has increased the danger of a general conflagration.

"So far the efforts to achieve a peaceful settlement in the Far East have not succeeded. While aggression cannot be condoned and will continue to be resisted, it is the view of my Ministers that the door to negotiation at any time a cessation of hostilities in Korea can be arranged must be kept open.

"The increased menace in the Far East reinforces the mounting evidence that Communist imperialism is determined to dominate the world by force or the fear of force, and that the only hope of maintaining peace with freedom lies in the rapid increase of the combined strength of the free nations. It is equally important that the free nations should make it abundantly clear that they have no aggressive designs and that they are resolved to aid in constructive endeavours to improve the standards of human welfare in under-developed countries.

"My Ministers have endeavoured to uphold these international objectives in the deliberations of the United Nations, at the recent meeting of the Prime Ministers of the Commonwealth countries, and in our diplomatic relations with all nations and governments....

"Progress has been made in the organization of an integrated force in Europe under the North Atlantic Treaty Organization. The Supreme Commander, General Eisenhower, has recently visited Canada to consult with the Government and the Chiefs of Staff. You will be asked early in the session to authorize Canadian participation in this integrated force as part of our programme for national defence and security. You will also be asked to approve substantially increased expenditures for defence.

"The urgent need of the St. Lawrence seaway and power project in relation to the security of this continent is becoming increasingly apparent. It is the view of my Ministers that the Canadian authorities should be kept in a position to co-operate promptly in undertaking construction of the project once affirmative action has been taken by the appropriate United States authorities.

"Your approval will be sought for an appropriate Canadian participation in the Colombo plan and in technical assistance to under-developed areas.

"The policies of the government are designed to prevent war, but the dangers of the international situation and the magnitude of the defence effort required as a deterrent have, in the opinion of my Ministers, created an emergency situation. You will accordingly be asked to approve legislation vesting in the Governor in Council additional powers to ensure adequate defence preparations to meet the present emergency and to prevent economic dislocation resulting from defence preparations.

"You will also be asked to approve a Bill to establish a Department of Defence Production to act as a procurement agency for the defence forces of Canada and also for such defence requirements of our allies as may be met from Canadian production...."

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Announcement was also made of impending legislation relating to the Armed Forces, Canadian Citizenship Act, Immigration Act, Post Office Act, Central Mortgage and Housing Act, and the Gold Mining Assistance Act as well as for the revision of the Indian Act.

Military Planning Declared Urgent: Hull, Quebec, January 29 (CP) -- A top American Civil Defence official said today the United States is switching away from a construction programme of large air raid shelters because Washington "doesn't think we'll have time" to finish them.

James J. Wadsworth, Assistant Administrator of Civil Defence, told Canada's first Civil Defence Forum that American military planning has taken on a tremendous urgency based on belief Russia might attack at any moment.

He said the United States had under study a programme of large-scale, single-purpose shelters but is switching to family shelters and to use of other potential refuge, such as basements, which could be strengthened.

The reason was a fear that time is short and knowledge that manpower and materials wouldn't be available in sufficient supply. He said some dual-purpose shelters might be built.

Chinese "Extortion" Alleged: Edmonton, January 29 (CP) -- The Journal says today in a newspaper story that the Chinese Communist Government is using "thinly-veiled extortion" to tax Chinese families known to have members in Canada.

The story says this "extortion tax" already has cost Edmonton and district Canadian Chinese several thousands of Canadian dollars, each dollar in turn worth thousands of Communist dollars in China.

Leave For Sioux Sailors: Officers and men of the destroyer H.M.C.S. Sioux (Cdr. Paul D. Taylor, Victoria) will be granted 14 days' special leave when their ship returns to Esquimalt early in February from the Korean theatre, Naval Headquarters has announced. In addition, transportation to and from their homes will be provided at service expense.

Across Canada: Beverley Matthews, retiring President of the Toronto Board of Trade, said yesterday he has learned "on very good authority" that there is a "50-per-cent chance" that international agreement on the St. Lawrence seaway will be reached this year....Ontario is co-operating with federal and U.S. authorities to find the reason for an "alarming decrease" of lake trout in the Great Lakes, Ontario Lands and Forests Minister Scott said yesterday....Average weekly earnings among eight major industrial troupes climbed to a new high of \$46.41 at December 1, the Bureau of Statistics reported. This peak weekly pay cheque compared with the previous high of \$46.41 at November 1, and the \$43.81 prevailing at December 1, 1949....Barring extremely cold and stormy weather before spring, hunting conditions in 1951 should be excellent, Dr. W.J.K. Harkness, Chief of the Ontario Department of Lands and Forests' wildlife division, said Monday....Dr. E.S. Archibald, recently retired director of federal Experimental Farms, has accepted a new post as Chief Liaison Officer for the Food and Agriculture Organization of the United Nations in Ethiopia....Forty families were evacuated from flooded homes in Princeton, B.C., early yesterday in 27 below zero weather. An ice jam backed up the Tulameen River in this town 110 miles east of Vancouver.

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MR. F. D. L. STEWART,
INFORMATION DIVISION.

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Vol. 2, No. 22

Wednesday, January 31, 1951.

Canada At The United Nations: Lake Success, January 30 (AP) -- The United Nations Political Committee tonight branded Communist China an aggressor in Korea by an overwhelming vote of 44 to 7.

Britain, Canada and France voted with the U.S.

Canada abstained on the vote on the Arab-Asian plan. She supported the first part of the U.S. resolution, then voted for the resolution as a whole.

(The following is the partial text of special report in the Toronto Globe and Mail of the address by the Secretary of State for External Affairs, Mr. Pearson.)

The position of Canada was made clear in a 10-minute address by Mr. Pearson. He outlined reasons why the Canadian Delegation, while appreciating the sincerity of purpose and the high idealism of those who sponsored the Arab-Asian resolution, could not support it.

One of the chief reasons given by Mr. Pearson was that though the Arab-Asian resolution does embody the essential principle that there must be an end to fighting before there can be a discussion of political questions, the kind of seven-power agency it proposed would not bring about satisfactory results as far as a ceasefire was concerned.

"In our opinion the Asian resolution gives too much room for further long-drawn-out and inconclusive discussions before a ceasefire can be arranged, and subsequent political discussions take place," Mr. Pearson said....

Mr. Pearson then turned to the reasons why Canada proposed to support the U.S. resolution. The first reason, he said, was because the Lebanese amendment, which Canada strongly supported, removes Canada's doubts about the wisdom of certain provisions of the unamended resolution.

"We will support it because its finding that the Peiping Government, by helping those already designated as aggressors in Korea, has engaged in aggressive action itself in Korea, states facts which we cannot reject without condemning our own intervention in Korea," Mr. Pearson said.

"Nevertheless, we still feel that it is premature and unwise to confront the Committee with the necessity for a decision on these facts at this particular moment when the methods of peaceful negotiation before condemnation have not yet been completely exhausted."

Mr. Pearson said the U.S. resolution, with the Lebanese amendment, did not close the door to peaceful negotiation, and on the contrary, it very rightly emphasized that even a report on collective measures was to be subordinated to the work of the Good Offices Committee....

Meyer Appeals For Clemency: Ottawa, January 30 (CP) -- Maj.-Gen. Kurt Meyer, former German S.S. commander, sentenced to life imprisonment for war crimes involving the shooting of Canadian prisoners of war, has appealed to the Canadian Government for clemency.

An Army spokesman said today the appeal from the 38-year-old German, now working as a librarian in New Brunswick's Dorchester Penitentiary, has been placed in the hands of the Department of Justice.

It was understood the appeal has not yet reached the Minister of Justice, Mr. Garson, but is being studied by department officers. They will gather supporting evidence and other facts before passing it to the Minister.

(over)

Mr. Gregg On Manpower: Ottawa, January 30 (CP) -- The world outlook does not call for compulsory direction of manpower in Canada, the Minister of Labour, Mr. Gregg said tonight.

He made it clear this is the Government's view both for civilian labour and recruiting for the armed forces, in the light of current world prospects.

But he warned that the manpower situation would be changed if the world situation became "much more dangerous." In that case, Canadians should be ready for "more drastic defence requirements."

Policy Toward Subversive Elements: Ottawa, January 30 (CP) -- A crack-down on anti-Canadian activities within the country was foreshadowed today in the Speech from The Throne at the opening of Parliament.

The stiffened policy towards subversive elements was indicated in a forecast of new legislation to take away the Canadian citizenship of those who have "renounced their allegiance" or "shown by their conduct that they are not loyal to Canada."

25-Pounder Guns For Luxembourg: Ottawa, January 30 (CP) -- Canada, as a result of a request from General Eisenhower, has agreed to equip a Luxembourg field artillery regiment with 25-pounder guns, the Minister of National Defence, Mr. Claxton, announced today.

The 24 artillery guns will be shipped shortly from Montreal to the small Grand Duchy, one of the Atlantic Treaty nations. The move is in line with Canada's decision to help arm Europe against Communist aggression.

Canada, France Agreement: The Department of External Affairs announced on January 29 that Canada and France have concluded an agreement respecting compensation for Canadian citizens and corporations having interests in companies in France which produce gas and electricity and have been nationalized. (See Press Release No 5, January 29).

Mr. Macdonald Special Ambassador: The Department of External Affairs announced on January 30 that Mr. J. Scott Macdonald, Canadian Ambassador to Brazil, has been appointed Special Ambassador of Canada at the inauguration of His Excellency Getulio Dornelles Vargas as President of the United States of Brazil. (See Press Release No. 6, January 30).

Across Canada: The federal Government's plan to establish a separate department for co-ordination of the defence production programme will be welcomed by business generally, the Canadian Chamber of Commerce stated in commending the move which is in line with Chamber policy, the Montreal Gazette reports....A wild life expert told Ontario sportsmen last night that it appears that the days of unlimited moose hunting are over in North America....Prime Minister Sidney Holland of New Zealand, his Canadian visit pared to little more than a day, last night scheduled a series of strictly-business meetings with Government leaders....Mrs. Marion Sullivan, 48-year-old Toronto mother of two children, will stand trial today on a charge of manslaughter, arising out of the death of her lawyer husband.

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Vol. 2, No. 23

Thursday, February 1, 1951.

Prospects For Seaway Appear Good: Ottawa, January 31 (CP) -- The Prime Minister, Mr. St. Laurent, told the Commons today the Government is hopeful that within a short time the United States will take constructive action leading towards a start on the St. Lawrence seaway project.

Replying to a question by Gordon Graydon (PC--Peel) at House opening, he said the prospects of co-operation between Canada and the U.S. for construction of the whole project "appear to be quite good."

This would embrace both the navigation and power phases.

Mr. St. Laurent did not directly answer Mr. Graydon's question as to whether Canada is prepared to build her share of the seaway alone if the U.S. doesn't act within a reasonable period.

Sabotage Alleged In Bridge Collapse: Quebec, February 1 (CP) -- Premier Duplessis yesterday blamed sabotage for the collapse of the \$3,000,000 Three Rivers bridge which bore his name.

(Four men in automobiles died in the St. Maurice River in the collapse of four spans of the concrete and steel structure at 2:55 a.m. on January 31).

Mr. Duplessis told the Legislative Assembly his information about the bridge disaster was incomplete because of disrupted communications but there was reason to believe sabotage was responsible.

He said the Government will conduct an inquiry and take whatever action is necessary. A public inquiry will be ordered if justified by preliminary investigation, the Premier declared.

The Union Nationale Government leader noted that the bridge was an important link in Montreal-Quebec highway system and between the neighbouring industrial towns of Three Rivers and Cap de la Madeleine.

"Acts of sabotage are occurring almost everywhere," said the Premier. "They are due to certain subversive elements. We will conduct an inquiry to establish responsibility and if it is necessary to take proceedings, we will take them."

"We have suspicious and serious presumptions," he said.

Prime Minister Pleven's Visit: Ottawa, January 31 (CP) -- The Prime Minister, Mr. St. Laurent, announced today the details of the visit this week of Prime Minister Pleven of France.

He said Mr. Pleven will be accompanied by train from Montreal by Postmaster-General Rinfret, and will arrive at noon Friday. He will be met by Mr. St. Laurent, a representative of the Governor-General and other officials. An honour guard from the Royal 22nd Regiment will give a royal salute.

While in Ottawa Mr. Pleven will stay at the French Embassy.

Viscount and Viscountess Alexander will give a luncheon in honour of the French Prime Minister at Government House Friday and Mr. Pleven later will go with Mr. St. Laurent to the Parliament Buildings.

He will watch the debate from the Diplomatic Gallery and Mr. St. Laurent will express a welcome to Canada from the floor of the Chamber.

(over)

Urges Contributory Health Plan: Ottawa, January 31 (CP) -- A prominent Ontario surgeon said today in the Commons he hopes Canada will soon have a contributory health plan to help people meet the cost of major sicknesses or accidents.

Dr. W.H. McMillan, 57-year-old Liberal member for the Ontario constituency of Welland, said that in his 30 years of medical practice he has often seen life savings eliminated in a few weeks of unexpected sickness or accident.

Old Age Pensions Proposal: Ottawa, January 31 (CP) -- The Provinces may be allowed to impose an indirect sales tax of as much as three per cent to help them finance a new pensions programme for the aged, it was disclosed today in the Commons.

The Prime Minister, Mr. St. Laurent, tabled copies of draft constitutional amendments that would allow the federal Government to inaugurate a contributory old-age pension programme, and permit the Provinces to enter the indirect sales-tax field, now exclusively in federal jurisdiction.

Contribution Of The Senate: Ottawa, January 31 (CP) -- First step toward the much-discussed "reform" of the Senate was taken today in the Senate itself.

Senator Wishart Robertson, Government Leader in the upper Chamber, gave notice of a resolution in his personal capacity to set up a Senate Committee to inquire and report on what should be done to enable it to "make its maximum contribution to the welfare of the Canadian people."

Radioactive Snowfall: Ottawa, January 31 (CP) -- Ottawa and probably other Canadian snows have become charged with an unusual degree of radioactivity probably arising from last week's atomic explosions in Nevada, officials said today.

But, the National Research Council hastened to add, this invisible radioactive dust fell in an early-Monday snowstorm and settled on the top is "quite harmless" and is more of a nuisance to scientists than anything else.

One scientist said a person who climbs to the top of a mountain would be in the midst of considerably more radiation--and still safe. There is always a minute amount of radioactivity in the air.

Security Sales To U.S. Down: Ottawa, January 31 (CP) -- The American investor's big buying binge of Canadian securities has hit the skids.

Sales to the United States of \$37,600,000 worth of Canadian securities in November were down sharply from \$60,600,000 in October, \$173,000,000 in September and \$72,000,000 in August, the Bureau of Statistics reported today.

The August-September period was when speculation on an impending change in Canada's exchange policy was at its height, with American investors pouring in hundreds of millions of dollars in the hope of a quick profit.

Across Canada: Mr. Justice Sidney Smith said yesterday that Communist domination of Vancouver Civic Employees' Union, local 28, was a "significant breach" of the constitution of Trades and Labour Congress of Canada. His comment was continued in a judgment of the British Columbia Court of Appeal which refused an injunction to prevent organization of a rival T.L.C. union among Vancouver's outside civic workers....The Ontario Legislature reopens today.... British Columbia's major gold-mining area, sitting in a pocket of snow-encrusted mountains, passed its eight day in complete isolation....Sub-zero weather across most of Canada was giving way to milder temperatures today.

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Vol. 2, No. 24

Friday, February 2, 1951.

Mr. St. Laurent On Defence Policy: Ottawa, February 1 (CP) -- The Prime Minister, Mr. St. Laurent, today ruled out conscription for Canada at this stage of the world situation.

He told the Commons the Government believes the big need in building up defences of Western Europe now is for arms rather than troops, though he said that condition could change.

If it did change, the Prime Minister said, Government policy would be based on the type of Canadian contribution that could be of "actual effective value" and not on sentimental, racial or religious grounds.

Mr. St. Laurent, leading off the Government's defence of its policies in the annual Throne Speech debate, told the House he is confident North Atlantic Treaty nations' defences will be built up strongly enough to prevent aggression, but he warned it will call for the full effort of all Canadians.

He indicated to the House economic controls powers being sought by the Government would be on a stand-by basis, to be used as appeared beneficial. The Government would move "with dispatch but with caution."

As the traditional debate took precedence over other Commons' business today, the Government ran into two Opposition motions of non-confidence, passage of which would mean overthrow of the administration.

The motions, which will not be voted on until later were:

1. By George Drew, Progressive Conservative Leader, on grounds that the Government had "failed" to give the nation leadership, to mobilize enough forces to meet international obligations and to combat inflation and the cost of living effectively.

2. By M.J. Coldwell, C.C.F. Leader, censuring the Government for supporting the United States resolution calling on the United Nations to brand Red China an aggressor in Korea.

Mr. Drew, who opened the debate, called on the Government for a Royal Commission with a view to cutting down non-essential Government expenditure and for a Parliamentary Committee to examine into defence measures.

He charged there was great uncertainty that Canada has more than a "very small number" of men ready to go into action, despite heavy defence spending.

Mr. Coldwell said a thorough appraisal should be made of Canada's manpower and material resources before any decision is reached on how men should be raised for the armed forces.

The C.C.F. Leader also revived his party's demand for price controls. But it would not do to stabilize prices at high levels. There must be a roll-back.

At tonight's brief House sitting, Solon Low, Social Credit Leader, said he agreed with the Prime Minister's belief the North Atlantic alliance could prevent aggression. Canada must play its part and to do so it should improve highway communications, decentralize industry and stockpile essential materials.

Lt.-Gen. Foulkes Heads All Forces: Ottawa, February 1 (CP) -- The armed forces today were placed under a single military head--Lt.-Gen. Charles Foulkes--in a move arising from their expansion and Canada's growing commitments overseas.

(over)

But the development was almost overshadowed by the resulting appointment of colorful, incisive Lt.-Gen. Guy Simonds as Gen. Foulkes' successor as Chief of the Army's General Staff.

The moves, announced by the Minister of National Defence, Mr. Claxton, after a Cabinet meeting, do these things:

1. Make Gen. Foulkes, 48, Permanent Chairman of the Chiefs of Staff Committee charged with co-ordinating the operations and training of the three forces and the preparation of fully correlated defence plans. Equally important is that they recognize his role as Canada's chief military spokesman in Atlantic Pact developments and free him to carry on that job.

2. Place the expanding army under Gen. Simonds, 47, a man who has spent five years directing British and Canadian staff colleges after a war career which stamped him in many minds as Canada's outstanding field commander.

3. Send the R.C.A.F.'s brainy Air Vice Marshal F.R. Miller to Kingston to take Gen. Simonds' job as head of the National Defence College.

New Auxiliary Squadron: A new Auxiliary Squadron is to be formed later this year in Vancouver, it was announced on February 1 by the Minister of National Defence, Mr. Claxton. The squadron will be the second such Reserve unit to be formed in Vancouver, and will be the 12th to be set up in Canada since the war. Personnel for the new squadron will start their training within the other Vancouver squadron, N. 442.

Cheque-Cashing At New High: Ottawa, February 1 (CP) -- Cheque-cashing by Canadians soared to a new high in 1950, the Bureau of Statistics reported today.

The total stood at \$100,635,459,000, an increase of 15 per cent over the previous high of \$87,554,363,000 in 1949. In December alone, the country-wide total jumped to \$9,314,795,000, compared with \$8,395,808,000 in December, 1949.

Kellock Rail-Wage Award To Stand: Ottawa, February 1 (CP) -- The Government does not intend to alter the Kellock rail-wage award, the Prime Minister, Mr. St. Laurent, told the Commons today.

He had been asked by Stanley Knowles (CCF, Winnipeg North Centre) if the general award would be extended to hotel and water transport employees of the railway workers.

The Senate Opens Debate: Ottawa, February 1 (CP) -- The importance of Canada's role in keeping the peace was emphasized in the Senate today by the mover and seconder of the Address in Reply to the Speech from the Throne.

Senator J. Wesley Stambaugh (L--Alberta), the mover, and Senator J.M. Dessureault (L--Quebec) seconder, both said Canadian resources could play a big part in combating aggression.

Across Canada: The Minister of Transport, Mr. Chevrier, said in the Commons yesterday that he will take up with the Cabinet the question of subsidy to keep the steamship Aorangi operating between Vancouver and Australia.... The Liberal Speaker of the Commons last night asked Art Smith, Progressive Conservative member, to change his mind about resigning his Calgary West seat.... Mayor J.A. Mongrain said yesterday that "no one in Three Rivers believes sabotage was connected with collapse of the Duplessis bridge.".... George Drew, Progressive Conservative Leader, yesterday extended birthday wishes to the Prime Minister, Mr. St. Laurent, who was born 69 years ago at Compton, Quebec.

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Vol. 2, No. 25

Monday, February 5, 1951.

Mr. Pearson On Defence Policy: Ottawa, February 2 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, warned the Commons today that the free world is "in the greatest possible danger" from communist aggression.

In a 75-minute run-down on the critical world situation, he told the chamber that danger still is greatest in Western Europe, a glittering prize which "is still relatively weak, and still stands open to Soviet conquest."

But, he went on with sober confidence, if the North Atlantic powers increase their strength, and use it wisely they have "no need to fear."

Mr. Pearson, a former university professor of history, made these other points:

1. The fall of Western Europe would put North America "in a desperate position, indeed." Russia then would have industrial resources rivalling those of the Western Hemisphere.

2. At the same time, he shares the view of the Prime Minister, Mr. St. Laurent, that the building up of North Atlantic strength will deter Soviet aggression in that part of the world.

3. A cease-fire in Korea would not remove the dangers of communist aggression, but would put the free world in a "stronger position" to meet it.

4. The U.N. forces in Korea are neither "weak nor frightened" and, in fact, are "getting stronger."

5. Canada, along with other delegations, is "determined to do everything we can to prevent a war with China, whether limited or unlimited."

Mr. Pearson, speaking from personal experience as a member of the U.N.'s Cease-Fire Committee, reviewed the steps leading to the U.S. resolution branding Red China as an aggressor in Korea. That resolution did not, he said, slam the door on subsequent negotiation of a cease-fire.

He delivered his policy statement in the Throne Speech debate before crowded public and diplomatic galleries and with visiting Premier René Pleven of France and his party listening from the diplomatic row.

Seek Economic Control Powers: Ottawa, February 2 (CP) -- Stand-by power to impose sweeping peacetime control over the Canadian economy, and to a lesser extent over the Canadian people, will be asked of Parliament by the Government within the next few weeks.

The Prime Minister, Mr. St. Laurent, today gave an intimation of this when he placed on the Commons order paper notice of a resolution to a new piece of legislation. It will empower the Government to take almost any steps it feels necessary for the "security, defence, peace, order and welfare of Canada."

Mr. St. Laurent did not go into detail, but stated that the power will be limited by "restrictions enumerated" in the forthcoming bill.

Sabotage Alleged On "Magnificent": Halifax, February 4 (CP) -- A Navy spokesman said today that preliminary investigation of engine trouble aboard the aircraft carrier Magnificent indicated that the trouble was caused by a person or persons who wished to delay her sailing on manoeuvres tomorrow.

(over)

The Navy spokesman said the sabotage had been discovered before any damage was done to the ship's engines and that the Magnificent would sail tomorrow on schedule for exercises off Bermuda with two Royal Canadian Navy destroyers.

The Navy gave no details as to the nature of the sabotage, but it was reported unofficially that sand and brass filings were found in an oil compartment in the bearings of one of the engines.

18,000 Welcome "Sioux": Victoria, B.C., February 4 (CP) -- A crowd of 18,000 today gave the destroyer Sioux a throat-catching welcome home from Korea.

Shining in a new coat of paint, the warship slid into a jam-packed jetty of Esquimalt Navy Base at 3 p.m. PST -- the time scheduled for her arrival four days ago.

Old-time residents said they had never seen a welcome like it.

Exports Hit Peace-Time Peak: Ottawa, February 2 (CP) -- Spurred by a sharp increase in shipments to the United States, Canada's exports in 1950 hit a peace-time peak of \$3,118,400,000.

The four-per-cent increase over 1949 exports of \$2,993,000,000 came despite substantial decreases in exports to the United Kingdom. The 1950 outflow exceeded the previous peace-time peak of \$3,075,400,000 in 1948.

To the United States, Canada shipped goods valued at \$2,020,988,000 last year, compared with \$1,503,459,000 in 1949.

Balt Refugees For Canada: Stockholm, February 4 (CP) -- International tension with its threat of another World War is sending about 500 emigrants a month from Sweden to new homes in safety of Canada.

The prospective settlers are mainly refugees from the Baltic states of Estonia, Latvia and Lithuania, annexed by Russia in 1940. Only a sprinkling are native-born Swedes.

Most of the emigrants have been in the country for several years and have sufficient capital to pay their own fares to Canada. Some, however, have been leaving for Britain to take advantage of the recently-inaugurated assisted air-passage scheme.

Across Canada: France's anti-communist forces, its newspapers and leaders of its economic system are looking towards Canada for substantial material assistance, particularly during the next seven months, Premier René Pleven of France said in Montreal Saturday during a short stop-over at Montreal Airport, Dorval, prior to leaving for home via Air France....Premier Joseph Smallwood of Newfoundland was sworn in as Minister of Finance at St. John's Saturday by Lieutenant-Governor Sir Leonard Outerbridge.... The last of 193 youngsters left the 58-year-old Hospital for Sick Children on College Street, Toronto, on Sunday, for the new \$12,000,000, 11-storey hospital on University Avenue, a few blocks away.

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Vol. 2, No. 26

Tuesday, February 6, 1951.

Five Billions For Defence Programme: Ottawa, February 5 (CP) -- The Minister of National Defence, Mr. Claxton, announced tonight a \$5,000,000,000, three-year defence program highlighted by a drive to build up a 40-squadron air force--11 to be posted to Europe.

He placed before the Commons a programme provoked by the communist menace and dwarfing anything peacetime Canada has ever known.

He said:

1. Canada will post to Europe this year an army brigade group or regimental combat team--5,000 to 6,000 men--but that effort will be overshadowed in time by Canada's air contribution.

2. The three-year plan envisages a 100-ship navy; 115,000 men in the three regular forces; 40 regular and auxiliary air squadrons and the equivalent of a division for the army.

3. A screen of stations with the latest and most powerful radar apparatus is being built in Canada and will make up about one-quarter of a joint Canadian-American warning network backed by fighter squadrons.

4. The air development--the outstanding feature of the whole thing--will in time make the air force bigger than the army is now, with regular and reserve squadrons being formed as fast as planes can be produced. There now are three regular and 12 reserve squadrons, better than one-third of the objective.

5. Canada's air training facilities are being expanded to train more than 3,000 air crew--Canadian and European--a year. It will cost Canada \$64,500,000 in the next fiscal year starting April 1 to provide training for Atlantic pact airmen.

6. The defense budget for the next fiscal year will exceed \$1,600,000,000--double this year.

7. Canada will send to Europe British-type equipment for four divisions. Enough for one has already been turned over to Holland.

8. The strength of the navy--now about 10,000--will be doubled and the army will show substantial increases.

It was the decision to go in heavily for air power that dominated the whole speech, delivered in a chamber only partially filled.

The air force, said Mr. Claxton will be authorized to spend twice as much as the other services. It will soon place at General Eisenhower's disposal in Europe a wing of three fighter squadrons. The first squadron now is in England.

Within the three-year-period the 40 regular and reserve squadrons will have more than 3,000 aircraft additional to those now in use.

Air power will make "Canada's most substantial contribution" to Europe because there it was "especially needed."

Advisory Council On Manpower: Ottawa, February 5 (CP) -- Creation of a National Advisory Council on Manpower to help the Government make the best use of this resource in the growing labour shortage, was announced today by the Minister of Labour, Mr. Gregg.

Mr. Gregg told the Commons the new body will revise government proposals, and suggest plans for "the most effective utilization in the national interest of the present and potential man and woman working force in Canada."

The Council, consisting of 27 members, will include representatives of labour, employers, government, agriculture, and veterans.

(over)

An indication of the growing role expected from women in helping to meet the labour shortage developing from expanded defence production is in the fact that two of the council's members are to represent the women of Canada.

Names of the members were not announced, except for the co-chairmen, who are to be Arthur MacNamara, Deputy Minister of Labour, and Norman Robertson, Clerk of the Privy Council.

Labour and employers will each have four representatives on the council. There will be two apiece for agriculture, women, and veterans. Eleven Government departments will be represented.

Full-Time Ack-Ack Director: Ottawa, February 5 (CP) -- The Army's anti-aircraft programme was placed under a full-time director for the first time today, indicating intentions to make it an important part of developing plans to defend Canada against air attack.

Informed quarters said appointment of Col. H. E. Brown, 38, originally of Brandon, Manitoba, underlines plans to make the ack-ack programme a big element in Canada's defence effort.

Hitherto that effort has been part of the responsibility of the director of artillery. Now the ack-ack arm will have its own boss, charged with keeping "both men and equipment at top preparedness."

Regular and reserve force units will be teamed up with a radar warning network and with the R.C.A.F.'s interceptor fighter squadrons to stand guard over Canadian communities.

Housing Loan Curb: Ottawa, February 5 (CP)-- In a move to keep house building within the capacity of a Canada gearing for war, the Government today announced withdrawal of second-mortgage assistance to persons wishing to build their own homes.

The Minister of Resources and Development, Mr. Winters, whose Department administers the National Housing Act, said in the Commons that effective immediately, loans will be limited to 80 per cent of lending values prevailing in January, 1950.

This means suspension of a provision by which an additional one-sixth of the original loan could be obtained as a second mortgage under N.H.A. This provision was implemented in 1949 to help meet rising costs which boosted down-payments.

Maximum N.H.A. loan is \$8,5000.

Aggressor Resolution Debated: Ottawa, February 5 (CP) -- Canada's action in supporting a United States resolution branding Communist China as an aggressor in Korea was approved and criticized today in the Commons.

Gordon Graydon (PC -- Peel), foreign affairs spokesman for the Official Opposition, said that if the United Nations had failed to brand China an aggressor it would have set up differing standards for determining aggression as between powerful nations and smaller powers.

Percy Wright (CCF -- Melfort) said his party feels that adoption of the resolution was premature and would be of little use unless backed by punitive action. If United Nations was not ready to impose sanctions against China then it was only encouraging aggression.

Across Canada: Canada should aim at having a population of 20,000,000 by 1960, Donald Cameron, director of the University of Alberta's department of extension, told the Canadian Club of Montreal in the Windsor Hotel yesterday....A fine web of crack radar crews and swift fighter squadrons from the R.C.A.F. soon will be geared up to test Pacific Coast defences every three months, the Canadian Press reports....Representatives of provincial governments have been asked to meet federal authorities in Ottawa February 20 to discuss such things as the division of financial responsibility for civilian defence.



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Vol. 2, No. 27

Wednesday, February 7, 1951.

Government Upheld In Stand At UN: Ottawa, February 7 (CP) -- On a voice vote, the Commons last night defeated a CCF motion of non-confidence in the Government.

It criticized the Government for supporting the United States resolution calling upon the United Nations to brand Red China as an aggressor in Korea.

The CCF group, did not call for a recorded vote but accepted the ruling of the Deputy Speaker that their motion was defeated on the preliminary voice vote.

Members still must vote on a Progressive Conservative non-confidence motion which charges that the Government has "failed" to provide leadership; the troops necessary for the defence of Canada and for the carrying out of international obligations, and effective measures to combat high living costs.

Mr. Croll Urges Caution In Rearming Germans: Ottawa, February 6 (Globe) -- A veteran of the Second World War took issue today in the Commons with the reported statement of General Eisenhower that the attitude toward Germany should be to let bygones be bygones.

David A. Croll (L., Toronto-Spadina), acknowledged the necessity today of putting arms into the hands of Germans in the defence of the free nations of Western Europe. But he warned that the North Atlantic Treaty countries must go slowly and cautiously in any move. If it was decided that there was need for a strong Germany at least it should not be forgotten that this presented the danger of a strong Germany.

All his adult life, said Mr. Croll, had been spent in either arming Germany or fighting Germany. He agreed that the Soviet arming of an East German force was an important factor in deciding on the re-arming of Western Germany, but he suggested that the course might lie in re-arming West Germany precisely to the extent that the Russians are re-arming East Germany....

Fastest Jet Fighter Shown: Montreal, February 7 (Gazette) -- Montreal's vast Canadair plant, builders of the American-designed F-86 Sabre, has very nearly matched strides with United States production of No. 1 of the latest model of what has been termed the world's fastest jet fighter aircraft, the Minister of National Defence, Mr. Claxton, said here yesterday.

Mr. Claxton, accompanied by leading governmental officials, toured the Cartierville layout little more than 12 hours after outlining in Ottawa his new \$5,000,000,000 three-year Canadian defence plan.

Said the Minister: "Despite limitations of government-found property (government furnished parts) from the U.S. and modifications by the thousand, we are less than three weeks behind in the turn-out of the new F-86E Sabre."

Latest version of the speedy Sabre had its world debut recently at Los Angeles, Calif., where it is being built by North American Aviation Inc. Yesterday, the brand-new Canadian-built Sabre type flashed over Montreal skies on its first official flight.

Virtually one-third of the new Sabre, including engine and instruments, are furnished from American factories. The remaining two-thirds are all-Canadian labour and materials.

(over)

Mr. Gordon On Inflation: Montreal, February 7 (Gazette) -- Canadians must practise a stern self-denial of spending or "be forced into the frying pan of controls as the alternative to the fire of a raging inflation," Donald Gordon, C.N.R. President and former Chairman of the Wartime Prices and Trade Board, told the Canadian Retail Federation last night.

"Runaway inflation is so destructive that any method of stopping it, no matter how difficult and clumsy it may be, is surely the lesser evil," he said.

If controls are established, "they must be appropriate to the economic conditions of today and the foreseeable future."

Two main means of combatting the present tense economic picture were proposed: increasing production and "decreased spending on consumption and non-essential investment...or both." The two steps must be taken together, he suggested.

Would Return Tax Taken To Combat Inflation: Ottawa, February 6 (CP) -- Dr. W. G. Blair, Progressive Conservative member of the Commons for the Ontario constituency of Lanark, said tonight any money taken from the people in taxes to help combat inflation should be returned to them later.

Maj.-Gen. Pearkes On Training: Ottawa, February 6 (CP) -- (Maj.-Gen. G.R. Pearkes, V.C., military spokesman for the Progressive Conservative Party, told Monday of seeing American reservists receive only 18 days' refresher training before going to the Korean front. He asked Canadians who may be critical of Gen. MacArthur to keep that in mind.

Ottawa Air Raid Warning Test: Ottawa, February 6 (CP) -- The Defence Department said today it will undertake its first public test of a new kind of air raid warning signal here Thursday and assured residents there will be no need to be frightened. The loud 'bleat' of the new signal will be not unlike that of a destroyer's klaxon, the Department said.

Across Canada: An R.C.A.F. plane was chosen to make the 1,000th Pacific airlift flight from McChord Field near Tacoma, Wash., to Japan, the air force said yesterday....The Ontario Liquor Control Board sold \$88,-816,668 worth of liquor during the fiscal year ended March 31, 1950, it was shown in a report tabled in the Legislature. The figure represents an increase of almost \$6,000,000--or 7.1 per cent--over the total for the previous year....Provided the Provinces give their consent during the present session of Parliament, Canada's newly proposed pension law can be made effective in 1952, Jean Lesage, M.P. for Montmagny-L'Islet, told the Montreal Chambre de Commerce at its meeting in Montreal yesterday....Provincial Police reinforcements were put on duty yesterday at the entrances of Quebec legislature buildings to bar admission to a tenants' delegation expected to seek a meeting with Premier Duplessis. Premier Duplessis said he would refuse to meet the "communist organization" he called the Federation of Tenants.

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Vol. 2, No. 28

Thursday, February 8, 1951.

Action Soon For "Pats" In Korea: Ottawa, February 7 (CP) -- Posting of the first Canadian Army reinforcements to Korea is imminent, it was learned today.

The reinforcements, a small group of 40 to 50 infantrymen from the Special Force at Fort Lewis, Wash., are slated to join the 2nd Battalion of the Princess Patricia's Canadian Light Infantry after flying across the Pacific.

Arrangements have been made to keep a flow of reinforcements going to Korea while the Patricias are in action. The battalion is expected to go into action soon.

The first group of new men will be used to fill gaps that have occurred in the battalion since it reached Korea a few months ago and began intensive training.

Later reinforcements will go to fill gaps created by battle.

The Army said arrangements have been worked out between headquarters and the battalion for keeping up a steady flow of reinforcements. However, a spokesman said, no figures will be made public.

It is expected that the reinforcements will all be flown across by the Trans-Pacific airlift, with the R.C.A.F.'s 426 Squadron doing part of the job.

C.C.F. No-Confidence Motion Over Controls: Ottawa, February 8 (CP) -- In Parliament yesterday:

Howard Green (PC--Vancouver Quadra) criticized the Government's handling of participation in the Korean crisis.

The C.C.F. moved a vote of no-confidence in the Government for failure to reimpose price controls.

Senator A.K. Hugessen (Lib.--Quebec) said an attack by Russia in Western Europe seemed unlikely.

Dr. Dawson Biographer Of Late Mr. King: Montreal, February 8 (Gazette) -- The

Board of Governors of McGill University and the literary executors of the late W.L. Mackenzie King, yesterday made official announcement of the appointment of Dr. R. MacGregor Dawson, Professor of Political Economy at the University of Toronto, as the official biographer of Mr. King.

McGill is trustee of a grant of \$100,000 made by the Rockefeller Foundation in April, 1949, for the purpose of assisting Mr. King prepare his memoirs. The former Prime Minister died before this great task was well begun and the funds will now be used in the preparation of the biography.

Dr. Dawson is not expected to begin the biography until June.

Employment Better Than Last Year: Ottawa, February 7 (CP) -- Seasonal unemployment is still going up but it is not as sharp as this time last winter, the Department of Labour reported today.

The Department's fortnightly survey showed that at January 18 there were 281,900 persons looking for jobs through National Employment Service. That was 33,800 more than at January 4 but 63,900 fewer than a year earlier.

Employment conditions generally were remaining buoyant, the Department said, declaring there were shortages of skilled labour in many industries.

(over)

Three Rivers Bridge Disaster Inquiry Discussed: Quebec, February 8 (CP) -- Quebec Legislative Assembly debated yesterday but took no final action, on an opposition motion for a public inquiry into last week's Three Rivers bridge disaster.

Premier Duplessis charged that George Marler (Lib.--Westmount-St. George), House Leader of the eight-man Opposition, sought to "poison public opinion" by his demand for an inquiry.

The Premier said his "sincere belief" is that sabotage was behind the collapse of the eastern end of the 2,000-foot bridge and loss of four lives.

Not Bound By Hope Report: Toronto, February 8 (CP) -- Premier Frost reiterated yesterday that the Ontario Government "in no way" considers itself bound by the Hope Royal Commission Report on Education, tabled in the Legislature last week.

"The report and everything in it will have to be considered in the light of what the Government finds to be in the best interests of all our people," the Premier said during the Throne Speech debate.

U.S. Tariff Move Aimed At Canadian Potatoes: Washington, February 7 (CP) -- A ban on tariff concessions on agricultural products imported at below Government-support prices was voted by the House of Representatives today.

The measure, which must be ratified by the Senate and approved by the President, would have the effect of keeping out of the United States Canadian potatoes selling for less than the U.S. Government-supported prices.

Netherlands' Gift Painting For Ottawa: Ottawa, February 7 (CP) -- "The Water-Mill," a landscape by the Dutch artist Meindert Hobbema (1638-1709), will arrive in Ottawa late tonight.

It is a gift from The Netherlands Government in recognition of the part Canada played in the liberation of Holland.

The Netherlands Government expressed the wish that it be hung in the Parliament Buildings. But suitable wall-space here is at a premium. Most of it already has been taken up with portraits of Canada's men of history.

Radio Operation Accord With U.S.: An agreement between Canada and the United States of America on the operation of certain types of radio transmitters and equipment was signed on February 8 in Ottawa by the Minister of Transport, Mr. Chevrier, and Mr. Stanley Woodward, United States Ambassador in Ottawa. It will not come into force until it has been ratified by the legislatures of the two countries. (See Press Release No. 7, February 8).

Across Canada: C.R. Magone, Ontario Deputy Attorney-General, met yesterday with federal authorities to consider possible methods of restricting the use of telegraph and other facilities in illegal bookmaking and betting.... Premier Frost told the Ontario Legislature yesterday that his Government would not proceed with the construction of liquor outlets at the expense of building material needed for housing....Maj. Edward Leadlay, a Canadian who became one of the best-known figures in the London theatrical world, died yesterday in London, England, after an operation. He was 60....Five munitions workers were killed at St. Paul L'Ermite, Quebec, yesterday, when a large caliber shell exploded at the Canadian Arsenal's plant.

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Friday, February 9, 1951.

Military Equipment For Belgium: The following statement was made in the House of Commons on February 8 by the Minister of National Defence, Mr. Claxton, on the supply of military equipment to Belgium:

"Mr. Speaker, as hon. members know, Canada supplied the equipment, largely armament and ammunition, for a division to The Netherlands, and this was delivered last December.

"Monday night in the House I stated that, arrangements having been completed for replacement by equipment of U.S. pattern, we had indicated to the Council Deputies under the North Atlantic Treaty our willingness to supply the equipment for another division, and we asked advice as to its disposition.

"Word was received today that the standing group had recommended that this equipment be delivered to Belgium. I am glad to report that this action was approved by the Cabinet this afternoon.

"As soon as shipping instructions are received, the equipment will be shipped from the ordnance depot at Longue Pointe, Montreal, where it is ready and in good condition.

"By this action we will help to strengthen the defences of freedom in Western Europe, promote standardization on each side of the Atlantic, and strengthen the ties which already exist between the forces and peoples of Belgium and our own country."

Colombo Plan Economic Meeting: The Department of External Affairs has announced that Canada would participate in a meeting of the Consultative Committee on the Economic Development of South and South-East Asia to be convened in Colombo, Ceylon, on February 12. This will be the third meeting of the Consultative Committee and the first since the report on the Colombo Plan was released on November 28, 1950. During 1950 the Consultative Committee was composed of seven members of the Commonwealth -- Australia, New Zealand, United Kingdom, India, Pakistan, Ceylon, and Canada. The membership has now been widened to include the United States.

The main purpose of this meeting of officials will be to review the position since the last meeting of the Committee in London in September 1950 and to consider future action and organizational arrangements under the Colombo Plan.

The Canadian Delegation will be:

Delegate: Mr. David Johnson, High Commissioner for Canada in Pakistan.

Alternate Delegate: Mr. Paul Sykes, Canadian Trade Commissioner in Colombo.

Advisor: Mr. Clarence Read, Department of Finance, Ottawa.

Advisor: Mr. J.H. Thurrott, Department of External Affairs, Ottawa.

Count de Bernonville Deportation Ruling: Ottawa, February 7 (CP) -- Count Jacques de Bernonville, the French soldier-nobleman who has been the storm-centre of a political and legal battle in Canada for more than three years, has been ordered back to France to face trial on charges of collaboration with the Nazis.

But the long-withheld deportation ruling, announced today, does not necessarily end the involved Canadian saga of the shrapnel-scarred count, who slipped into Canada illegally to avoid a French firing squad after the war.

(over)

The count, who once before has beaten a deportation order by way of the Quebec courts, can go before the courts again. There was some belief in official circles here that he would try this recourse again. A possibility was a habeas corpus application before the Quebec Superior Court.

European Military Conference: The Canadian Government has accepted an invitation to send an Observer to the Conference which the French Government is convening at Paris on February 15, to discuss the creation of a European army. It was announced on February 8 that Canada will be represented by Major-General George P. Vanier, Canadian Ambassador to France, who will be assisted by political and military advisors. It is understood that other North Atlantic Treaty countries and the federal Republic of Germany have received similar invitations to attend either as full participants or observers.

The French Government's purpose in calling the Conference is to explore with other interested governments the proposals first outlined on October 24 by Premier René Pleven before the French National Assembly, suggesting the creation of a unified European army which would form part of the Atlantic integrated force under General Eisenhower's command now being built up by the North Atlantic Treaty Nations. As a signatory of the Treaty, Canada has an intimate interest in the forthcoming Conference.

ECOSOC Delegation: The Secretary of State for External Affairs, Mr. Pearson, announced on February 9 the composition of the Canadian Delegation to the 12th Session of the United Nations Economic and Social Council which will take place in Santiago, Chile, from February 20 to March 20. The members of the Delegation are:

Representative; Mr. John D. Kearney, M.C., K.C., Canadian Ambassador in Argentina.

Alternate Representative; Mr. J.F. Parkinson, Financial Counsellor, Canadian Embassy, Washington.

Principal Advisor; Miss B.M. Meagher, Department of External Affairs.

Advisors; Mr. G.V. Beaudry, Second Secretary, Canadian Embassy,

Santiago; Mr. A.R. Crépault (Secretary), Canadian Permanent Delegation to the United Nations, New York.

Price Control Measures Studied: Ottawa, February 8 (CP) -- The Canadian Government has under "active study" price control measures described as "alternative" to the sweeping restrictions imposed in the Second World War.

This was disclosed today in the Commons by the Minister of Trade and Commerce, Mr. Howe, in a review of Canada's preparedness programme and the state of the country's economic health.

He did not specify the nature of the alternative steps, but there was prompt speculation he had in mind some system of flexible ceilings, allocations, permits and other measures which would keep living costs at an even keel without the use of ceilings as rigid as those applied in 1941.

While he indicated, it is not the Government's "present" intention to impose over-all price and wage controls, he said he was "not ruling out the possibility that sweeping price control measures will be needed, should the developing situation make action necessary..."

Across Canada: The Minister of National Defence, Mr. Claxton, said yesterday reinforcements can be flown to Korea in 48 hours and said there are plenty of them available to support Canada's Korean battalion when it goes into action....Canadians went on an automobile-buying spree in 1950, purchasing half as many new cars again as they had in 1949, the Bureau of Statistics reported yesterday....A Canadian military spokesman in Tokyo today officially denied front-line reports that Canadian troops had gone into action yesterday....Sub-zero temperatures are gripping Eastern Canada with 26 below zero reported this morning at Ottawa.

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Vol. 2, No. 30

Monday, February 12, 1951.

"Pats" With Commonwealth Brigade: With the Canadians in Korea, February 11 (CP) -- English, Scottish, Australian and New Zealand troops will be the battle companions of Canada's ground force in Korea when it goes into action.

Lt.-Col. J.R. Stone, commander of the 2nd Battalion, Princess Patricia's Canadian Light Infantry, broke the news to his men Saturday at their last battalion parade before they move north from their South Korean training headquarters.

The Patricias will line up with the 27th Commonwealth Brigade -- a true Commonwealth outfit that already includes the 1st Battalions of the Middlesex Regiment and Argyll and Sutherland Highlanders, an Australian infantry battalion and a New Zealand field artillery brigade.

The Patricia's assignment is temporary. Stone told his men yesterday he is confident they will acquit themselves in a manner worthy of Canada "and incidentally live up to the reputation we have already been given by the press of Canada."

The battalion's advance party moved north today under Major Gordon Henderson of Calgary. Stone flew back to Eighth Army headquarters and will confer with 27th Brigade officers. Maj. Pat Tighe of Victoria, B.C., will command the Patricias in the absence of Stone, who is not expected to rejoin the battalion before it moved north.

National Income Sets New Record: Ottawa, February 11 (CP) -- Canada's income smashed records in 1950 as the value of production of goods and services soared to an all time high.

The Bureau of Statistics reported 1950 national income at \$14,164,000,000, an eight per cent increase over the previous high of \$13,167,000,000 in 1949.

Salaries, wages and other income by Canada's labour force swept to a peak of \$8,300,000,000, a six per cent gain over the 1949 total of \$7,800,000,000.

All signs pointed to unprecedented economic activity, with the gross national product--sum total of all goods and services produced--chalking up a \$1,300,000,000 gain to a record \$17,700,000,000 from \$16,383,000,000 the previous year. About half the eight per cent climb was sparked by actual production volume increases; the remainder by price spreads.

This spectacular increase in production and income was shared by most industry with the exception of farming. Lower initial payments for wheat and increased operating costs pulled down net farm income six per cent to \$1,424,000,000 from \$1,513,000,000.

Economic splurges in 1950 had both their dark and bright sides. Spending by consumers and governments made gains; indirect tax collections were higher; personal savings were down, and international trade in goods and services, while hitting history-making heights, produced, for the first time in recent years, deficits instead of usual surpluses.

"Ontario" To South Pacific: Ottawa, February 11 (CP) -- Another Canadian warship, the cruiser Ontario, will visit the South Pacific shortly for a three-month training cruise. Three destroyers now are in the Pacific serving with United Nations naval forces off Korea.

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Vol. 2, No. 31

Tuesday, February 13, 1951.

Mr. Pearson On World Situation: Montreal, February 12 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, today told the Canadian Lumbermen's Association that the risk of war was now very great.

In a solemn appraisal of the world situation, he said, "I do not accept the thesis that war is inevitable, but at the same time draw attention to the fact that the Soviet Union may adopt tactics short of war which may have damaging effects upon our way of life."

Mr. Pearson warned:

"We must be ready for the possibility that an overt attack may not come for many years but that, meanwhile, we and other countries in the free world will be subjected to great tensions and provocations and exertions. We do not know enough about the present intentions of those who direct the policies of the Soviet Union to determine which type of challenge--the direct or indirect--is more likely."

It may be that the main reason why the Soviet Union did not launch attacks, he continued, was the present superiority of the United States in atomic weapons and the growing strength of western countries in other armaments.

He also warned that it was easier to meet the shock of battle than the poison of subversion, or the paralysis of economic confusion.

Subversion and confusion could be achieved by an enemy only by exploiting the difference between free and friendly countries, by fomenting the grievances of one class against another in a single country and by appealing to the legitimate aspirations of the impoverished masses in under-developed countries, particularly Asia.

Mr. Pearson said part of Canada's task against indirect aggression was to labour with might and main to see that the social structure and economy of the country remained healthy.

Mr. Abbott Rejects Immediate Price Controls: Ottawa, February 12 (CP) -- The Minister of Finance, Mr. Abbott, tonight rejected Parliamentary requests for full-scale price controls at this stage in Canada's fight against inflation.

At the same time, he told the Commons that he intends to budget this year "for a fully-balanced budget."

Replying to calls by Opposition members for the reimposition of controls, Mr. Abbott said:

"I don't believe a system of over-all price and wage controls would be desirable or effective at this time."

He did not, he added, believe that as yet a proportion of Canada's national production had gone into defence output to the extent that controls were necessary.

The Government, with experience in controls in the Second World War, knew the limitations and capabilities of controls and would use them "to the extent" needed when it felt they were necessary.

Mr. Abbott entered the Throne Speech debate after George Drew, Progressive Conservative Leader, charged that the policies of the Government alone were responsible for the development of inflation.

(over)

Compulsory Military Training Urged: Ottawa, February 12 (CP) -- The Commons today discussed Canada's mounting manpower problems -- both in the services and the defence production programme -- and heard a Parliamentary Assistant suggest that compulsory military training be inaugurated in the reserve forces and the Cadet Corps.

James Sinclair (L--Coast Capilano), Parliamentary Assistant to the Minister of Finance, Mr. Abbott, applied his suggestion to students in high schools and universities and to young men in the country's working force. Mr. Sinclair served as a Flight Lieutenant in the Air Force during the Second World War.

During continued debate tonight George Drew, Progressive Conservative Leader, said that Parliament should be told what troops Canada now has in being and how ready this country is to meet any threat.

Dr. Mackenzie On Scientific Research: Montreal, February 13 (Gazette) -- Work done by Canadian scientists in the field of atomic energy compares favourably with that done anywhere in the world, Dr. C.J. Mackenzie, President of the National Research Council, told the Canadian Club here yesterday.

"We have the well-prepared minds of scores of young Canadian scientists able and working in Canada, not as so often was the case in the past, in other countries," he said.

Seaway Important To Defence: Anticipating that a "very substantial expansion of Montreal Harbour facilities will be necessary" if the St. Lawrence Deep Waterway is developed, and also that the St. Lawrence Ship Channel between Montreal and Quebec would have to be enlarged "in order to cope with anticipated increased tonnage as well as larger vessels to be used in ore traffic," the Minister of Transport, Mr. Chevrier, on February 13, outlined the economic and engineering features of the project for the benefit of a joint meeting of the Montreal Board of Trade and Chambre de Commerce. He indicated that one of the contemplated improvements would be the creation of a dammed-up pool for shipping between Victoria Bridge and Longue Pointe, similar to those constructed in the principal world harbours including London, Liverpool, Antwerp, Havre, Buenos Aires, etc.

In outlining the salient factors of the St. Lawrence Deep Waterway, the Minister of Transport said that "from the point of view of national defence," its "immediate development is of the greatest importance."

Across Canada: Men and machines today began cleaning up the mess left by retreating flood waters in British Columbia's Fraser Valley. A three-day downpour which ended Sunday sent rivers over their banks, caused three deaths, drove hundreds from their homes and cut rail and highway communications. At Victoria, Evan S. Jones, Deputy Minister of Public Works, said flood conditions were "nearly as bad as 1948," the year the Fraser overflowed and caused \$30,000,000 damage....The Copyright Appeal Board has fixed the fees to be paid by radio stations and places of entertainment for use this year of musical works in the repertoire of the Composers, Authors and Publishers Association of Canada. The three-man Board left the fees much as they were in 1950. Objections to the fees were considered by the Board following public hearings last month....Dr. Frederick William Routley, National Commissioner of the Canadian Red Cross Society since 1938, died in hospital in Toronto yesterday.

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OTTAWA - CANADA

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Vol. 2, No. 32

Wednesday, February 14, 1951.

Mr. Pearson On Korea: Ottawa, February 13 (CP) -- Any decision to recross the 38th Parallel in Korea should be a collective decision taken by nations with forces under the United Nations banner, the Secretary of State for External Affairs, Mr. Pearson, said today.

He indicated, in a statement to the House of Commons, that Canada has made this view clear to the United States in recent informal discussions.

Answering a question by M.J. Coldwell, C.C.F. Leader, Mr. Pearson said representatives of Governments with forces in Korea have had informal discussions with the United States over the crossing of the Parallel and other Korean matters.

As a result of these discussions Mr. Pearson said he could say that the "political significance" of any deep military penetration into North Korea "is appreciated." He couldn't go farther at this time.

Mr. Pearson said there is some doubt as to whether South Korean troops actually have recrossed the Parallel in recent days. If they had, it was apparently purely a small tactical movement "and doesn't indicate that any decision has been taken for a crossing," even if it was possible as a military operation.

Reinforcements En Route To Korea: Ottawa, February 13 (CP) -- The Minister of National Defence, Mr. Claxton, announced today that 85 reinforcements to fill the gaps battle may make in the ranks of Canada's Korean battalion in its first month of action now are en route to that theatre.

They are either in Korea or between there and Japan, he told the Commons in replying to a question from Maj.-Gen. G.R. Pearkes, V.C. (PC--Nanaimo).

Mr. Claxton said 85 officers and men will be provided monthly for the battalion, the 2nd Battalion of the Princess Patricia's Canadian Light Infantry. The first contingent was on its way.

Earlier 35 reinforcements reached Korea to join the Patricias before they go into action, apparently soon.

The rate of 85 men a month, Mr. Claxton said, is based on experience in Korea and elsewhere and "seems to be adequate."

(There are about 800 men in a battalion but the Patricias went to Korea about 1,100 strong.)

At Fort Lewis, Wash., there were enough men -- with the Army's Special Force -- to supply the Patricias indefinitely. They would come from the 3rd Battalion of that unit or from others.

Noranda To Develop Gaspé Copper Deposits: Quebec, February 13 (CP) -- Premier Duplessis today announced that Noranda Mines Limited had approved expenditure of "\$12,000,000 or \$15,000,000" to start development of vast copper deposits in Gaspé Peninsula.

The Premier made the announcement to a delegation representing the Montreal and St. Johns, Quebec, regional councils of the Canadian Congress of Labour.

He said the company's Board of Directors had authorized the expenditure at a recent meeting.

The deposits, located in the rugged Gaspé Peninsula interior, 65 miles west of the town of Gaspé, will be reached by a road built by the Quebec Government to make the development possible.

(over)

The Premier said there was enough copper in the peninsula for mining operations for a 100 years.

Copper ore deposits proved in the area so far are estimated at about 50,000,000 tons.

Peace Congress Blasted In Commons: Ottawa, February 13 (CP) -- The red-tinged Canadian Peace Congress, armed with petitions protesting United Nations action in Korea, descended on the Capital today, but found all doors closed.

Prime Minister St. Laurent's office three times declined a request by Dr. J.G. Endicott of Toronto, Congress Chairman, for a personal interview with Mr. St. Laurent. A spokesman explained that the Prime Minister does not make a practice of receiving individuals.

Three schools declined the use of their facilities for the holding of a public meeting.

Congress members then tried to button-hole private Members of Parliament. This tactic produced a ripple in the Commons when Julian Ferguson (PC-- Simcoe North) rose at the House opening to direct this one-sentence statement of denunciation of the Congress to Justice Minister Garson:

"How much longer is this country going to tolerate termites like Dr. Endicott and his associates voicing their Communist opinions in the capital of Canada?"

Mr. Garson did not reply.

Mr. Drew On World Situation: Ottawa, February 13 (CP) -- George Drew, Progressive Conservative Leader, said tonight he believes it is "idle" to hope that Mao Tsetung's Communist Government of China may break with Moscow.

In a speech prepared for delivery to the Ottawa Business and Professional Women's Clubs, Mr. Drew said:

"If the day ever comes when there is a break between Peiping and Moscow, it will be because of the conflict between two dictators, one of whom refuses to be subservient to the other, and not because of any affectionate wooing by the Western World."

Mr. Coldwell On World Situation: Ottawa, February 13 (CP) -- M.J. Coldwell, C.C.F. Leader, said tonight sanctions against China would drive China closer to Russia and increase the ultimate danger of world war.

He expressed fear that the United Nations' condemnation of China as an aggressor in Korea must lead to pressure for sanctions against the Chinese.

Mr. Coldwell, speaking on a CBC free-time political broadcast, reaffirmed the C.C.F.'s stand against Canada's "unwilling" vote for condemnation of Peiping.

Across Canada: A two million dollar Institute of Radio-therapy, to provide every known facility for diagnosis and treatment of cancer, and for research into cancer prevention and cure, was announced last night in Toronto by Premier Leslie Frost. Through the co-operation of the governors and medical advisory staff of Wellesley Hospital, Mr. Frost stated, the new centre will be erected at, and provided in conjunction with that institution. Throughout Ontario, and stemming from this major centre, treatment centres in Windsor, London, Hamilton, Kingston, Ottawa, the Lakehead and other Northern Ontario points will be operated, involving a further outlay of probably \$500,000....Direct controls may be necessary in Canada to help fight inflation and rising living costs resulting from increased defence activity. This is the highlight of the 1950 report of Graham F. Towers, Governor of the Bank of Canada. The 7,000-word report, made public yesterday, has been sent to the Minister of Finance, Mr. Abbott, for tabling in the Commons....Sir Alexander Clutterbuck, British High Commissioner in Canada, has had his term of office extended for about one year from May, 1951, the Commonwealth Relations Office announced in London last night, according to press reports this morning.

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Vol. 2, No. 33

Thursday, February 15, 1951.

"Pats" Prepare To Enter Battle Zone: With the Canadian Troops in Korea, February 14 (CP) -- Canada's fighting men in Korea--Princess Patricia's Canadian Light Infantry--prepared today to head into the battle zone.

They broke camp to start tomorrow to fighting positions--two days' road travel away from their training quarters in South Korea. However, there may be little or no news of their activity in the next few days because of censorship regulations, which permit reports to be sent only when firm contact is established with the enemy.

Brig. Frank Fleury of the Canadian Military Mission came by plane from Tokyo Tuesday for an overnight visit with the battalion before it set out for the battle zone in the United States troop-carrying vehicles.

Brig. Fleury said his visit was to ensure that the unit's administrative and supply lines are in good order. He said he was impressed by the fighting fitness and morale of the men.

Lt.-Col. J.R. Stone returned Tuesday from a battle front visit to lead his men. He was enthusiastic about the efficiency of the British Brigade with which the Canadians will be integrated.

"I was there when the brigade was alerted," he said. "Things functioned like a quiet drill--even to establishing ambulance car posts should movement orders be issued.

"It was all done without paper work. They've had only one paper order since arriving in the theatre."

The area to which the Patricias are heading is mountainous, like the section where they have been training, he said. But it is extremely cold, with snow on the ground.

The company spent its last two days of training on attack exercises during which every battalion weapon was fired for the last time before action.

Maj.-Gen. Pearkes On Compulsory Training: Ottawa, February 15 (CP) -- The military spokesman for the 43-man official Progressive Conservative opposition in the House of Commons yesterday declared his opposition to proposals for compulsory military training in Canada's reserve forces.

Maj.-Gen. G.R. Pearkes, V.C., in a carefully-worded speech, said he takes that stand because he thinks compulsory training will serve only to retard the development of the active forces and "lull the people into a false sense of security."

A wartime commander on Canada's Pacific coast, Gen. Pearkes now represents the British Columbia riding of Nanaimo. He won rounds of applause from Liberal and C.C.F. members as well as those of his own party as he made his points.

He was speaking on a motion, sponsored by the 10-man Social Credit party, calling for compulsory reserve training of young Canadians for home defence. It was introduced Tuesday night in the Debate on the Address in Reply to the Speech from the Throne.

He did think, he said, that the Government should launch national registration of Canada's manpower.

(over)

Civil Defence Conference: Montreal, February 15 (CP) -- Federal and provincial Government heads will meet February 23 to discuss mutual civil defence problems, it was learned last night following a meeting of Maj.-Gen. F.F. Worthington, federal Co-ordinator of Civil Defence, and members of the Executive and Advisory Board of the Canadian Federation of Mayors and Municipalities.

The General's talk with the Mayors and representatives of 23 Canadian municipalities was an "off-the-record" one, but it was learned he indicated February 23 as the date of the meeting for federal-provincial talks on the matter. It was not known if the meeting would be in Ottawa.

The Board drafted a memorandum on Civil Defence following opening sessions of the two-day meeting here and concluded by saying that no Canadian centre is adequately and properly defended despite the "feeling among informed national leaders that war is neither imminent nor inevitable and that it could come at any time."

Says Senators Arbitrators, Judges: Ottawa, February 14 (CP) -- Veteran Senator John T. Haig said today he opposes any sweeping reform of the Senate.

The Upper Chamber had been shaped to hold Canadian Confederation together and had done the job well.

The 73-year-old Progressive Conservative Leader from Manitoba told fellow Senators that they no longer were politicians. As Senators they were arbitrators or judges of the Legislation which streamed from the elected House of Commons. Any suggestion of an elected Senate would upset this independence.

Rush Steep Rock Development: Ottawa, February 14 (Gazette) -- Development of the vast iron ore resources in the Quebec-Labrador region and in the Steep Rock area about 150 miles west of Port Arthur is being rushed by the federal Government for strategic as well as commercial purposes.

"We are taking steps to accelerate production in both areas," the Minister of Trade and Commerce, Mr. Howe, stated tonight, but the Minister declined to go into detail. It is learned, however, that measures already taken will shorten the period before production in the Labrador area begins by at least one year, while provision for more rapid development work at Steep Rock will hasten the output of ore from that field.

Across Canada: The Quebec Legislature yesterday by a 71-6 vote asked that a "public and impartial inquiry" be held into the Duplessis Bridge disaster at Three Rivers January 21 in which four persons died....The decoration of the French Legion of Honour was placed yesterday in the coffin of Dr. F.W. Routley, National Commissioner of the Canadian Red Cross, who died Monday. Dr. Routley had been scheduled to receive the award, given by the French Government for outstanding military or civil works, next spring.... Three major and some smaller newsprint mills in the Northern Quebec-Lake St. John district of Quebec may be forced to shut their mills "within a day or two" unless more railway boxcars are made available for newsprint transportation, a spokesman for the Consolidated Paper Corporation Ltd., one of the three big suppliers in the area, said yesterday... The R.C.A.F. is offering commissioned rank to ex-service pilots and navigators under 35 years of age, it has been announced by Air Force Headquarters. The former age limit for aircrew enlistees was under 30.

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Vol. 2, No. 34

Friday, February 16, 1951.

Military Training Debate: Ottawa, February 15 (CP) -- Two Progressive Conservative members today in the House of Commons disagreed with their party's view on the contentious issue of compulsory military training in Canada's reserve forces.

First Douglas Harkness (PC--Calgary East), wartime artillery lieutenant-colonel, and then Howard Green (PC--Vancouver Quadra), a veteran of the First World War, announced support of a motion calling for compulsory training in the reserve forces for home defence.

They disagreed with the military spokesman of their 43-man party--Maj.-Gen. G.R. Pearkes, V.C. (PC--Nanaimo) -- who said yesterday he could not approve the motion, sponsored by the 10-man Social Credit party.

Mr. Green said it was better to argue the question dispassionately now than with heat and bitterness later after war had started.

Despite the impending danger of war there was no adequate preparedness in Canada and would not be until the Government announced a clearcut plan for use of manpower. The voluntary system of enlistment was discredited across the country because of its unfairness in the last war.

The Government's record on manpower and reinforcements in that war was not such as to inspire confidence in the people and much of the current emphasis on voluntary enlistment was political in purpose.

The forces were having trouble getting men and he doubted that defence production would get enough. It was obvious that some form of selective service for both would be necessary if Canada was to arm quickly.

Parliamentarians View Sabre Jet: Montreal, February 16 (Gazette) -- Second in a series of parliamentary tours through Montreal's vast Canadair aircraft building plant was held yesterday when a party of some 75 members of Parliament and government officials got first hand glimpses of the new model F-86E Sabre fighter from production line and assembly stages to actual flight.

Heading the party were Gen. A. G. L. McNaughton, Chairman of the Canadian Section of the International Joint Defence Board, and Maj.-Gen. F.F. Worthington, Canada's Civil Defence Co-ordinator.

For both men, it was their first view of the sleek air machine in action. Dressed in its regular turnover colour to the R.C.A.F., the silver-winged Sabre, piloted by Flt.-Lt. Terry Evans of Ottawa, a member of the Air Force's Experimental and Proving Establishment, was sent through its paces.

International Trade Exceeds \$6 Billion: Ottawa, February 15 (CP) -- Canada's international trade in 1950 rolled past the \$6,000,000,000 mark for the first time in history.

Buying and selling increased by about \$500,000,000 to \$6,331,300,000 from \$5,783,700,000 in 1949, the Bureau of Statistics said today. Biggest stride was a half-billion-dollar gain in exports to the United States.

Exports to all countries totalled \$3,157,100,000, a gain of about \$100,000,000 from \$3,022,500,000 in 1949. Imports, reaching an all-time peak, touched \$3,174,300,000, an increase of about \$400,000,000, from \$2,761,200,000 the previous year.

This splurge in purchases cut Canada's usual surpluses in trade to a \$17,200,000 deficit -- first since 1931, start of the world economic depression.

(over)

But conditions have changed vastly since then, said the Bureau. The deficit in 1931 was sparked by low prices and shrinking markets; last year's deficit -- relatively small when compared with the huge over-all trade -- was caused principally by the great demand for goods in Canada.

Main feature of the year's trade, added the Bureau, was the expansion in exports to the U.S. Shipments rose 34 per cent to \$2,050,000,000 from \$1,524,000,000. Imports from the U.S. also were higher but not to the same extent. Boosted nine per cent, they climbed to \$2,130,500,000 from \$1,951,900,000.

Urges "Law For Protection Of Peace:" Ottawa, February 15 -- The "Canadian Peace Congress" has asked Parliament to follow the example of Communist regimes behind the Iron Curtain and pass a "law for the protection of peace."

The Congress, a group headed by Dr. J.G. Endicott, has tendered draft legislation which is being studied by Government officials.

There is one major difference between the law proposed here and that adopted in Communist states. The maximum penalty for war-mongering here would not be death, as provided in the Iron Curtain laws of the same name. The Congress suggests that terms of imprisonment ranging from 30 days to five years, and fines of from \$100 to \$5,000 should prove ample.

Increase Payments For Cobalt: Ottawa, February 15 (CP) -- The Minister of Trade and Commerce, Mr. Howe, today announced that the Government will increase payments for cobalt by 50 cents a pound to boost production of this strategic metal.

Cobalt, in scarce supply, is a metal used extensively in Canada's defence programme for the production of jet engines and blades and electrical equipment.

Across Canada: Senator Arthur Roebuck, (L-Ontario) warned against any "monkeying or tinkering" with the set-up of Canada's Senate and urged withdrawal of a motion sponsored by his leader for reformation... Without a dissenting voice, the Legislative Assembly of Quebec, yesterday agreed to a Government measure to enable Quebec to make an agreement with the Federal Government under which, based on declarations made by Premier Duplessis, persons over the age of 70 years will receive a pension without means test, the cost to be entirely borne by Ottawa, and persons between 65 and 70 to receive a pension, with means test, the cost to be borne half by the province and half by the Federal Government... Hourly pay and weekly wages in leading Canadian manufacturing industries hit all-time highs at December 1, the Bureau of Statistics reported yesterday.



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Vol. 2, No. 35

Monday, February 19, 1951.

Throne Speech Debate Ends: Ottawa, February 16 (CP) -- The Commons, defeating two opposition motions of non-confidence in the Government, today voted 146 to 15 against a demand for compulsory military training in Canada's reserve forces for home defence.

The Progressive Conservatives split on the vote.

The compulsory training proposal was contained in a non-confidence motion sponsored by the Social Credit Party, made up of 10 members from constituencies in Alberta.

They were supported in the vote by four Progressive Conservatives and one independent -- Howard Green (PC--Vancouver-Quadra); H.H. Hatfield (PC--Victoria-Carlton); Douglas Harkness (PC--Calgary East); Joseph Harris (PC--Toronto-Danforth), and J.L. Gibson (Ind.--Comox-Alberni).

War veteran members supporting the motion included Mr. Green, Mr. Harkness, C.E. Johnson (SC--Bow River); F.D. Shaw (SC--Red Deer); Victor Quelch (SC--Acadia); Robert Fair (SC--Battle River) and Roy Thomas (SC--Wetaskiwin).

George Drew, Progressive Conservative Leader, who earlier spoke against the motion, other Progressive Conservatives, members of the C.C.F. and a number of independents voted with the Liberals against the proposal.

Opponents of the motion argued it would not solve Canada's problem, this country has not facilities or equipment to handle hundreds of thousands in the reserve forces, and that the Prime Minister, Mr. St. Laurent has indicated compulsory training for service anywhere will be instituted should need arise.

After disposing of the Social Credit motion, members voted 115 to 46 against a Progressive Conservative motion of non-confidence in the Government. It charged the Government with failing to provide leadership, failing to raise the forces necessary to defend the country and carry out international obligations, and failing to take steps to deal with inflation and the high cost of living.

The C.C.F. and most Social Crediters voted with the Progressive Conservatives.

Mr. Gardiner To London: Ottawa, February 18 (CP) -- The Canadian Government has sent the Minister of Agriculture, Mr. Gardiner, to London in another effort to obtain financial reimbursement from Britain for the post-war sale of wheat to the United Kingdom at below-world prices.

Agriculture Department sources said discussions in London likely will decide whether western farmers will get a small or large final payment under the five-year 1945-50 Canadian Wheat Board pool.

Mr. Gardiner left suddenly by air Saturday. There was no announcement of his departure. It is understood he has arrived in London.

In meetings with United Kingdom officials he also is expected to obtain clarification on what Britain wants from Canada in the way of future food supplies in view of British stockpiling and a deepening world crisis.

Loan Curtailment Heralded: Ottawa, February 16 (CP) -- Officials said today chartered banks likely will announce within a week a general aim of reducing the volume of loans to curb credit buying and the inflation threat.

(over)

An intimation of this was given by the Minister of Finance, Mr. Abbott, when he said in the Commons today he expects Canadian banks will announce a change in their lending policies shortly. He was answering J.M. Macdonnell (PC--Toronto-Greenwood).

Decision to reduce the lending volume follows unprecedented borrowing from Canadian banks. In 1950 public loans of \$2,651,000,000 were at an all-time high, increase of about \$500,000,000 over \$2,174,000,000 in 1949.

Mayors Meet Cabinet: Ottawa, February 16 (CP) -- Canadian mayors today met with the Prime Minister, Mr. St. Laurent, and his Cabinet to appeal for financial help for hard-pressed municipalities.

Mayor Horace Boivin of Granby, President of the Canadian Federation of Mayors and Municipalities, said later that Mr. St. Laurent recognized the need for assistance.

In the hour-long conference, some 25 delegates discussed with the Cabinet the question of housing, represented by the Mayors as one of the crucial issues in Canadian municipal affairs. The housing problem formed part of a lengthy brief presented to the Government.

The Minister of Resources and Development, Mr. Winters, promised to do his best to see no harm was done by restrictions to projects already under way.

The Federation pointed out the need for federal guidance in Civil Defence and the financing problems involved.

It asked for removal of the eight-per cent federal sales tax on equipment purchased by municipalities.

National Registration Mooted: Ottawa, February 16 (Gazette) -- The federal Cabinet is studying plans for a type of national registration which could be put into effect within two months, it was learned tonight.

The project is in the earliest study stage, and the Government does not plan to submit it to the recently-established National Advisory Committee on Manpower for the present. It is also certain the Government will not engage in any premature public discussion of the matter.

There are indications the form of registration under study differs in many respects from that of the last war.

Appeal To Privy Council: Ottawa, February 16 (CP) -- The Government is going to try to get the Privy Council to overthrow a Supreme Court of Canada ruling that it did not have power to authorize Canadian Wheat Board seizure of oats and barley in 1947.

Stakes in the case are millions of dollars in potential profits for traders in coarse grains, impounded by the Board at low, frozen prices and resold to traders at higher prices when decontrolled.

The Minister of Justice, Mr. Garson, announced the government action to the Commons today, declaring it was prompted by the Government's policy there should be no "fortuitous" profits to traders in commercial commodities as direct result of decontrol.

Across Canada: Prince Edward Island is getting smaller, Premier J. Walter Jones said in Halifax Saturday. He explained to a meeting of the P.E.I. Club that erosion is eating away the coastline because the forests have been cut.... Influenza, which has closed schools across Ontario, made itself felt in the Legislature last Friday when the House rose after a brief sitting. Illness of two Cabinet members--Labour Minister Charles Daley and Welfare Minister W.A. Goodfellow--who were to pilot key legislation on the order paper, left the House with nothing to do after 90 minutes. Seven legislators in the 90-seat House were listed as ill....The Minister of Fisheries, Mr. Mayhew, said on Friday that Canada and the United States are jointly considering how to guarantee protection of Pacific Coast fisheries in any peace treaty with Japan....The Defence Department said on February 16 that it will soon issue a booklet telling Canadians how to build air raid shelters in their basements at estimated cost of \$50 to \$150.



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Vol. 2, No. 36

Tuesday, February 20, 1951

Colombo Plan Contribution: Ottawa, February 19 (Journal) -- The Department of External Affairs said today that the Canadian Government has agreed to contribute \$25,000,000 to the first year of the six-year Commonwealth Colombo Plan to assist South and Southeast Asia countries.

Canada has undertaken no obligations beyond the first year.

David Johnson, Canadian Delegate to a Colombo, Ceylon, meeting of the Consultative Committee on economic development in the Asiatic area, announced the Canadian contribution to the plan which is estimated to cost \$5,604,000,000 over six years.

"The Canadian Government has now decided it is willing to contribute \$25,000,000 to the first year of the Colombo Plan, provided it is clear other contributing countries will be making appropriate contributions so that the broad objectives of the Colombo Plan can be realized", Mr. Johnson said.

Orders Return of Boxcars To Canada: Ottawa, February 20 (CP) -- In Parliament yesterday: The Minister of Transport, Mr. Chevrier, announced that railway boxcars on United States lines must be returned to Canada.

The House of Commons voted 98 to 42 against a private member's bill suggesting a parliamentary committee to study the cigaret problem.

Members expressed various views on expanding educational facilities.

Senator J. W. de B. Farris, said he opposed reform of the Upper Chamber.

\$1,000,000 Gift To Presbyterian Church: Ottawa, February 19 (CP) -- The Presbyterian Church in Canada has received a gift of \$1,000,000 to be used for the benefit of clergymen in all parts of the country.

The donation was announced at a Presbytery luncheon at St. Andrew's Church here today by Rev. F. Scott Mackenzie of Montreal, moderator of the general assembly. He said the donor was "a layman of the Presbyterian Church in Canada who desires to remain anonymous."

However, the Toronto Telegram reported the man who has pledged himself to give \$1,000,000 during the next 10 years is Senator Norman Paterson, 68, of Fort William.

The Liberal Senator, a wealthy grain merchant and shipowner, declined to confirm or deny this. He refused to accept calls at his office in the Senate or to see a reporter. Callers were told simply: "Senator Paterson does not wish to make a statement."

Re-Open Former Airfields: Ottawa, February 19 (CP) -- Canada will re-open a number of former airfields in the Prairie Provinces as one step in expanding training facilities for Canadian and Atlantic-pact countries.

This was disclosed today in a parliamentary return tabled in reply to questions by Ross Thatcher (CCF--Moose Jaw).

It said the locations of the fields "are still under examination." Possible number was not mentioned.

The Government reply said the decision had been taken to re-open some fields and disposals and dismantling of hangars and other buildings had been stopped.

Mr. Frost Promises Early Action On Pensions: Toronto, February 19 (CP) -- Premier Frost today promised his Government will seek to implement the proposed federal-provincial pensions plan "at the earliest possible moment."

(over)

The Premier set a target date of next January 1 for the plan to go into effect and told the Legislature he would call it into special session, if necessary, to carry out the Province's part of pension legislation.

He said Ontario's only objection to the proposed constitutional amendment, which must be agreed to by all Provinces before legislation for a federal pension without means test to all at 70 can be passed, was as to the form. "We want to be sure that it carries out our intention. Obviously the jurisdiction is to be concurrent--in other words, both Parliaments should have jurisdiction to deal with the matter."

Europe's Belief In Democracy: Montreal, February 20 (Gazette) -- "Believe in the democratic idea in Europe," the Canadian Club of Montreal was urged yesterday by Dr. Armin Meili, member of the Swiss National Council.

Addressing the Club's luncheon meeting at the Windsor Hotel, he reviewed current European trends, from which he has concluded that "the belief in democracy is deeply rooted in the majority of Europeans, and a progressive strengthening of Christian ideals is observable."

B.C. Hospital Insurance Problem: Victoria, B.C., February 19 (CP) -- A multi-million dollar problem faces the British Columbia Legislature, which opens its 1951 session tomorrow.

A new method of financing the compulsory hospital insurance scheme must be found.

After two years of operation, deficits range between \$7,000,000 and \$8,000,000, and premium payments will have to be raised or a new system of financing approved by the Legislature.

Canada Opens World Hockey Rounds March 10: Zurich, Switzerland, February 19 (Reuters) -- The International Ice Hockey Federation yesterday released the schedule for the world amateur championship in Paris March 9-17. The 13 competing countries are divided into two sections.

The top bracket is filled by Canada, the United States, Britain, Sweden, Norway, Switzerland and Finland.

The second is: Austria, Yugoslavia, France, Italy, Belgium and Holland.

The Federation also decided that in event of a first-place tie, a play-off will be held March 18. The winner is decided on a goals-for-and-against average.

Canada, which is represented by the Lethbridge, Alta., Maple Leafs, will open defence of its world title when it plays against Finland March 10.

Across Canada: Maj.-Gen. Charles Philip Fenwick, C.B., C.B.E., M.C., E.D., of Montreal, a former Director-General of the Canadian Army's medical services, has been appointed honorary colonel commandant of the Royal Canadian Army Medical Corps....Grants totalling more than \$437,000 for medical research in various universities and hospitals have been awarded this year by the National Research Council....The Minister of National Revenue, Dr. McCann, said yesterday that the Canadian Automobile Chamber of Commerce made representations to the Government seeking reimposition of dumping duties against British motor cars....Commodore George R. (Gus) Miles, O.B.E., commanding officer of the Royal Canadian Naval Barracks at Esquimalt, died yesterday at the commodore's residence. He was 49.

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DAILY AIRMAIL BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

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Vol. 2, No. 37

Wednesday, February 21, 1951.

Government Seeks Emergency Powers: Ottawa, February 20 (CP) -- The Prime Minister, Mr. St. Laurent, said tonight that the Government's new emergency powers legislation will give it authority to re-establish federal rent controls, due to expire April 30.

He made the statement in a brief questioning period before he introduced the legislation almost at the close of the Commons' night sitting.

Under questioning, the Prime Minister said the Government also would have power under the bill to undertake national registration.

He emphasized, though, that the bill, while providing wide economic powers to the Government, would leave with Parliament the power to veto any order made by the Cabinet under its provisions.

It would not be the policy of the Government, he said, to make any "major" change in policies already announced without going before Parliament and obtaining approval of these changes in a constitutional manner.

The policy already announced by the Government is that it does not plan comprehensive price, rent, wage or manpower compulsion at this stage. It is seeking powers on a stand-by basis.

Under the new legislation, Mr. St. Laurent said, all orders made by Cabinet will be placed before Parliament. If Parliament takes no action on them, they remain in force. If Parliament votes them down, they become ineffective.

Under the emergency legislation of the Second World War, Parliament did not have these powers.

Mr. St. Laurent On Controls: Ottawa, February 20 (CP) -- The Prime Minister, Mr. St. Laurent, told a labour delegation today the Government is sure that if it decides price controls are necessary, the Canadian people will go along.

Labour spokesmen presenting a brief calling for new price controls and retention of rent controls quoted the Prime Minister as saying that and also:

1. The Government firmly intends to allow federal rent controls to lapse April 30 as scheduled but would step back into that field later if the situation appeared to warrant it.

2. The Government welcomes labour's offer, in its brief, to consider wage "stabilization" if general price and production controls are put into effect.

3. The Government in close touch with the price situation, also is studying the report of its 1948 Royal Commission on Prices.

Manpower Council's First Meeting: Ottawa, February 20 (CP) -- The newly-created National Advisory Council on Manpower, informed by the Government it isn't going to be a "rubber-stamp" body, buckled down today to its job of helping beat the labour shortage.

The 28-member Council, set up early this month, held its first meeting in the Parliament Buildings and spent 2½ hours drafting plans for enabling it to get at the task of advising the Government how best to utilize Canada's manpower -- and womanpower -- resources. Canada's working force has been placed at more than 5,000,000 persons.

The Minister of Labour, Mr. Gregg, started the Council off by saying that it is not to be "an advisory body to rubber-stamp things that have already been decided on." The Government was going to take its work very seriously.

(over)

National Holiday Dates Debated: Ottawa, February 20 (CP) -- Parliamentarians tonight debated a proposal to change the date of the official celebration of Victoria Day and Dominion Day. Some were serious, other humorous. Everything ended inconclusively.

Members gave second reading--approval in principle--to a bill of John L. MacDougall (L--Vancouver Burrard) that would provide for celebration of the holidays on Mondays rather than on whatever days May 24 and July 1 happen to fall.

Debate bogged down on details. The discussion was not concluded in the one-hour devoted to measures sponsored by private members and will be resumed later in the session.

Civil Defence Talks: Ottawa, February 20 (CP) -- Canadian and American civil defence leaders will meet here tomorrow to give a shot in the arm to lagging plans for joint preparedness.

The two countries established three months ago a panel of experts to lay the groundwork for the closest possible co-operation in preparing civilian populations for air raids.

While both countries have been busy with their own preparations, the joint group hasn't yet met. It is believed that tomorrow's meeting will see that the effort starts into high gear.

It will be followed Friday by a meeting of Canadian federal and provincial civil defence authorities with the division of financial responsibilities as the main subject for discussion.

Across Canada: Twenty-one rubber companies lost another round yesterday in their fight to prevent the federal Government from prosecuting them under the Combines Investigation Act. The Ontario Appeal Court rejected the companies' request for an injunction to prohibit the Government from acting on a report of the combines investigator....Canadian labour moved today to consolidate its striking power on issues of common concern to the country's more than 1,000,000 unionized workers. Four central bodies representing virtually all of Canada's union members decided to set up a joint continuing committee to deal with common problems as they arise.... The British Columbia Government had a revenue surplus of \$3,319,736 for the year ending March 31, 1950, Finance Minister Herbert Anscomb reported to the Legislature....Labour income reached an all-time monthly peak during November, rising 1.4 per cent over the previous high in October and 10.9 per cent over November, 1949, the Bureau of Statistics reported yesterday....The Minister of Trade and Commerce, Mr. Howe, said yesterday that the Government is considering ordering a reduction in the production of passenger cars to curb civilian demands on steel.

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Vol. 2, No. 38

Thursday, February 22, 1951.

Special Force Ordered To Korea: Ottawa, February 21 (CP) -- Canada will shortly send a full brigade of 6,000 to 7,000 men into action in Korea under the United Nations flag.

The Minister of National Defence, Mr. Claxton, made the announcement tonight to an applauding House of Commons.

He said the Unified Command of the United Nations asked Canada yesterday whether the 25th Infantry Brigade -- the core of the Army's Special Force -- was fully trained and, if so, whether it could be sent to Korea.

Cabinet agreed today that the 2nd battalions of the Royal Canadian Regiment and the Royal 22nd Regiment and supporting arms "should shortly proceed to Korea and join the 2nd Battalion of the Princess Patricia's Canadian Light Infantry."

Battalions of the three regiments fought together in the First Division in the Second World War.

At Fort Lewis, Wash., training base for the Special Force, Brig. J.M. (Rocky) Rockingham told his men between 5,000 and 6,000 of them will leave for Korea soon, and said the units involved have been advised to be prepared to move in two weeks.

Canadian Aid For India, Pakistan: Ottawa, February 21 (CP) -- Canada today announced her intention of providing free wheat for India's hungry millions and other aid for Pakistan. The action drew warm praise from officials of both countries.

The Secretary of State for External Affairs, Mr. Pearson, told the Commons the aid will be financed out of the \$25,000,000 Canada is planning to contribute in the first year of the six-year Colombo Plan to help South and Southeast Asia fight Communism through economic development.

P.K. Banerjee, acting High Commissioner for India, said the announcement was a "great gesture and illustrative of democracy in action."

Mohammed Ali, High Commissioner for Pakistan, said the move was "very generous and very good." It would help Pakistan get urgently-needed raw materials and machinery from Canada.

Canada-U.S. Civil Defence Agreement: Ottawa, February 21 (CP) -- Canadian and American civil defence chiefs announced today they have reached agreement on joint civil defence activities.

A statement issued after a four-hour meeting in the Parliament Buildings said agreement was reached "on all points to ensure complete co-operation on all matters regarding civil defence information, research, planning, organization and training."

It added that "as far as possible the object of this co-operation will be to ensure that civil defence activities will be carried on between Canada and the U.S. as if there were no border."

Officials said the agreement will lay the basis for co-operation by such places as Windsor and Detroit, Vancouver and Seattle as well as Provinces and states; for steady exchange of information and views; for interchange of officers for schools and staff jobs.

It will be placed before both Governments and probably formally placed in effect within the next week or so.

(over)

Manpower Council's Proposals: Ottawa, February 21 (CP) -- A series of moves for whipping the threatened labour shortage in defence industry was proposed today by the new National Advisory Council on Manpower, and a major one was promptly accepted.

This was a proposal to set up a priority system within the National Employment Service whereby job-hunters would be steered into essential industry, on a voluntary basis.

The recently-created council, informed at its first meeting that overall manpower needs for the armed services and industry may call for an additional 150,000 to 200,000 persons by the end of 1951, also made these recommendations:

1. The Government should make an "immediate and comprehensive" study of all aspects of the question of national registration.
2. The Government should explore the possibility of helping to transport unemployed into areas where there are jobs. This might be done with the co-operation of the Provinces and employers.
3. An examination should be made of the feasibility of locating industry near sources of available labour. This might be practicable in some cases.
4. Study of various training programmes designed to provide skilled workers for industry and the armed forces.
5. Measures to increase enrolment in apprenticeship training plans sponsored by the Department of Labour and the Provinces.

Record Budget Heralded In Alberta: Edmonton, February 21 (CP) -- The Alberta Legislature, opening its 1951 session tomorrow, is expected to make the Province's taxpayers happier than they have been for years.

Advance indications are that they will reap big benefits from what is forecast unofficially as a multi-million dollar "share the wealth" programme.

The Government is expected to bring down a record budget in the neighbourhood of \$100,000,000 for the oil-rich Province. Last year the Social Credit Administration brought in a \$74,000,000 budget.

National Registration Mooted: Ottawa, February 21 (Gazette) -- Work will start almost at once on the drafting of a national registration form, it was learned tonight.

This draft is expected to be submitted to the National Advisory Council on Manpower at its next meeting. The meeting will be held in camera, unlike the inaugural session yesterday which was open to the press.

Across Canada: Brig. John (Rocky) Rockingham, Commander of Canada's Special Force, says at Fort Lewis, Washington, "we're getting information from Korea which is helping us guide our training." Some 1,400 members of the 10,000-man force now are under-going live machinegun, mortar and artillery fire in exercise "Igne Bellum."....Quebec Legislative Assembly yesterday considered a motion by Robert Lévesque (Lib.--Gaspé North) calling on the Provincial Government to halt erosion in St. Lawrence coastal areas.... Government legislation to provide a new type of local option vote in Ontario was introduced in the Legislature yesterday by Provincial Secretary Welsh. Mr. Welsh said it will provide for a vote on the question of the opening of liquor outlets in municipalities which now are legally wet but have no outlets....A bill incorporating a pipeline company to build a 2,200-mile natural gas pipeline from Alberta to serve most major cities as far east as Montreal, was approved yesterday by the Senate's Transportation and Communications Committee.



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Vol. 2, No. 39

Friday, February 23, 1951.

Discussion On Forces For Europe: Ottawa, February 22 (CP) -- The Prime Minister, Mr. St. Laurent hinted today at possible establishment of new "special (military) formations."

He was answering in the House of Commons a question by George Drew, Progressive Conservative Leader, who asked what the Government proposes to do to raise Army forces to send to Europe now that the Special Force's 25th Brigade is being posted to Korea.

Mr. St. Laurent said he had nothing to say beyond what has already been said by the Government. However, he closed his statement by saying that "when decisions about special formations have been arrived at by the Government they will be communicated to Parliament."

The Minister of National Defence, Mr. Claxton, announced yesterday that the 25th Brigade will go to Korea. Canada has also promised to field a brigade in Europe and it was originally intended that it should be the 25th.

Mr. St. Laurent's statement today fortifies reports that the brigade's 3,000 to 4,000 reinforcements being left in Canada will be used as the nucleus of a new brigade to be built up for European service.

Banks To Curtail Lending: Ottawa, February 22 (CP) -- Canada's 10 chartered banks have agreed to cut down on lending to curb a threat of inflation, the Bank of Canada announced tonight in a statement.

A general tightening on loans will be the policy henceforth, with three specific means of credit restriction enforced.

They are:

1. Except in the case of small credits, banks will refrain from making "term loans," that is, loans considered "long term," or running more than a year. Most of the banks' lending business is done on a short-term basis. Banks also will refrain from buying corporation bonds and stock which run for a term of a year or more.

2. When a corporation or person borrows money from the bank to buy corporation securities, twice the value of the security must be put up as security. In other words, an investor will be able to borrow only \$50 from the bank on a \$100 security. Previously he could borrow \$67. Stock brokerage firms agreed to follow a similar policy, effective February 16 last.

3. Generally, borrowers must put up higher margins when borrowing on the security of so-called "instalment finance paper." This covers such items as notes signed by an individual in purchasing a car or refrigerator on the instalment plan.

To Produce Tungsten In B.C.: Ottawa, February 23 (CP) -- In Parliament yesterday: The Minister of Trade and Commerce, Mr. Howe, said that the Government has bought back part of the Emerald mine properties in British Columbia to produce tungsten.

The Minister of National Health and Welfare, Mr. Martin, said that the Canadian constitution limits federal assistance to education.

The House of Commons voted 112 to 45 against a motion asking the Government to grant additional money for education.

Senator A.K. Hugessen suggested Senators should retire at 75.

(over)

Ambassador Of Greece (Release No. 10, Feb. 22): The Department of External Affairs announced on February 22 that Mr. Nicolas A. Anissas presented on that date to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Greece to Canada.

The Secretary of State for External Affairs, Mr. Pearson, was present. Mr. H.F. Feaver, Head of Protocol Division, presented Mr. Anissas to His Excellency the Governor General. Mr. Steve G. Rockanas, Secretary at the Greek Embassy, accompanied the Ambassador.

Canada-Australia-New Zealand Steamship Service: The Minister of Transport, Mr. Chevrier, announced on February 22 that the Canada-Australia-New Zealand steamship service provided by the R.M.S. "AORANGI" is to be resumed under a one-year subsidy provided by the three Commonwealth countries. This joint subsidy will cover operating deficits of the vessel up to \$400,000 in maintaining this trans-Pacific service. Canada will provide two-thirds of the subsidy and the Governments of Australia and New Zealand will contribute the remaining third.

Discussions have been held with the Governments of Australia and New Zealand and it was only on February 22 that final confirmation of their decision to participate in the one-year subsidy plan for this service had been received.

To Produce New Types Of Army Vehicles In Canada: Ottawa, February 22 (CP) -- Three new types of Army vehicles for Canadian and American fighting forces will be produced in Canada soon, official quarters said today.

Most of the problems standing in the way of this latest joint Canada-United States defence production effort have been ironed out, officials said.

Orders running initially between \$15,000,000 and \$30,000,000 likely will be placed in three Ontario plants at Oshawa and Windsor and likely will put the squeeze on civilian car production.

Current planning is to use existing facilities and not to erect any new government-financed car plants, the informants added.

National Registration Rumour: Ottawa, February 22 (CP) -- Government departments are studying the problems of national registration, to have the decks cleared when and if it comes, informed sources said today.

Cabinet has not reached a decision on whether it is to be put into effect, these quarters said, but it has launched an investigation of all the angles connected with such a survey.

The outcome of the survey will help the Government decide whether there is to be a national registration, and when and how one would be conducted.

Exercise "Sun Dog Two": Churchill, Manitoba, February 22 (CP) -- Roughly 100 soldiers parachuted to the Arctic barrens in 30-below-zero weather today to launch the climactic phase of Canada's main northern exercise for this winter.

The purpose of the manoeuvre, dubbed Exercise Sun Dog Two, is to test men equipment and tactics in a role that is considered a likely role for the Army if war comes -- finding and eliminating small bodies of enemy troops in the trackless wastes of the Arctic.

Across Canada: Television programmes are being transmitted from Buffalo, N.Y., to Toronto over an experimental micro-wave radio system with 140-foot towers and radio relay apparatus at Fonthill, Ontario, and Milton, Ontario. The direct route across Lake Ontario, 58 miles, is too long for a single radio link....Harold Winch, CCF Opposition Leader, yesterday in the British Columbia Legislature has demanded an investigation of the hospital insurance scheme, the Canadian Press reports.



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Vol. 2, No. 40

Monday, February 26, 1951.

"Pats" Sustain First Casualties: On the Central Front, Korea, February 26 (CP) -- The Princess Patricia's Canadian Light Infantry have suffered their first casualties of the Korean campaign.

(The cable announcing the casualties, filed at 8 p.m. Friday and received Sunday, apparently was delayed by censorship.)

The casualties, which occurred when two Canadian companies hit firmly-dug-in Chinese positions, were surprisingly light in view of the enemy's perfect deployment commanding mountain approaches and the ground covered by the Canadians in their assault.

Seven Possible Bomb Targets In Canada: Ottawa, February 23 (CP) -- The House of Commons was told today that seven targets in Canada might attract an atomic bomb attack in the event of another war.

The Minister of Trade and Commerce, Mr. Howe, said that is the view of military experts. He declined to name the targets.

"I would hesitate to say very much about planning an economy that would be at its best against an atomic bomb attack," he said. "Atomic bombs are tremendously expensive. There are only a few of them, and not likely to be too many."

"It is the view of military experts that it would take a very glittering target to attract an attack by an atomic bomb. They believe if atomic bombs were to be used in warfare there are about seven targets in Canada that might possibly attract them."

"How to disperse industries against that sort of threat is a problem. The industry itself might form another target no matter where it was located."

"I do not know where you could put a big plant that would make it safe from air attack by atomic bombs."

He doubted if atomic bombs would be used simply to kill the civilian population.

Mr. Howe spoke on a resolution to a bill establishing a new Department of Defence Production. The resolution was adopted and the bill was introduced and read a first time.

Civil Defence Arrangements: Ottawa, February 23 (CP) -- The federal Government is taking financial responsibility for 14 aspects of civil defence, it was announced tonight after the second federal-provincial conference on civil defence.

A statement issued after the meeting said the federal Government also will give consideration to further proposals put forward by the Provinces for federal responsibility in meeting the costs.

Earlier, the meeting heard an announcement that the Minister of National Health and Welfare, Mr. Martin, is becoming boss of the federal Government's section of the civilian defence organization, taking over from the Defence Department.

Tonight's announcement on the meeting--largely confined to financial matters--said the federal Government was taking responsibility on these counts among others:

1. Allocation of officers of the armed forces to work with provincial authorities to ensure co-operation.
2. Warning systems in co-operation with provincial and local authorities.
3. Provision of special equipment in connection with atomic-bacteriological-chemical defence.

(over)

10 Months' Budgetary Surplus \$548,700,000: Ottawa, February 23 (CP) -- With two months to go in the fiscal year, the federal Government's budgetary surplus reached \$548,700,000 at the end of January, the Minister of Finance, Mr. Abbott, announced today.

Despite a surge in defence spending, the accumulated surplus for the first 10 months of the fiscal year was almost exactly \$200,000,000 more than at the same time last year. The Government had a budget surplus of \$131,000,000 in that year.

This year, the accounts at January 31 showed revenues of \$2,380,100,000 and expenditures of \$1,831,400,000. The revenue was up by \$307,800,000, while the expenditure was higher by \$170,500,000--not counting special non-recurring 1949 expenses in connection with Newfoundland confederation.

Much the greatest part of the increased spending was accounted for by defence work, which was up by \$151,500,000 over the previous year.

January Recruiting Figures Up: Ottawa, February 23 (CP) -- Canada's recruiting drive gained new ground in January when 3,296 men donned uniforms in the Army, Navy and Air Force.

Defence Headquarters, releasing these figures, said they were the highest monthly totals since September last when a major drive was put on to build up the Special Service Brigade.

January's total compares with 1,526 in December, 1,592 in November and 1,633 in October. Recruiting last September totalled 5,000.

Today's estimate brought Canada's active force to 64,237--about half the 115,000 Canada needs in the next three years.

Record-Shattering Buying: Ottawa, February 23 (CP) -- Canada continued a record-shattering buying splurge from other countries in January, making for another deficit in foreign trade.

A preliminary estimate by the Bureau of Statistics today showed exports of \$288,800,000 failed to keep pace with imports of \$327,500,000, resulting in an unfavourable balance of \$38,700,000.

Comparing these estimates with those for January, a year ago, the Bureau said exports climbed \$65,000,000, but imports gained by \$115,600,000. In January, last year, Canada showed a small surplus of \$1,900,000.

Mr. Gardiner's London Talks: London, February 23 (CP) -- The Minister of Agriculture, Mr. Gardiner, today made it plain that he has been unable to persuade the British Government that Prairie farmers are entitled to any price adjustment under the four-year Anglo-Canadian wheat contract.

Obviously disappointed, Mr. Gardiner told a press conference after four days of negotiations with British officials that Britain doesn't feel herself under obligation to make any new payments.

Across Canada: The Minister of Trade and Commerce, Mr. Howe, indicated in the House of Commons that establishment of a new defence production department will mean a return of \$1-a-year-men to Ottawa....Canada's huge defence build-up was reflected in announcement on February 23 by the Canadian Commercial Corporation that it had let a total of \$7,324,585 worth of contracts for everything from furniture to airplane parts and parachutes in the period February 1 to February 14....Premier Frost disclosed in Toronto that Ontario had sought a broad plan for relief of unemployable workmen in place of the federal-provincial plan for pensions with means test approved at the last federal-provincial conference.



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Vol. 2, No. 41

Tuesday, February 27, 1951.

External Affairs 1950 Report Tabled: Ottawa, February 26 (CP) -- Canada issued today a dossier of disappointed hopes--a report on 1950 activities in the tense sphere of international politics.

The Secretary of State for External Affairs, Mr. Pearson, presented his departmental report to Parliament. It reviews Canada's increasing international role in a world hoping for peace but preparing for war. In a foreword, Mr. Pearson said:

"The year ends in crises and disappointed hopes. But that should be no reason for despair or for slackening of effort. Rather it should call forth from all Canadians the energies and sacrifices which will be needed if we are to be successful in building a world where peace will be secure...."

The report emphasizes the importance of Germany by saying that to a large extent Germany holds the key to the re-establishment of normal conditions throughout Europe. It goes on to review efforts to overcome French fears of German participation in a European integrated army under General Eisenhower.

Of Germany's eastern zone, it refers to a process of sovietization being carried on there through fixed elections and trade pacts with Soviet satellite countries. Canada's policy there, remains one of seeking to avoid any action which might be construed as according any measure of recognition to the "so called government by the democratic Republic of Germany."

"It treats the 'Government' merely as a subordinate agency of the Soviet control commission," says the report.

The report notes a general deterioration of relations between the West and Soviet satellites during 1950 and this involved Canada more directly than ever. There were diplomatic tiffs with Poland and with Czechoslovakia.

In contrast to Cominform countries, however, the report says Yugoslavia showed an increasing willingness to approach mutual problems in a co-operative way.

Supports Idea Of Free World Federal Union: Ottawa, February 27 (CP) -- The Canadian Government supports the idea of a federal union of the free world, the Secretary of State for External Affairs, Mr. Pearson, said last night.

But the Government believes that any effort to bring about a federation of the free countries at this time would lead to confusion, misunderstanding and possibly to disunity.

He spoke in the House of Commons on a resolution sponsored by Alistair Stewart (CCF--Winnipeg North) which asked the Government to support the calling of a convention that would discuss the possibility of federal union among the seven original members of the North Atlantic Treaty....

The resolution said the seven countries could decide at the convention whether they wished to admit other democracies.

Mr. Stewart withdrew the resolution after Mr. Pearson had spoken. The Minister said he hoped the matter would not be put to a vote in case there might be misinterpretation of any division of opinion.

(over)

"Pats'" Wounds Mostly Slight: On the Central Front, Korea, February 26 (CP) -- Most of the Canadians who were wounded in the bitter fighting last week near Sogu are expected to return to action soon.

The casualties, first suffered by the Princess Patricia's Canadian Light Infantry in Korea, were mainly due to Chinese grenades rather than small-arms fire and most of the wounds inflicted were not sufficiently serious to prevent the men from rejoining their unit.

U.K. To Discuss Cheese Purchases: Montreal, February 27 (CP) -- The Minister of Agriculture, Mr. Gardiner, said yesterday his series of talks with food officials in the United Kingdom were "friendly and useful" and that Britain was interested in purchasing quantities of Canadian cheese.

He said plans were being discussed by Britain to send a delegation to Canada by the end of the dairy year, April 30, to discuss cheese purchases.

Mr. Howe On Price Controls: Toronto, February 27 (Globe) -- Price controls will be imposed only when the Government is satisfied they will serve a helpful and not a harmful purpose in combatting inflation, the Minister of Trade and Commerce, Mr. Howe, told a combined meeting of the Canadian and Empire Clubs at the Royal York yesterday.

Addressing an overflow meeting, the man who directed Canada's war production effort in the Second World War, and who is preparing to do the job again if necessary, told his audience: "My own experience leads me to believe that the Canadian people will not stand for the regimentation by controls administered by the vast bureaucracy required for the purpose, except under conditions of all-out war.

"It seems to me," Mr. Howe said, "that some better system of accomplishing this can be devised other than an overall price freeze, and my officers are analyzing various alternatives with that thought in mind."

Across Canada: Premier Frost said yesterday he hopes to bring down Ontario's budget for the coming fiscal year a week from today--March 6....Gordon D. Conant yesterday submitted his resignation as Senior Master of the Ontario Supreme Court to Attorney-General Dana Porter of Ontario. He said he plans to resume private law practice in Oshawa....Thirty-two senior officers of the three Canadian services, the R.A.F. and the United States Air Force left yesterday by air on a two-week tour of army installations in Western Canada and Alaska....Wives, sweethearts, relatives and friends waved and shouted "bon voyage" yesterday as the cruiser Ontario sailed from her Esquimalt base for a three-month 15,000-mile cruise to the South Pacific.

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Vol. 2, No. 42

Wednesday, February 28, 1951

Mr. Howe Tells U.S. Of Canada's Preparedness Effort: Chicago, February 27 (CP) -- Canada's Minister of Trade and Commerce, Mr. Howe, said tonight Canada will shoulder her full burden in the current emergency without expecting free gifts from the United States.

Though the United States has 12 times the population and 18 times the productive strength, Canada has never asked the U.S. for gifts nor will she do so now, Mr. Howe told the Chicago Commercial Club.

"We expect to carry a fair share of the sacrifices and costs of collective defence. On a per capita basis, we shall probably carry more than many of our allies."

He said he came to Chicago to talk about the Canadian war effort for it seemed clear to him there had to be frank and full discussion of what Canada is doing in view of what some of his American friends and American publications are saying.

"Some of you may think that we Canadians are touchy, too ready to resent the suggestion that we are doing less than our duty in this time of peril. That may be so, but I doubt it. What I am concerned about is that my American friends should have a clear explanation of the Canadian position."

He lashed out at "insane ambitions of the Kremlin" which were causing such a "colossal waste of human and material resources," touched briefly on the thorny question of compulsory training in Canada and intimated that when need arises Canada will not be found wanting, either in quantity or quality of fighting men.

"Pats" In Lively Duel In Korea: On the West-Central Front, Korea, February 28 (CP) -- Canadian troops in Korea maintained a lively exchange of fire with deeply - entrenched Chinese Communist forces opposite them Tuesday.

The shooting was a continuation of the two-day battle by the Princess Patricia's Canadian Light Infantry to scale high ground above Sogyu, stubbornly defended by the Reds.

Canadian For General Eisenhower's Staff: Ottawa, February 27 (CP) -- Canada's intention to fulfil her offer to send ground forces to Europe was underlined today by appointment of a lieutenant-colonel as a staff officer at General Eisenhower's Supreme Headquarters in France. He is French-born Allen L. Brady, 34, formerly of Sault Ste. Marie, Ontario. Appointment of an R.C.A.F. officer to a similar type of post will be announced shortly. Canada's contribution of an 11-squadron air division involving about 7,000 men, in time, will be this country's main share in European defence.

Announce Contracts Of \$13,000,000: Ottawa, February 27 (CP) -- The Government gave its first details today of the big defence projects construction programme being launched in Canada, including the building of new and improved barrack blocks at most sea, air and army bases.

In a statement by the Government's Crown agency--the Defence Construction Limited--contracts of almost \$13,000,000 were announced, including one for construction at Whitehorse, Yukon, on the important Northwest Staging Route.

Largest of the contracts--one for \$1,646,000--went to Bird Construction Ltd., Lethbridge, Alta., for barrack blocks and messes at Camp Shilo, Man., big artillery and paratroop training centre.

(over)

Foreign Exchange Board Order: Ottawa, February 28 (CP) -- The Foreign Exchange Control Board yesterday announced virtual elimination of wartime restrictions hampering international trade in long-term government securities.

The liberalization move applies to all Canadian Government domestic securities, other than those due or callable within three years.

Extend Farm Loans Legislation: Ottawa, February 28 (CP) -- Canadian farmers have borrowed more than \$170,000,000 under provisions of the Farm Loans Improvement Act since the legislation was passed in 1944.

James Sinclair, Parliamentary Assistant to the Minister of Finance, Mr. Abbott, said last night in the House of Commons that 85 per cent of the loans have been used to purchase agricultural implements.

He spoke in sponsoring a resolution to a government bill extending the act for three years from March 1, 1951.

Study New Gas Masks Against Death Gas: Ottawa, February 27 (CP) -- Canada is studying new types of respirators or gas masks and other equipment for Canadians to combat a largely odorless and invisible poison gas the Russians have in large quantities.

Officials, commenting on reports that Danish scientists have started a research programme to find a remedy for what they called the "sneaking death" gas, said Canada has been studying its potentialities and uses for some time.

It is known here as the "nerve gas" because it can swiftly destroy the nerves and bring death. It would be quite possible for victims to be stricken before they were aware anything had happened.

Mr. Macdonald Special Ambassador (Release No. 11, February 27): The Department of External Affairs announced on February 27 that Mr. J. Scott Macdonald, Canadian Ambassador to Brazil, had been appointed Special Ambassador of Canada at the inauguration of His Excellency Andres Martinez Trueba as President of the Republic of Uruguay.

Mr. Macdonald presented his credentials on February 27 to outgoing President Luis Batlle Berres at the Government House in Montevideo. On February 28 he transmitted to President Martinez Trueba a message from the Prime Minister extending congratulations to the new Head of State and friendly greetings to the people of Uruguay from the people of Canada.

600,000,000 Tons Of Iron Ore Blocked Out: Quebec, February 27 (CP) -- Premier Duplessis today told the Quebec Legislative Assembly that 600,000,000 tons of iron ore have been blocked out in the adjoining territories of Ungava and Labrador.

The National Union Government leader said development of north-eastern Quebec's iron mines is considered a matter of urgency in view of the international situation.

The iron mining industry and construction of a railway from Sept Iles, prospective port for ore shipment, into the North Shore interior will open up the entire 300,000 square-mile area.

Premier Duplessis said that for the present the Government does not plan any new Ungava concessions.

Across Canada: A bill to enable large high-pressure natural gas pipelines to gain right-of-way across farmlands to carry imported gas to markets was introduced in the Ontario Legislature yesterday. Large quantities of natural gas from Texas are expected to be freed for export to Ontario later this year. Other natural gas would be piped in from Western Canada.... The Edmonton Journal says in a newspaper story it has learned that Trans-Mountain Oil Pipeline Company has decided on the Yellowhead Pass route for a projected oil pipeline from Edmonton to the Pacific Coast.... The Commons declined to act last night on a private member's bill aimed at outlawing the Communist Party. Members showed no disposition to debate the bill after its passage had been urged by Wilfrid Lacroix (L--Quebec-Montmorency), and the Government obtained an adjournment of the debate to let the Minister of Justice, Mr. Garson, explain its attitude later.

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OTTAWA - CANADA

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Vol. 2, No. 43

Thursday, March 1, 1951.

Ground And Air Forces For Europe: Ottawa, February 28 (CP) -- The Prime Minister, Mr. St. Laurent, said tonight Parliament will be asked to empower the Government to send both ground and air forces to buttress General Eisenhower's integrated command. He said they will assure Europeans "that we will stand completely with them if the worst comes."

His statement was the first public indication by Cabinet since announcement that the 25th Brigade is going to Korea that the plan to send troops to Europe too remains unchanged.

The Prime Minister, in an address prepared for delivery to the National Liberal Federation Advisory Council, said he is more sold than ever on the Atlantic Pact "as an absolutely indispensable instrument for the preservation of peace."

He said, in a quiet word to Washington, that patience and forethought are two of the most needed qualities today and added that policies to meet the world crisis must be capable of facing up to changes which could literally come overnight.

Patience was especially needed on this continent. In both Canada and the U.S., the natural reaction to problems was to act quickly "but the only quick solution . . . would be war and it is going to take a lot of patience to solve our problems without war."

Forethought, cool examination of all aspects of each question, was essential too. Nothing was easier than to assume that because there was some resemblance between the circumstances of today and of 1939 the same course of action was called for.

Mr. St. Laurent warned that inflation and Canada's defence programme are going to bring about "some reduction" in Canadian consumption of goods and in living standards.

At the same time, he reported that the high cost of living is causing the Government "very real anxiety," but reaffirmed its stand that over-all price controls would not be "really effective" at this stage of the fight against inflation.

"We wish it were otherwise and it may become otherwise," he said of price controls.

"... We are keeping our minds free and ready to adapt our policies to any new and changing conditions."

Canadians Capture Two Key Hills: West-Central Front, Korea, February 28 (CP) -- The Patricias today captured Hill 419 in a bloodless three-hour assault.

A Reuters dispatch from the front reported that Canadian troops took two key hills, important strong points in the Chinese Communist defence system, flanking Hill 614 which was captured by Australians yesterday.

(Reuters said that as a result of the Canadian-Australian advance, the Commonwealth Brigade held a commanding ridge line within striking distance of the main Communist lateral supply route in the west-central sector.)

Reorganizing atop the hill that for five days had baffled an assault by two Canadian companies, the Patricias looked back and saw why.

Its height commanded every approach, its defences left no gully, ridge or slope leading upwards uncovered. And at least two enemy battalions held it.

(over)

Care Of Canadian Casualties: Ottawa, February 28 (CP) -- Army headquarters said today it has not been notified of any plan to fly Canadian casualties from Korea to Canada this week-end or later.

A spokesman, commenting on Vancouver reports that the first wounded are expected there this week-end, said a check with headquarters branches which would be affected showed that no word has reached here.

He said it is logical that in time severe Canadian casualties will be brought back to Canada for treatment and that some of them will be flown. However, there was no sign that this is about to start.

Publication of the first Canadian casualty lists from the Korean front is expected in a week or so. Notices to next-of-kin now are going out.

Key Production Posts Filled: Ottawa, February 28 (CP) -- More dollar-a-year men were appointed to key defence production posts today as the Minister of Trade and Commerce, Mr. Howe, completed a draft of plans to provide a mountain of equipment under Canada's three-year \$5,000,000,000 defence programme.

Crawford Gordon Jr., Toronto industrialist, was named Production Co-ordinator to direct aircraft, shipbuilding, vehicles, electronics, guns and ammunition production. Mr. Gordon is President of English Electric Co. of Canada, St. Catharines, Ontario, and executive vice-president of the John Inglis Co., Toronto.

Henry J. Sissons, Toronto member of Ontario Hydro-Electric Power Commission, will head a priorities division to give defence projects top rating on scarce materials.

Both veterans of the wartime Munitions Department, the officials will take up duties with the Trade Department, then shift to the new Defence Production Department when it is given final Parliamentary approval.

Navy Attachés For Europe: Ottawa, February 28 (CP) -- The Navy announced today that for the first time it is sending naval Attachés to capitals on the European Continent.

Canada has had naval Attachés at Washington and London for some years and they operate there as members of the Canadian Joint Military Staffs which represent all three services.

The new appointments, effective tomorrow, will establish R.C.N. Attachés with Canadian diplomatic missions in the Netherlands and Sweden. To the Hague goes Cmdr. Frances J.D. Pemberton, 46, of Victoria and to Stockholm goes Lt.-Cmdr. E.C. St. John Green, 41, of Canning, N.S., and Halifax.

Urges Retirement Fund For Parliamentarians: Ottawa, February 28 (Globe) -- Establishment of a contributory retirement fund for members of the Commons and the Senate was urged in the Upper House today by Senator Robert Gladstone, 68, of Guelph.

He thought a retirement scheme was necessary to enable Parliament to keep up its standards and discharge its functions and also believed it would solve many of the problems which prompted other Senators to demand changes in the method of making appointments to the Senate.

Across Canada: Canada's Indians extended the hand of peace to the Government yesterday in an historical pow-wow called by Big Chief Walter Harris to air secretly and quietly, new legislation designed to give the Indians greater freedom....A new reciprocal agreement between Canada and the United States has simplified arrangements for pilots of private and non-scheduled Canadian planes to fly across the border and vice-versa.... Attorney-General Gordon Wismer of British Columbia moved to outlaw fan tan gambling in Vancouver Chinese Social Clubs....Premier Frost of Ontario, yesterday called on Ottawa to relinquish its liquor taxation and let the Provinces have the whole revenue.

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Vol. 2, No. 44

Friday, March 2, 1951.

Debate On Control Powers: Ottawa, March 1 (CP) -- The Prime Minister, Mr. St. Laurent, said today he believes it would be "very presumptuous" for anyone to predict at this time the future course of the world.

It would be more satisfactory to the federal Government, he said, if it could state what control powers would be needed during the present emergency.

"But that isn't the kind of world we are living in," he said.

Mr. St. Laurent spoke in the House of Commons after George Drew, Progressive Conservative leader, criticized the Government for seeking "wide open, undefined" powers in a bill now before Parliament.

Mr. Drew said the bill, giving the Government powers to impose price, wage and other controls, left Parliament in the position where it could not even guess what the Government has in mind.

Mr. St. Laurent said the legislation contains some powers the Government probably may never use. He could not foresee the Government taking any major step without consulting Parliament. But he believed the Government should have the power to act quickly should the need arise.

"At the moment," said the Prime Minister, "there is nothing in the mind of the Government that could be disclosed as something that will be done."

Mr. Drew had pictured the Government using the legislation to suspend the constitution for as long as the emergency lasted, said Mr. St. Laurent. But if the Opposition Leader had read the legislation he would have noted that the legislation will expire May 31, 1952.

Mr. Drew jumped to his feet and asked if Mr. St. Laurent would give an undertaking that the legislation would not be extended.

Mr. St. Laurent said he would give no undertaking whatsoever. But he could say that Parliament and not the Government would have to make an extension.

Mr. Drew asked if Parliament would know any more in 1952 about Government plans than it does now.

"I hope Parliament knows as much as the Government about the future of this world," replied Mr. St. Laurent. "It would be presumptuous for anyone to say 'this is going to be the course for any length of time.'"

Senate Curtails Life Of Bill: Ottawa, March 1 (CP) -- The Senate used its power today to whack two years off the life of a bill which would have extended wide governmental powers over imports and exports until 1956.

The change was made in the Senate's Banking and Commerce Committee, mainly at the request of Senator Thomas Crerar (L--Manitoba) who said he was opposed to extending the Government wide powers for long periods to the detriment of Parliament. If the Government found it still needed the power in 1954, it could get parliamentary approval again.

The Senate later confirmed the change and gave the bill third reading. It now goes back to the Commons for approval.

The bill, besides extending controls over imports and exports, broadens the list of goods so controlled and the countries to which they might be sent so as to guard against strategic materials falling into the hands of unfriendly countries.

High Commissioner In Australia: (Release No. 12, March 1) -- The Department of External Affairs announced on March 1 the transfer of C. Fraser Elliott, C.M.G., K.C., to be High Commissioner for Canada in Australia in succession to Major-General L.R. Lafleche, who returned to Canada on sick leave some months ago.

Leon Mayrand, now Assistant Under-Secretary of State for External Affairs, will succeed Mr. Elliott as Canadian Ambassador to Chile.

Two Ottawa Soldiers Killed In Korea: Ottawa, March 1 (CP) -- Two young Ottawa district soldiers have died while fighting with Canadian troops in Korea, their families were informed today.

Mr. and Mrs. Dominic O'Brien of nearby Billings Bridge were notified that their son, Pte. Kenneth O'Brien, 19, had been killed in action February 23, and Mr. and Mrs. Thomas Colbourne have received word their son, Pte. Thomas Colbourne, 23, has died of wounds somewhere in Korea.

Both were members of the Second Battalion of the Princess Patricia's Canadian Light Infantry which last week went into battle lines.

Officials at Army Headquarters decline to say whether the two Ottawa soldiers are the first men killed since the Patricia's went into action

Gas Pipeline Routes To West Coast: Ottawa, March 1 (CP) -- Alberta Natural Gas Company has proposed two alternative routes for natural gas pipelines between Alberta and the Pacific Coast, the Board of Transport Commissioners announced today.

The company previously had submitted four alternative routes. The two now proposed were filed with the board following a board order that pipeline companies may not offer more than two routes, one an "all-Canadian" line and the other going through the United States.

May Fly Battle Casualties Home: Ottawa, March 2 (CP) -- Canadian airmen are expected to fly Canadian battle casualties from Korea home from Japan. Canadian nurses will probably make the trips with them.

However, Defence Headquarters said yesterday it has not yet received word that the first movement of Canadian battle casualties by air to this continent is imminent.

It is expected that RCAF North Stars on the trans-Pacific route will be used to fly the Canadians. If the numbers become considerable when the whole 25th Brigade goes into action, some of the casualties will probably be brought home by ship.

Quebec Surplus \$2,420,000: Quebec, March 1 (GAZETTE) -- Hon. Onesime Gagnon, Provincial Treasurer, delivering his seventh annual Budget Speech in the Legislative Assembly today told the province that for the year to end March 31, 1951 he will have an overall surplus of \$2,420,000. This is on 10 months results of this fiscal year and an estimate of the two final months of the year.

The Revenues, with the reserve as to the last two months, will total \$231,985,000, ordinary expenditure will be \$176,123,000, public debt will take \$19,400,000, leaving a surplus over ordinary expenditure of \$36,042,000. There is being spent this fiscal year \$34,042,000 on capital account, making the overall surplus the \$2,420,000.

Across Canada: The Quebec Legislative Council, provincial Upper House, approved yesterday with amendments designed to clarify its text, a government bill to establish provincial rent controls when federal controls expire....The United States and Canada soon will sign an agreement for co-ordination of civil defence, Stanley Woodward, Ambassador to Canada, said yesterday at the Rotary Club of New York....The Government's estimates--a curtain raiser for the tax-raising budget to come--will be tabled in the House of Commons Monday afternoon, it was reported yesterday.

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Vol. 2, No. 45

Monday, March 5, 1951.

Mr. St. Laurent On Hopes For Peace: Quebec, March 4 (CP) -- The Prime Minister, Mr. St. Laurent, said last night that if war can be avoided for five years, the world can look forward to a long period of peace.

"I think all of us feel that if we can build a structure of peace which will be secure for five years, we can reasonably count upon a long period of peace, even if it remains an uneasy peace," he said in an address delivered to the Royal Architectural Institute of Canada.

The Prime Minister spoke after an honorary fellowship in the organization had been conferred upon him.

Mr. St. Laurent likened the peace efforts of the democracies to architects constructing a building that would have to withstand rough weather.

"In 1951," he said, "the weather in the world is stormy and it is pretty certain that our structure will have to withstand a good number of tempests."

He said that "to increase the strength of the edifice of peace, we will have to go without many of the things to which we are accustomed in so-called normal times." There would have to be restraint and self-discipline.

Obtaining world peace, Mr. St. Laurent said, amounted to more than building up the North Atlantic Alliance to the point where communist aggression would be deterred. That was only the first stage.

"I don't think many of us would consider we had built a satisfactory structure for peace," he said, "if it involved the indefinite division of the world into two armed camps separated by an Iron Curtain."

He said the democracies would have to work to convince the people behind the Iron Curtain that, unless they attacked first, they had nothing to fear.

"That is going to take time and patience and resolution and persistence," the Prime Minister said. "But it is the only hope of attaining a really peaceful world in the long run. Meanwhile, we shall have to build up and keep up our strength so that the prospects of successful aggression against us remain too poor to be attractive to the communist leaders."

Canadians' 12-Day Campaign In Korea: West Central Sector, Korea, March 5 (CP) -- The first Canadian front line action in the Korean War, which ended last week, was a 12-day campaign in which they advanced eight miles against firmly-entrenched Chinese opposition.

(...The eight-mile gain was reckoned as the crow flies. It involved considerably greater advances by road and over rough, hilly terrain.)

While the territorial gain was achieved primarily through Chinese withdrawals, the initial campaign of the Princess Patricia's Canadian Light Infantry demonstrated their physical toughness and ability to "take it" under enemy fire.

The Chinese defences, stoutly manned and well placed, and camouflaged in mountainous country similar to a treeless version of Alberta's foothills, effectively stalled the Canadians' advance as long as the enemy willed.

But the Canadians, braving a combination of colder winds and more drenching rain than any Italian campaign veteran had to contend with, yet proved able to lock horns with the Chinese despite sodden gear, slushy mud and the aching cold.

Lt.-Gen. Ridgway's Congratulations: West Central Sector, Korea, March 5 (CP) -- Lt.-Gen. Matthew Ridgway, commander of the United States Eighth Army, has sent a message of congratulation to Canadian troops under his command after their baptism of fire in Korea.

(over)

The message to Lt.-Col. J.R. Stone, commander of the 2nd Battalion, Princess Patricia's Canadian Light Infantry, read:

"Congratulations on your first fight. Best wishes to you and to all your command."

Cost-of-Living Index Reaches Record 175.2: Ottawa, March 4 (CP) -- Boosted by a wide range of price climbs, the official cost-of-living index increased by 2.7 points in January to reach a record 175.2 from 172.5. Wholesale prices showed even higher trends for February.

The Bureau of Statistics Saturday reported price climbs for meats, vegetables, men's wear, piece goods, footwear, furniture, floor coverings and house furnishings, as well as tires, tobacco and hospital rates.

Budget In Preparation: Ottawa, March 4 (CP) -- The Minister of Finance, Mr. Abbott, and his top financial advisers are working on the budget, the document that will fix the Canadian Government's rates of taxation for the 1951-52 fiscal year.

Speeches by Mr. Abbott and his Cabinet colleagues have stressed that the size of defence expenditures contemplated over the next few years will necessitate an increase in taxation. They have left the impression that the increase will be sizable. But that is as far as they have gone....

It is not yet known when Mr. Abbott will present his budget. Some guess it will be March 20 and others in mid-April.

Mr. Abbott told the Commons recently he did not know whether the budget would be ready for presentation before the Commons adjourns for the Easter recess March 21.

Across Canada: Thirty RAF pilots and five navigators leave by air for Canada Tuesday to train with the RCAF. They will be followed by another party of 20 navigators who will leave for Montreal March 11, it has been announced from London....The 1950-51 winter has been one of the most sunless in the history of McGill Observatory, F. Kenneth Hare, Observatory Director, said in his weather report for February....D.M. Stephens, Deputy Minister of Resources for Manitoba, said that information available to the Manitoba Government up to March 1 indicates there is no serious threat of a flood in the Red River Valley this year....The Congress of Industrial Organizations has urged construction of the proposed St. Lawrence Seaway as soon as possible, it is reported from Washington.... With the National Hockey League play-offs nearing, the following is the League's standing after this week-end's games:

	P.	W.	L.	D.	F.	A.	Pts.
Detroit.....	60	35	12	13	193	127	83
Toronto.....	60	34	13	13	183	119	79
Boston.....	61	20	24	17	160	169	57
New York.....	61	18	23	20	147	171	56
Canadiens.....	61	20	28	13	140	160	53
Chicago.....	62	13	39	10	153	230	36

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Vol. 2, No. 46

Tuesday, March 6, 1951.

Mr. St. Laurent On Importance Of Defence Production: Ottawa, March 5 (CP) -- The Prime Minister, Mr. St. Laurent, said tonight that defence production is considered vital to deter aggression.

He told the House of Commons that the \$5,000,000,000 defence programme planned by the Government for the next three years is considered as vital as if the programme had to be carried out during a war.

The Prime Minister spoke after George Drew, Progressive Conservative Leader, said there was a difference in the Government's attitude toward defence production and toward defence forces.

Mr. Drew said the Government was asking for wide powers to compel industry to undertake defence contracts. The Government was asking for the same powers as in a shooting war. But as far as the forces were concerned it was taking the attitude they could go ahead under more or less normal conditions.

Mr. St. Laurent said defence production now is considered as important as if a war were in progress. As for the forces, it was necessary for the moment to build them up to the point considered necessary to deter aggression. When greater forces were required then other methods would be adopted to raise them.

The discussion occurred on one section of the Government's Defence Production Department bill that would give the Minister power to take over a company filling a war contract.

Mr. Howe's Broadcast Interview: Ottawa, March 5 (CP) -- The Minister of Trade and Commerce, Mr. Howe, said tonight in a broadcast interview by Parliamentary Press Gallery correspondents that the Government, still opposed to a general price freeze, is considering commodity margin-of-profit control as one of several weapons to fight price inflation.

Soon to be faced, too, said Mr. Howe, was the probability of civilian production restrictions by which the same quantity of goods would be produced with less materials. For example, chrome might be stripped from passenger cars and steel from certain parts of washing machines.

Questions ranged widely over the defence production picture. To these Mr. Howe replied:

1. Canada could build the St. Lawrence seaway alone. It had undertaken similar big projects such as the \$250,000,000 iron-ore development in Labrador. However, it was probable that the United States would agree to join with Canada in its construction before the year is out.

2. Ford of Windsor has been asked to tool up for the production of a new-type of army jeep, but the United States owners of patent rights have declined to make them available to Canada.

3. The Aluminum Company of Canada is going ahead with the big aluminum project in Southern British Columbia.

4. The shortage of steel was proving to be the biggest defence production headache. This may lead to a reduction in civilian passenger-car output.

5. The Government could not create a system of price controls without first suspending the Combines Investigation Act.

6. Canadians could best help the defence effort and overcome inflation by refusing to buy anything unless it was an absolute essential.

7. In defence contracts, the Government was trying to place orders in regions where industrial capacity is not being fully employed.

8. He knew of no profiteering going on in Canada. In any case, it would be difficult to judge what actually constitutes profiteering.

(over)

Recruiting Drive Showing Results: Ottawa, March 5 (CP) -- The voluntary recruiting system is currently providing the armed forces with new men at a pace fast enough to reach the 1954 target of 115,000 well ahead of schedule.

The boom started in January with higher pay rates and a darkening world picture as the chief lures. The three forces got 3,300 men in that month. They got another 2,874 in February, it was disclosed today by figures tabled in the House of Commons.

A feature is the reaction of Canadian youth to the Government's decision to build the R.C.A.F. into a potent fighter air force. The R.C.A.F., with 1,321 new men in January and 1,226 in February, got more recruits in those two months than in the last eight months of 1950.

Government sources say privately that if recruiting holds up at anything like its present tempo their manpower worries are over.

F-86E Jet Production To Be 20 A Month Soon: Ottawa, March 5 (CP) -- The Canadair aircraft plant at Montreal is expected within the next few months to be producing F-86E jet-propelled fighters at a rate of 20 a month, the Minister of Trade and Commerce, Mr. Howe, said today.

This production rate can be stepped up "anywhere to 50 planes a month," he added in the House of Commons, as soon as government-furnished property becomes available in larger volume and as soon as Canada starts producing the engines. The F-86E now is equipped with engines imported from the United States.

Reviewing Canadian defence production, he said the CF-100, the Canadian Canuck fighter, is coming into production at Malton, near Toronto, with the expectation output there would be boosted to 20 planes a month. He could not say just when the first plane will come off the assembly line.

Capital Flows Into Canada At Peak Rate: Ottawa, March 5 (Globe) -- Investment capital flowed into Canada at record rates last year, the Bureau of Statistics reported today. Sales of Canadian securities outside Canada exceeded Canadian purchases of outside securities by \$238,400,000. That compared with the net sales of only \$6,500,000 in 1949 and with the previous record of \$191,000,000 recorded in 1945.

The period covered included the wave of speculation which took place last summer on revaluation of the Canadian dollar from its former fixed discount in American funds.

Residents of the United States were responsible for the bulk of the buying of Canadian securities. They took \$546,000,000 worth against Canadian purchases of \$290,000,000 in American securities.

Across Canada: A full-blown blizzard whistled across Western Canada yesterday, bringing death to one person, paralyzing traffic in some areas and sending temperatures to record lows....Canada faces a tough task in attempts to negotiate new financial arrangements with the United Kingdom by which Newfoundland can sell dried salt cod to Europe for sterling, informed quarters said yesterday, according to a Canadian Press report....The House of Commons yesterday approved a 12-day Easter holiday for itself, extending from Wednesday, March 21, to Monday, April 2. The period was recommended by the Government.



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Wednesday, March 7, 1951.

Commons Approves Controls Bill: Ottawa, March 6 (CP) -- The Prime Minister, Mr. St. Laurent, said tonight that just as quickly as the Government can "find reasonable grounds to believe in the effectiveness of any or all controls" it will not hesitate to impose them.

He told the House of Commons he would not want to leave anyone with the impression the Government will not impose controls until "we are in something approaching an all-out war."

Mr. St. Laurent spoke before members passed "on division"--without a formal vote--a bill giving the Government broad powers to impose price, wage and other controls when it considers them necessary. The bill now goes to the Senate.

The Government, he said, during debate on third reading, will not hesitate to use powers in the legislation as soon as it is convinced that any or all controls will be effective in combating inflation and high costs.

Earlier, the Commons heard a lone Progressive Conservative member veer from the pronounced policy of his party. Donald Fleming (PC--Toronto-Eglinton) said he is not one of those asking the Government to go "rip-roaring" ahead with price and wage controls.

Over 3 Per Cent Provincial Sales Tax Denied: Ottawa, March 6 (CP) The federal Government, in negotiations with the Provinces on constitutional amendments, has turned down a request to allow the Provinces to collect an indirect sales tax of more than three per cent.

This was disclosed in the House of Commons today by the Prime Minister, Mr. St. Laurent.

One amendment would authorize the federal Government to inaugurate a system of contributory old-age pensions to provide \$40 a month to all 70 and over regardless of means. The second would allow the Provinces to move into the fields of indirect taxation and collect a sales tax of up to three per cent of sale price of an article.

Exports To U.S. Up 45 Per Cent In January: Ottawa, March 6 (CP) -- Canada's exports to the United States climbed 43 per cent in January, pushing sales to \$186,948,000 compared with \$130,895,000 a year ago, the Bureau of Statistics said today.

Domestic exports to all countries in January totalled \$285,100,000, a 29 per cent boost over \$221,200,000 in January, 1950. Lumber and paper took the lead, sales of these items climbing to \$101,300,000 compared with \$70,200,000 last year.

Shipments to the United Kingdom continued along 1950 patterns, dropping to \$40,054,000 in January from \$48,608,000. Biggest declines were among farm product groups, with animal products, including pork, dropping to \$2,164,000 from \$15,724,000 and agricultural product groups, including wheat, slipping to \$15,286,000 from \$21,705,000.

Sales to Latin America took a surprising upswing with domestic exports doubling to \$14,043,000 from \$6,866,000.

(over)

Ontario Budget Shows \$1,276,000 Surplus: Toronto, March 6 (CP) -- The Ontario Government will wind up its fiscal year March 31 with a \$1,276,000 surplus after paying a new \$1,500,000 grant to hospitals and putting in extra \$14,500,000 into debt retirement funds, Premier Frost announced today. The surplus compares with a forecast of \$166,030 a year ago.

In his 12,000-word budget address to the Ontario Legislature, the Premier predicted a \$598,000 surplus in the next year in the face of a general increase in subsidies and grants to municipalities and reductions of roughly 2½ per cent in taxes on amusements and race track betting.

He included in the record-breaking \$265,000,000 budget for the new year an item of \$2,000,000 to meet the cost of a new Government policy-- provision of free text books to children in grades I to VIII in public and separate schools.

The Budget contained no new taxes nor increase in existing rates.

Asks Consideration For Eastern Farmers: Ottawa, March 6 (CP) -- J.A. Charlton (PC--Brant-Wentworth) asked the Government in the House of Commons today to consider the position of eastern agricultural producers whose output was sold below world prices to the United Kingdom.

He mentioned eastern wheat and apple growers and cheese and hog producers whose products were sold under Government contract, and linked the request to government plans to compensate Prairie wheat growers for low post-war prices.

Against Government Oil, Gas Pipelines: Ottawa, March 6 (CP) -- An over-whelming majority of the House of Commons indicated tonight it is opposed to government construction and operation of oil or gas pipelines. Members voted 172 to 12 against a C.C.F. proposal urging consideration be given construction and operation of a pipeline by a Crown corporation or a government agency.

Across Canada: There will be no general election in Quebec in 1951, declared Premier Duplessis in the Legislative Assembly yesterday during the debate on the Budget....The third session of New Brunswick's 41st Legislature opened yesterday with little indication of the Government's legislative plans....A \$2,500,000 capital assistance grant has been approved by order-in-council to expand production of magnesium castings for North America's most powerful jet engine, the Orenda, it was reported from Ottawa by the Canadian Press....Nine Quebec power companies have launched an appeal against the Revenue Department's refusal to allow contributions for Quebec education as an expense deductible from federal income tax assessments.... As a result of the shortage of steel, the nine-member CBC Board of Governors will have no applications for new radio stations to consider at a meeting here March 15, 16 and 17.

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GOVERNMENT

OF CANADA

DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

(For official use only. This bulletin is intended solely for the information of Canadian Government officials stationed abroad. Its contents are not for publication or distribution.)

Vol. 2, No. 48

Thursday, March 8, 1951.

Canadians In Grenade Battle: With the British Commonwealth Brigade, Korea, March 7 (Reuters) -- Canadians and Australians today fought a bloody grenade battle with the Chinese after clawing their way, yard by yard, up a rugged, rocky ridge through a hail of machine-gun, mortar and rifle fire.

As the light paled and snow began to fall tonight, they dug themselves in on the ridge, on the Central Front, while the Communists continued to send down a stream of fire from commanding positions.

Stretcher-bearers climbed down slowly from the snowy heights with the dead and wounded.

The Commonwealth attack began almost 24 hours ago. Early Monday night, orange flashes spurted from gun muzzles as New Zealand gunners began harrasing the front.

By 9 p.m. the weather cleared, and in pale starlight British troops--the Argyll and Middlesex battalions--stole quietly up to secure the "start" line.

A few hours afterwards Canada's Princess Pats and Australian infantrymen moved forward....

Mutual Tolerance Prime World Task, Says Mr. St. Laurent: London, Ontario, March 8 (CP) -- The Prime Minister, Mr. St. Laurent, said yesterday there is increasing awareness "even behind the iron curtain" of the real issues at stake in the East-West struggle.

In accepting an honorary degree of Doctor of Laws from University of Western Ontario, he said the so-called cold war could be more accurately called a war of ideas whose essence is "the struggle of freedom for survival."

Most North Americans were well aware now of the "importance of the issues at stake" and an increasing number of people in Europe and even behind the iron curtain were realizing it too.

But the main stress in his address, prepared for delivery, was on the need to increase understanding and knowledge among the peoples of the world and the great help the universities could be in meeting that need.

He referred to a summer school Western runs in Trois Pistoles, Quebec, to increase understanding between the two Canadian races as an example of the thing needed internationally.

"To achieve a greater measure of mutual tolerance, even if it is only on the basis of 'live and let live' is the prime task of world statesmanship," he said....

Canadians To Attend Paris Meteorological Meeting: Ottawa, March 7 (CP) -- Three Canadians will take part in meetings of the International Meteorological Organization at Paris March 15, the Department of Transport announced today.

Andrew Thomson, Dominion Meteorologist and Controller of the Department's meteorological division, will be principal delegate. He will be assisted by Dr. John Patterson, former Dominion Meteorologist and O.G. Stoner of the Canadian Embassy in Paris.

The I.M.O., which dates back to 1873, will hold its closing meeting this year and a new association--the World Meteorological Organization, which comes within the United Nations set-up -- will be formed.

More than 70 countries will be represented.

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Ontario Satisfied With Pension Proposals: Toronto, March 7 (CP) -- The Ontario Government is "completely satisfied" with the latest proposals by the federal Government for a constitutional amendment dealing with old-age pension powers, Premier Frost told the Legislature today.

The Premier tabled recent correspondence with the Minister of Justice, Mr. Garson, containing two alternate proposals.

Ontario's earlier objection, shared by Quebec and Nova Scotia, was that the planned change in the British North America Act might have removed the Province's powers to make old-age pension laws.

Mr. Garson's alternative proposals, he said, both provided that the federal Government may not interfere with provincial old-age legislation. Adoption of either would remove the last bar to consummation of the federal-provincial plan for universal pensions at 70 and pensions with the means test between 65 and 69.

Newfoundland General Assembly Opens: St. John's, Nfld., March 7 (CP) -- The third session of Newfoundland's 29th General Assembly got under way today, with the Speech from the Throne forecasting expansion of present industrial development and "the beginning of a relatively long period of expanding earning power for the people in general."

P.E.I. Liabilities Increase \$1,284,139: Charlottetown, March 7 (CP) -- Public accounts tabled in the Provincial Legislature today by Hon. W.E. Darby, Provincial Treasurer, indicated the liabilities of the Province increased by \$1,284,139 during the last fiscal year, ending March 31, 1950. Total revenue was given at \$6,597,480 and total expenditure at \$8,377,010.

Across Canada: Dr. W.G. Blair, (PC--Lanark) told the House of Commons yesterday that many ailing Canadians now considered incurable, could be rehabilitated. He was one of more than a dozen members to speak in support of a resolution urging the Government to give financial assistance to the handicapped who are unable to earn their own livelihood....Election by acclamation of Quebec's Mayor November 13 last was quashed yesterday by a Superior Court judge who ruled it was not an election official's business, but the Court's to decide whether a candidate's nomination papers were in order or not. New mayoralty elections were ordered for April 9 by Mr. Justice Valmore Bienvenue....Ontario women will become eligible for jury duty under terms of a bill which Attorney-General Porter is expected to introduce in the Ontario Legislature within a few days, the Globe and Mail reports.



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Vol. 2, No. 49

Friday, March 9, 1951.

Canadians Seize Hill After Charge: West-Central Front, Korea, March 9 (CP) -- Canadian troops last night sat tight on Hill 532 after a two-day battle described by Lt.-Col. J.R. Stone, their Commanding Officer, as "one of the greatest in the annals of the Princess Patricias."

The engagement saw the battalion make two bayonet charges up a 60-degree slope covered with shoulder-height pine growth and cut by a lace-work of enemy positions.

The Patricias Wednesday took two spurs leading up the hill, one of them with a bayonet charge and close-quarters fighting. Thursday's attack carried them onto the hill.

Chinese bodies counted on the ground Thursday numbered 43. More undoubtedly were carried away before the Chinese withdrew and, on the basis of the normal ratio of killed to wounded, at least 250 enemy must have been wounded.

Air Ambulances Stand Ready For Casualties: Edmonton, March 8 (CP) -- Planes and 75 personnel of the R.C.A.F.'s 435 Transport Squadron here today are on "stand-by" orders awaiting the first evacuation of Canadian casualties from Korea to the United States.

The order was issued as preparations were completed for the squadron's part in the operation, dubbed "Airev" for air evacuation.

Officials said the casualties will be flown from Japan to McChord Field, Washington, by North Stars of the Air Force's 426 Squadron now working in the Pacific airlift.

As the patients reach the U.S., Dakotas of the Edmonton squadron will be dispatched to carry them to hospital centres near their Canadian homes.

Already, three planes have been equipped as ambulances with accommodation for 15 stretchers in each.

Canada Denies Metals To Soviet, Satellites: Ottawa, March 8 (CP) -- Canada has not shipped anything of "strategic importance" to Russia or her satellites for a "long time," the Minister of Trade and Commerce, Mr. Howe, said today.

The Canadian Government, he said, has for some time exercised strict control against shipments of essential materials to countries behind the Iron Curtain. Metals now designated as essential and under export control include steel, copper, zinc, lead, nickel, aluminum, tungsten, cobalt and antimony.

Mr. Howe spoke as the Commons made slow progress with clause-by-clause study of a bill establishing a new Department of Defence Production.

General Crerar On Compulsory Training: Ottawa, March 8 (CP) -- The wartime commander of the First Canadian Army warned today there may be little or no time to prepare for all-out war against Russian aggression and urged national compulsory military training to provide 60,000 to 70,000 men a year.

General H.D.G. Crerar, at a Canadian Club luncheon, said Russia holds the initiative through her weight of man-power. This can never be changed until the democracies have massive mobilization. Oceans no longer were effective barriers to attack.

(over)

To him the third war already was a "tragic fact." Korea was the opening battle in a "long and desperate struggle with a sphere of action probably involving the greater part of the world...."

He urged a compulsory system that would provide 60,000 to 70,000 in training for six months a year. They could then be posted to part-time reserve units for periodic training for a two-year period. Others, he said, probably would volunteer to join the active forces.

Mr. H.R. MacMillan's Appointment: Ottawa, March 8 (CP) -- H.R. MacMillan, one of British Columbia's leading industrialists, has been selected as Canada's representative on the North Atlantic Defence Production Board.

Appointment of the 65-year-old lumber, fish and shipping business man, was announced by the Department of Trade and Commerce today. It places emphasis on Canada's belief that she can make her best contribution to North Atlantic defence by armament production.

Canada-U.K. Wheat Deal Outlined: Ottawa, March 8 (CP) -- The Minister of Agriculture, Mr. Gardiner, aired in the House of Commons tonight a long-standing feud with the United Kingdom Government over its refusal to honour obligations under the four-year Anglo-Canadian wheat agreement.

Bringing to the floor of the chamber the story of a rupture in normally-tranquil British-Canadian relations, he reported what long has been known outside of the House--that Britain consistently has declined to discuss a final settlement.

He disclosed, too, that even if the agreement had been drafted in legal terms, the Canadian Government would not have considered taking the matter to the International Court of Justice at The Hague for decision.

Would Accept 100,000 Immigrants: Ottawa, March 8 (CP) -- Canada, her defence buildup greatly swelling her labour needs, is willing to take 100,000 immigrants from countries with surplus populations, if transportation can be arranged.

Arthur MacNamara, Deputy Minister of Labour, told the Senate's Immigration and Labour Committee today that the International Refugee Organization would be so informed at its meeting later this month in Geneva.

Arms For Belgium: Montreal, March 9 (Gazette) -- A large military ceremony with a 75-man guard of honour and brass band, has been arranged for the formal handing over Monday of four shiploads of Canadian Army equipment to Belgium at No. 25 Central Ordnance Depot, Longue Pointe.

Ambassadors from North Atlantic Treaty countries have been invited to the ceremony, which marks Canada's second arms contribution to a European country--each shipment consisting of enough equipment to outfit a full army division.

Across Canada: The Senate heard a suggestion today that it should use the wide experience of members to form special teams for the study of the Legislation of the nation. The suggestion came from 59-year-old Senator Cyrille Vaillancourt, a Liberal from Quebec who was called to the Upper Chamber in 1944. He made it as the Senate completed the third week of debate on the possibilities of reforming its makeup for greater efficiency....Representatives of Northern Ontario and Northwestern Quebec gold mining municipalities will leave for Ottawa shortly to urge the federal Government to take immediate action in raising the price of gold or to grant a free market....Classical colleges in the Province of Quebec will commence this year to get an annual subsidy of \$15,000 each, it was announced in the Assembly yesterday by Hon. Omer Coté. At present they get \$10,000....The Canadian Red Cross will start delivering blood plasma to the Defence Department late this month for United Nations forces in Korea.



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Vol. 2, No. 50

Monday, March 12, 1951.

The "Pats" In Korea: West Central Sector, Korea, March 11 (CP) -- The Patricias captured 1,900-foot Mount Kkakkun without opposition today.

The Canadians participated in an assault on a series of hills dominated by Mount Kkakkun and Mount Maehwa, representing a 5,000-yard advance in this sector. An Australian unit was directed against Mount Maehwa.

A London regiment and a highland battalion first took intermediate objectives, setting the stage for the Canadians and Australians to move in on the mountain positions.

In Lt.-Gen. Matthew Ridgway's latest push the Canadians have made a five-mile advance, as the crow flies, trudging 10 miles overland across hills and valleys in an exhausting pursuit of the Chinese.

Today's assault yielded two Chinese prisoners, both wounded and left behind by the hastily retreating enemy, and placed in the custody of Ptes. Cyril Hoffman of North Vancouver and Tom Powell of Windsor.

A patrol under Lieut. Lorne Hurst of Grande Prairie, Alta., reconnoitred ahead of the main body today. The company led by Major Jack George of Edmonton, first to reach the mountain top, found a network of strong enemy positions laid out, but only half completed. In their hasty evacuation the enemy left some of their tools behind.

Seizure of the mountain took three hours.

Canada-U.S. Anti-Spy System: Washington, March 11 (CP) -- Canada and the United States have been swapping anti-spy experts in a move to tighten security, it was learned here today.

J. Edgar Hoover, Director of the Federal Bureau of Investigation, said in an interview that his agency and the R.C.M.P. have perfected a system which will leave saboteurs and espionage agents no place to hide in either country.

"Since 1943," he said, "the F.B.I. has had a special agent permanently assigned to the R.C.M.P. headquarters in Ottawa, and the R.C.M.P. has its representative stationed at the F.B.I. headquarters in Washington.

He said requests for investigation go back and forth on a day-to-day basis. Histories of criminals also are interchanged. "A number" of Mounties had been graduated from the National Academy of the U.S. Bureau.

"To the subversive agent and evasive criminal," he said, "the broad area which separates the U.S. from her neighbour might appear to be a door through which to flee."

But the two agencies had "effected a system by which the law violator is sought out and returned."

Canadian Doctor Reported Arrested In China: New York, March 12 (CP) -- The New York Times says today in a Hong Kong dispatch that Dr. Stewart Allen of Montreal, Director of a Canadian mission hospital in Chungking, has been arrested by the Chinese Communists on a charge of selling goods without paying the Government stamp tax.

Quoting missionary arrivals from Szechwan Province, the dispatch says Dr. Allen was arrested in mid-December with Miss Connie Ward, an elderly nurse from Vancouver. They were locked in hospital rooms for two weeks following a trial by students on an alleged charge of mistreating a patient. Miss Ward was later released.

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Subsidy Raised To Gold Mines: Ottawa, March 9 (CP) -- A new subsidy formula for gold mines was announced today by the Minister of Finance, Mr. Abbott, and Government officials said it will add about \$3,000,000 to the 1951 aid previously decided on for the industry.

The Minister told the House of Commons the Government has decided on a broadened formula under the Emergency Gold Mining Assistance Act as an alternative to letting producers sell gold in markets where it commands a premium over the current fixed price of \$35 an ounce in United States funds.

To Divert Waters To St. Maurice System: Quebec, March 11 (Gazette) -- For the purpose of diverting waters which now flow into James Bay into the St. Maurice River system, and thereby providing for additional water for power development and control in that highway of electricity, Premier Duplessis Saturday tabled in the Assembly a bill regarding the Megiscane River. The Gouin reservoir is the source of water power control for the developments on the St. Maurice.

Nova Scotia's Curling Championship: Halifax, March 11 (CP) -- Nova Scotia's first Canadian curling championship in 24 years came to a brilliant climax Saturday when Don Oylar's rink from Kentville ran out an undefeated string of 10 straight victories.

A three-way tie for second place necessitated playoff rounds last night and British Columbia took the runner-up spot over Saskatchewan and Manitoba.

The title itself was decided in the all-important 10th round Saturday morning.

Canadians Win Two In Hockey Tournament: Paris, March 12 (CP) -- Lethbridge Maple Leafs have a day off today in the world hockey tournament after ringing up consecutive victories Saturday and Sunday to lead Sweden by a narrow goal-average margin.

The Canadians, defending the title won last year by Edmonton Mercurys, defeated Norway 8-0 Sunday while Sweden ran up an identical score against the United States. Canada had defeated Finland 11-1 Saturday while the Swedes were bowling Britain under, 5-1.

Across Canada: A limited number of Canadian airmen are flying aboard American planes between Japan and Korea, Air Force headquarters said Saturday.... Steward J. Gregg, a brother of Milton F. Gregg, federal Minister of Labour, was killed Saturday when a team of horses bolted and threw him from a sled in the yard of his home in Apohaqui, N.B.. He was in his early 60's.... It cost John Diefenbaker, M.P., \$1,500 on Saturday to be admitted to the British Columbia Bar so he can conduct the manslaughter defence of a youth he has "known over the years." He was admitted in Supreme Court by Mr. Justice A.M. Manson.

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Vol. 2, No. 51

Tuesday, March 13, 1951.

Defence Costs Around \$1,700,000,000: Ottawa, March 12 (CP) -- A government spending programme of \$3,586,915,000, boosted by record peacetime defence expenditures, was submitted to the House of Commons today by the Minister of Finance, Mr. Abbott, for the coming fiscal year.

It was \$858,300,000 more than has been approved to date for the current year that ends March 31. However, the difference will be narrowed later this month when the Government seeks supplementary votes for some large items of 1950-51 expense.

Defence expenditures of around \$1,700,000,000--with \$1,600,000,000 for the Defence Department itself--boosted Mr. Abbott's 1951-52 estimates to the whopping total despite an over-all reduction of \$35,268,000 in all departments except Defence and the new Defence Production Department.

The Defence Department estimates were up \$837,382,000 over the amount authorized to date in the current year.

Mr. Abbott estimated the Defence Production Department, with allied Crown companies, is going to cost \$64,212,000 in the coming year, of which \$50,000,000 will be capital spending to create production facilities. The Department, set up just a few days ago, will have spent about \$7,000,000 by the end of this month....

In the Departments in which there were cuts, these totalled close to \$90,000,000, with this figure pulled down to about \$35,000,000 by increases in other non-defence departments.

Greatest slash from this year's estimates was in the Department of Agriculture, whose appropriations fell from \$81,805,000 to \$53,131,000....

There were reductions of \$18,721,000 in the Public Works Department; \$11,596,000 in the Resources Department; \$11,383,000 in Veterans' Affairs; \$3,000,000 in External Affairs, \$3,353,000 in the Transport Department; \$2,307,000 in the Canadian Maritime Commission.

On the increase side, there was a \$9,489,000 jump for the National Research Council and the Atomic Energy Control Board -- regarded as partly defence projects; \$6,789,000 for the Post Office; \$5,984,000 for the Trade Department; \$5,206,000 for the Royal Canadian Mounted Police, and \$2,462,000 for the Unemployment Insurance Commission....

Hope To Continue To Relax Exchange Control: Ottawa, March 12 (CP) -- The Minister of Finance, Mr. Abbott, asked the House of Commons today to extend the Government's currency-control powers for another two years as a stand-by measure.

The Government, he said, hopes and expects to continue to relax and simplify exchange control restrictions. But, with uncertain years ahead, it wants to retain the control powers as a weapon in its defence arsenal.

J.M. Macdonnell (P.C.--Toronto Greenwood), Progressive Conservative financial critic, agreed that the troubled present-day world required some form of skeleton stand-by organization. But he urged that the full-fledged Control Board now in operation be dismantled....

The Minister said he will not be able to bring down his 1951-52 Budget before the Commons adjourns March 21 for the Easter recess.

Introducing the exchange control legislation, Mr. Abbott reviewed the Board's activities in recent years along with recent modifications in its relaxations.

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"It is the hope and expectation of the Government," he said, "that it will be possible to continue these liberal arrangements; and our purpose is to continue along this path of relaxation and simplification."

But, at the same time, the Government felt there were too many uncertainties in the present world situation to warrant complete abandonment of exchange control....

He welcomed the improved dollar position of the United Kingdom and other sterling countries and expressed hope they would relax restrictions against Canadian imports.

He reported that Canadian exports to the United States rose from \$1,000,000,000 in 1947 to \$1,500,000,000 in 1949 and \$2,000,000,000 in 1950, with a consequent improvement in Canada's gold and U.S. dollar reserves. At December 31 last, those reserves totalled approximately \$1,700,000,000....

The Foreign Exchange Control Board said today it has decided to allow Canadian tourists to double the amount of United States currency they can take out of the country without a permit....

The "Pats" In Korea: West Central Sector, Korea, March 12 (CP) -- The Patricias have been sorting themselves out for the last 24 hours, resting atop 1,900-foot Mount Kkakun which they seized Sunday.

Capture of the mountain was the culmination of a five-day operation which saw the Canadians win their first real battles against the Chinese, and so knock the enemy off balance that his front is still withdrawing.

Although the Patricias haven't experienced in Korea a knockdown, drag-out battle like that at Ortona or the assaults on the Hitler or Gothic lines in the Second World War, they've decisively beaten at least two Chinese battalions in frontal assaults up 60-degree mountain bluffs--and in Korea that's something.

Their bayonet charges last Wednesday and Thursday up a hill, spear-heading Lt.-Gen. Ridgway's offensive in the west-central sector, represented the deadliest fighting anywhere in that phase of the campaign.

Bodies of 52 Chinese--all killed by small arms fire or grenades--were found on the mountainside afterward. More than 2,000,000 rounds of ammunition were abandoned by the enemy....

Canadians Are Able To Leave Red China: Ottawa, March 12 (CP) -- Canadians in Red China are able to get out of that country, the Secretary of State for External Affairs, Mr. Pearson told the House of Commons today.

He said, however, that some difficulties are being put in their way.

Mr. Pearson, questioned by Gordon Graydon (PC--Peel), said "certain" Canadians have been detained by the Peiping Government and Canada is having British diplomats do all that can be done for their protection....

Mr. Howe On Wheat Agreement: Ottawa, March 12 (CP) -- The Minister of Trade and Commerce, Mr. Howe, told the House of Commons tonight that the United Kingdom Government has lived up to legal obligations under the Anglo-Canadian wheat agreement and is not in default.

Defending the contract against opposition criticism, he said he felt it was a good agreement and one which brought Prairie wheat producers a higher price -- \$1.83 a bushel -- through its four-year course than they would otherwise have obtained.

But he did concede that it had been a "mistake" to include in the agreement such a "loosely-worded" clause as the "have regard to" clause -- one dealing with a so-called final settlement under the agreement and the source of much opposition criticism of its results....

Across Canada: A government measure aimed at ensuring equal pay for men and women doing the same work in any establishment was approved by the Ontario legislature.... Col. Michael L. Brennan, O.B.E., 46, of Ottawa, Chief of Staff of the Army's Central Command at Winnipeg, has been named as Director General of Army personnel at Army Headquarters.... Canadian refineries turned out 10 per cent more petroleum products last year than in 1949.

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Vol. 2, No. 52

Wednesday, March 14, 1951.

The "Pats" In Korea: Korean war dispatches this morning said that a military blackout imposed by the United States Eighth Army shielded movements of Allied divisions in pursuit of the swiftly withdrawing Chinese and North Koreans.

The only reference to the Princess Patricias was contained in the following excerpt:

"In pulling back, the Chinese yielded without a fight a strategic crest of ridges and hills south of Hongchon.

"The Reds pulled out so rapidly Tuesday they abandoned pack animals used to haul artillery and supplies to the front.

"Front dispatches indicated the Reds had decided not to defend Hongchon -- once headquarters for the Chinese 66th Army Corps.

"Commonwealth troops, including the Princess Patricias Canadian light infantry, moved up to within four miles of that Red base against no resistance...."

Suggestions To Business During Crisis: Saskatoon, March 13 (CP) -- The Minister of Justice, Mr. Garson, appealed to businessmen today to help the federal Government fight inflation and to restrain from increasing margins of profit in the current emergency.

Speaking before the National Dairy Council he called on business to take these five steps as Canada goes through the critical emergency stage:

1. Follow a pricing policy in the public interest. Business should not try to increase mark-ups--margins of profit--"just a little more" to protect itself against cost advances. This was one of the causes of panic buying and boosted prices still further.

2. Increase production and cut down on waste. This was almost entirely a responsibility of business. It could not be placed at the door-step of trade unions or labour.

3. Avoid industrial and commercial hoarding.

4. Pare non-essential capital expansion and investment to the bone. The Government was setting an example which business should follow. Steps have been taken to restrain the capital boom which this year may otherwise reach a peak \$4,250,000,000. Interest rates have been raised, credit expansion curtailed, essential materials controlled. The essential thing now was for business itself to exercise restraint.

5. Cut down on non-essential employment. This will have the effect of freeing manpower for defence production. Here again the Government has set an example. In the current year, the non-defence staff of the Government has been reduced by 5,000.

Canada's Uranium Production: Ottawa, March 13 (CP) -- Canada's capital was a bit surprised and taken aback today by an official Washington statement that the United States has moved ahead of Canada in production of uranium, currently the key metal for release of atomic energy.

But the Minister of Trade and Commerce, Mr. Howe, told a reporter that he feels it is "a temporary situation" and that Canada will move ahead again before too long when she gets a new mine into production in Northern Saskatchewan.

The U.S. Energy Commission said the U.S. has passed Canada to become the second largest producer of uranium in the world.

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Government's 35,000,000 Pounds Of Butter All Sold: Ottawa, March 13 (CP) -- The Government's ice box will be bare of butter. Eager buyers, clamouring for supplies, have purchased all of the Government's 35,000,000 pounds in storage.

The Minister of Agriculture, Mr. Gardiner, told the House of Commons today that the Dairy Products Board now has allocated remaining stocks. They will be distributed during the next two weeks.

Mr. Gardiner was replying to J.A. Ross (PC, Souris). He gave no intimation of what action the Government proposed for the new butter year, opening May 1.

But outside the House, some agricultural officials said they understood that the question of price support now is under consideration. It appeared possible, they said, that support might be granted at a higher rate than that which prevailed in 1950-51.

Pacific Coast Pipeline Discussion Renewed: Ottawa, March 13 (CP) -- A new battle over pipelines began in the Commons tonight. It apparently was the opening salvo in another long fight for "all-Canada" routes for oil and gas lines from Alberta.

British Columbia members--who last year conducted a delaying action against gas pipelines going through the United States on the way to the coast--launched the assault against a proposed line to bring oil to Vancouver by way of the U.S.

They delayed approval in principle of a bill to incorporate Border Pipeline Corporation, which would serve Washington and Oregon cities before reaching Vancouver.

Consider Women For Defence Forces: Ottawa, March 13 (CP) -- The Minister of National Defence, Mr. Claxton, indicated in the House of Commons today that the Government still has not decided on whether women will be recruited by the armed forces.

He said the "question of when and the conditions under which women may serve in the active and reserve forces is still receiving consideration."

The Minister was answering a question by Arthur Laing (L. Vancouver South).

U. Of T. Students And Toronto Peace Council: Toronto, March 14 (CP) -- A meeting of the University of Toronto Peace Council was broken up yesterday by 60 students who charged the organization was Communist controlled. The Chairman and other members walked out, and the anti-Communists elected new officers who passed a resolution that all council funds--including 50-cent membership fees--should be turned over to the Red Cross.

Across Canada: A current operating deficit of nearly \$1,000,000 was revealed by information tabled in the Newfoundland Legislature yesterday in response to opposition questions. Premier Joseph Smallwood, who took the finance portfolio after former Finance Minister Herman W. Quinton was appointed to the Senate, reported revenue of \$23,475,866 against current expenditures of \$24,373,584 for the 11 months ending February 28....Premier Frost of Ontario said yesterday he plans to meet Prime Minister St. Laurent to discuss improving the citizenship rights of Indians. The Premier raised the point during the Legislature's consideration of his Fair Employment Practices Bill to combat discrimination for colour, race or creed, which was approved in principle.

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Vol. 2, No. 53

Thursday, March 15, 1951.

Tighten Controls On Instalment Buying: Ottawa, March 14 (CP) -- The Government, sharpening its fiscal weapons against inflation, announced today a general tightening of controls on instalment buying.

The new restrictions, effective next Monday, March 19, mean instalment buyers must provide a larger down-payment and pay off the remainder in 12 months instead of the 18-month period now allowed.

Biggest jolt was handed to prospective motor car buyers. They will put down 50 per cent of the cash price--against the current one-third down-payment--and will finance the remainder in 12 months.

This applies to all motor vehicles--whether new or used--and to motor-cycles. Trucks are exempted. Trade-in value of the purchaser's old car can be used as part of the down-payment on another car.

For all other commodities covered by consumer credit regulations--and that includes nearly everything the ordinary consumer buys by instalment -- the down-payment is boosted to one-third of cash price from one fifth.

Exempt are books, fuel, uniforms, hearing aids and similar appliances for invalids, building materials, but not plumbing fixtures, and tools of trade such as carpenters' tools and surgical instruments.

The Minister of Finance, Mr. Abbott, announcing the tightened restrictions to the House of Commons, described them as "much stiffer."

The Government inaugurated consumer credit controls last fall as a move against the rising cost of living.

Aircraft Production Major Target: Ottawa, March 14 (CP) -- Canada's new Defence Production Co-ordinator said today the country's industrial defence machine should be in full swing by 1952.

Now in process of whipping the machine into shape, Crawford Gordon Jr., Toronto industrialist, said in an interview that he is concentrating his heaviest fire on aircraft production.

This programme should be the first to near the target range. Target figures are a closely-guarded secret, but in some quarters it is estimated the Government may aim at between 90 and 100 jet aircraft a month by end of the year.

The country now is producing about 20 or 30 a month, mostly F-86E Sabres at Montreal. Mr. Gordon believed the Canadian CF-100 jets should be coming off the assembly lines in Toronto in mounting numbers in the next few months.

Hampering the aircraft programme is the lack of sufficient jet engines. The F-86E Sabre, an American jet, is powered with a General Electric American engine and Canada still is not getting enough of them to fill her needs.

That's one of the things Mr. Gordon is going to tackle. And probably in his lap, too, will be the problem of solving a patent wrangle holding up jeep production at Windsor, Ontario.

Recruiting Drive To Be Intensified: Ottawa, March 14 (CP) -- The Government is preparing to step up sharply the already-intensified drive for armed forces recruits in an effort to keep manpower needs satisfied by voluntary methods. It will become nearly a \$4,000,000-a-year proposition.

The estimates of Government spending in the fiscal year starting April 1 indicate the Defence Department, with Parliament's approval, will be doubling spending on its recruiting programme.

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Under the heading "films, displays, broadcast, advertising and other informational materials," the estimates propose to spend \$3,836,000 in the next fiscal year compared to \$1,995,000 in the year ending with the end of this month.

A departmental spokesman said this means recruiting is going to become "a very big operation."

A recruiting official estimated the tempo of the campaign, steadily intensified since Korea started, will be boosted between 50 to 60 per cent.

Aero Engine Plant For Montreal: Ottawa, March 14 (CP) -- Two new plants are expected to be constructed soon to add power to Canada's rapidly-expanding aircraft production industry. One will be in Montreal, the other in Toronto.

Officials disclosed today that a multi-million-dollar plant will be established in Montreal to produce Pratt and Whitney radial piston engines to power the modified Harvard trainer.

In Toronto, a blade-forging plant will be constructed to produce blades for jet turbines. It will be the first time such a plant has been established in Canada.

Both ventures likely will receive capital assistance from the Government.

Warns Against Dictatorships Whether Of Right Or Left: Montreal, March 15 (Gazette)

-- Rt. Hon. F.M. Forde, P.C., Australian High Commissioner in Canada, warned members of the St. Lawrence Kiwanis Club yesterday that "democracies are seriously menaced today by those who deny the existence of God and seek to impose blind force upon the world."

Mr. Forde said that "the democracies of the world are at the crossroads" and stressed that we "must not allow ourselves to be deluded into accepting dictatorships whether they come from the right or from the left."

Mr. George Bookman's Address: Montreal, March 15 (Gazette) -- An adjustment of United States financial policy to permit purchase of Canadian and other foreign imports of strategic goods at the "going price" of the selling country, despite the present American price freeze, was predicted yesterday by George Bookman, Washington economic correspondent of Time Magazine.

He told the meeting of the Advertising and Sales Executives Club of Montreal that "in some cases, the U.S. Government will use subsidies for imports" to compensate between higher selling prices and ceiling prices in the United States.

An announcement on the new policy will be issued from Washington by the end of this month, he said.

Mr. Strong Consul General In Boston (Press Release No. 13 March 15): The Department of External Affairs announced today the appointment of Mr. J.A. Strong as Consul General in Boston.

Across Canada: The Minister of Veterans Affairs, Mr. Lapointe, said yesterday at Hull, Quebec, that the Canadian Government in its defence programme, does not intend to "abandon anything essential in its long-range social security and economic programmes," the Canadian Press reported....Premier Duplessis told the Legislature before prorogation yesterday that he has rejected a new draft by the Minister of Justice, Mr. Garson, of a proposed amendment to the British North America Act to provide for widened old age pensions, according to the Montreal Gazette....The Minister of Resources and Development, Mr. Winters, said the capital of the Yukon is being shifted from Dawson to Whitehorse....Sweden and Switzerland battled to a 3-3 tie last night to take over point leadership in the World Hockey tournament. Canada, idle yesterday, thus was shunted temporarily to second place, one point behind Sweden and Switzerland. All three teams were tied with three victories and no losses before yesterday's action.

GOVERNMENT



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INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

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Vol. 2, No. 54

Friday, March 16, 1951.

Central Control Of All Transport Recommended: Ottawa, March 15 (CP) -- The Royal Commission on Transportation today recommended a new national transportation policy of co-ordinating all federally-controlled carriers and a new deal in rail freight rates through Canada-wide equalization with the aid of a \$7,000,000-a-year subsidy.

Legislation based on some recommendations of the Report undoubtedly will be introduced at this Session of Parliament, the Prime Minister, Mr. St. Laurent, said in tabling the 200,000 word document.

The following are some of its highlights:

A national transportation policy calling for co-ordination of all transport agencies--railways, aviation, shipping, pipe lines--under federal jurisdiction including perhaps interprovincial and international highway traffic.

General equalization of freight rates between all regions of Canada.

A new federal subsidy of an estimated \$7,000,000 a year to help the cost of moving goods between East and West across thinly-settled Northern Ontario.

A recapitalization plan for the government-owned Canadian National Railways to give it a more stable financial structure.

No change in the federal statute guaranteeing the West its low, fixed "Crow's Nest Pass" freight rates on grain and grain products.

Modification of future freight-rate increases to lessen the impact on long-haul traffic and some commodities--of particular benefit to the West and the Maritimes.

No railway public ownership or amalgamation.

No federal construction of the proposed \$100,000,000 Chignecto Canal in the Maritimes.

No major change in the Maritime freight rates act giving that area sub-normal rates.

Extension to Prairie points of part of the benefits of low "trans-continental" freight rates between eastern Canada and British Columbia.

Action to speed up the disposition of railway revenue (rate-increase) cases, with interim increases being granted where justified.

No change in the existing system of the railways and their labour unions negotiating their disputes.

A more favourable freight-rate setup for Newfoundland (already largely implemented).

National transportation policy to ensure efficient and economic operation of the Canadian Pacific Railway as a private enterprise.

Greater freedom to be allowed the railways in abandoning unproductive lines and making other economies....

Foreign Exchange Legislation Debate: Ottawa, March 15 (CP) -- The Minister of Finance, Mr. Abbott, said today there is no way of telling how many American dollars spent on Marshall Aid found their way into Canada's reserves of foreign exchange.

Mr. Abbott said Canada had simply required other countries to pay for Canadian goods with American dollars. No inquiry was made as to whether the dollars were obtained from Marshall Aid or sale of products in the United States.

He spoke before the House of Commons gave third and final reading to a bill extending life of the Foreign Exchange Control Board another two years.

(over)

The legislation, giving the Government power to control movement of foreign exchange in and out of Canada, now goes to the Senate.

Tax Agreements Between Canada And France: (Press Release No. 14, March 16) -- Agreements between Canada and France for removing double taxation in the fields of income tax and succession duties were concluded in Paris today. Major-General George P. Vanier, Canadian Ambassador, signed on behalf of Canada and Mr. Alexandre Parodi, Secretary General of the Ministry of Foreign Affairs, signed for the Republic of France.

Gold Mining Communities' Submissions: Ottawa, March 15 (CP) -- Representatives of Ontario and Quebec gold-mining communities -- some threatened with extinction in the cost-price crisis--today appealed to the Government for the right to a free market of gold.

A 22-member delegation, meeting three Cabinet Ministers, said the recently-announced increase in federal subsidies would not be enough to maintain gold mining even at the 1950 level.

Mines which had feared high production costs and low returns would force them to close in 1950 would do so in 1951. An exodus of miners was in prospect.

Canadians Deafeat U.S. 16-2 In Hockey Championships: Paris, March 15 (Reuters)-- Canada overwhelmed the United States 16-2 in the world hockey championships tonight to move into second place in Group A -- one point behind Sweden, but with one game in hand. The Americans remained in fifth place.

Mr. Chester Ronning In Hong Kong: Hong Kong, March 15 (AP) -- Chester Ronning, First Secretary who has been in charge of the Canadian Embassy at Nanking, arrived in Hong Kong today en route to Ottawa.

Mr. Ronning refused to discuss conditions in Red China but said he had difficulty getting out.

Across Canada: The Ontario Government yesterday put an immediate peg on retail milk prices and announced that it will assume control of maximum milk prices to consumers....First of 1,000 bottles of blood plasma prepared by the Canadian Red Cross for the armed forces in action was presented to the Minister of National Defence, Mr. Claxton, in a ceremony yesterday at the National War Memorial....The House of Commons voted 168 to 24 against a CCF motion calling for a 25-cent-a-bushel payment on the wheat contract.... Two Canadians have been elected fellows of the Royal Society of London it was announced in Ottawa yesterday. They are Dr. C.S. Beals, Dominion Astronomer at Ottawa, and Dr. Gerhard Herzberg, Director of the Physics Division at the National Research Council. Their election brings to 16 the number of Canadians who have been so honoured.



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Vol. 2 No. 55

Monday, March 19, 1951.

Report Five Canadian Nuns Face Red Trials: Dispatches from Hong Kong at the weekend said that the Chinese Communist Government is going to try five Roman Catholic nuns from a Canadian orphanage in Canton. The five--four Canadian Sisters and one American--were arrested following Chinese propaganda attacks and unsupported claims of mistreatment of orphans at the quarters. The Communists say mistreatment has resulted in the deaths of more than 21-hundred children in eighteen months. A Roman Catholic priest in Hong Kong says the nuns took the children off the streets where many of them lay dying of starvation and communicable diseases. Some of the tots were saved, but only a small percentage of those brought in. If the nuns are found guilty of the charges against them, they will receive the death penalty. Four of the Sisters are from Quebec Province and the other from New Hampshire.

Ottawa Without Specific Information: Ottawa, March 18 (Globe) -- Officials of the Department of External Affairs tonight were without specific information on Canadian nuns who are reported to have been accused of crime in Communist China, but fearful they would be able to do little about it if the reports proved true.

There was some information a few days ago about two nuns being accused of responsibility for deaths in a hospital, but not enough on which to base any official inquiry. Tonight's report about five nuns being accused of manslaughter in connection with the death of children in an orphanage had not reached the Department.

The difficulty of doing anything for Canadians who are still in Communist China is illustrated, it is said, by the case of Dr. Stewart Allen of Montreal who was arrested at Chungking. The Department has been making representations through the British mission in China without result.

In Montreal, at the mother house of the order, the Missionary Sisters of the Immaculate Conception (Soeurs Missionnaires de l'Immaculée-Conception), Sister SaintCoeur de Marie said charges against the five nuns in China were ridiculous.

"We haven't heard anything from them since March 5," she said, "but on that date we had word from our convent in Hong Kong saying that the Communists had taken the convent at Canton. We have had no word since then."

Sir Benegal Rau's Visit: Ottawa, March 19 (Citizen) -- Leading spokesmen for India and Canada gave a heartening demonstration Saturday of the ties which bind the two Commonwealth countries in a troubled world.

Sir Benegal Rau, India's permanent representative at United Nations and a key figure in recent attempts to end the Korean war, told a luncheon meeting of the Professional Institute of the Public Service of Canada that "no two countries are so close to each other in general attitude and outlook"....

The Secretary of State for External Affairs, Mr. Pearson, in reply, declared he was confident "India with Pakistan will be a centre of stability and democratic progress in the Far East and indeed, in the world."

Mr. Pearson, who teamed with Sir Benegal on the U.N. Cease-Fire Commission which sought to stop the fighting in Korea, paid warm tribute to the Indian Delegate's efforts. Sir Benegal had exhibited "sober idealism, honest work and above all, patience."....

(over)

Speaking on Canadian influences on the Indian constitution, Sir Benegal took time to explain that he was avoiding any discussion of current international developments because he wanted "even a brief breathing space from the storm and stress" of world politics.

M. Vincent Auriol's Visit (Press Release No. 15, March 19): The Department of External Affairs today announced details of the programme concerning the forthcoming visit to Canada of the President of the French Republic, M. Vincent Auriol.

Mme. Auriol will accompany the President. Principal members of the party are: M. Robert Schuman, Minister of Foreign Affairs, General Paul Grossin, Military Secretary General of the Presidency, M. Jacques Dumaine, Minister Plenipotentiary and Chief of Protocol.

The President and his party will arrive at Ottawa by train from New York Thursday morning, April 5. There will be a luncheon at Government House by Their Excellencies the Governor General and Lady Alexander. At 3:30 p.m. the President will address the two Houses of Parliament in the House of Commons Chamber, following which there will be a reception by the Speakers. The President will lay a wreath at the National War Memorial.

M. Auriol will give a dinner at the French Embassy, followed by a reception at 10:00 p.m.

From Ottawa, M. Auriol will go to Toronto, Quebec and Montreal before returning to Paris by air.

The Netherlands Receives Canadian Arms: Amersfoort, The Netherlands, March 16 (NYT) -- Canadian arms and equipment sufficient for an infantry division were transferred to the Netherlands today at a ceremony attended by Queen Juliana and Prince Consort Bernhard. The arms which are British types will be used for training purposes to fill the gap until United States equipment arrives.

Occasion for the presentation was a parade of some 6,000 Dutch troops who had just finished a three-day manoeuvre -- largest scale postwar army exercises in the Netherlands. The troops, comprising the first Dutch regimental combat team to be trained for North Atlantic defence, will be released and become a reserve unit.

Committee On Veterans Affairs: Ottawa, March 18 (CP) -- The Government gave notice Saturday it is going to establish a 27-man Committee on Veterans Affairs and throw lots of work in its lap.

The Minister of Veterans Affairs, Mr. Lapointe, placed on the order paper a notice of a resolution for formation of the Committee to consider a bill to enact the Special Force Veterans Benefits Act and to consider amendments to other acts already on the statute books.

Wheat Agreement Debate: Ottawa, March 16 (CP) -- The Commons today ended a prolonged debate on the controversial Anglo-Canadian wheat contract by voting 112 to 42 against an Opposition motion criticizing the Government's wheat-marketing policies.

Canada Wins World Hockey Championship: Paris, March 18 (Reuters) -- Lethbridge Maple Leafs retained the world amateur hockey championship for Canada Saturday night, defeating Sweden 5-1 in the pay-off game.

A sustained 60-minute Canadian attack made the concluding game even more one-sided than the score suggests.

The winners--unbeaten and untied through the Round-Robin play--hustled the Swedes completely off stride and the losers seldom had time to get their criss-cross passing play working.

Across Canada: Maj. William J. Neill, 46, formerly of Vancouver, has been selected for exchange duties with the Australian Army, the Army has announced.

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Vol. 2, No. 56

Tuesday, March 20, 1951.

Supplementary Estimates \$201,556,559: Ottawa, March 19 (CP) -- The publicly-owned Canadian National Railways ended last year with one of its lowest peacetime deficits, it was disclosed today.

The multi-million dollar system, its record marked by few surpluses in other than war years, ended 1950 with a deficit of \$3,261,235 compared with a deficit of \$42,000,000 in 1949.

The slimness of the deficit highlighted supplementary estimates tabled in the House of Commons by the Minister of Finance, Mr. Abbott, to cover additional government expenditures of \$201,556,559 for the 1950-51 fiscal year ending March 31. This brought total expenditures to \$2,930,111,971.

Expenditures for the 1951-52 fiscal year have been estimated at \$3,586,915,657, but this amount likely will be boosted by supplementary estimates before the new year is ended.

No details of the C.N.R. operations were contained in the estimates. The Minister of Transport, Mr. Chevrier, said in an interview that the railway's improved position was due partly to increased freight rates but mainly to an increase in the volume of business.

During the Second World War, from 1941 to 1945, the C.N.R. reported surpluses ranging from \$4,000,000 to \$35,000,000. But since 1946 it has continually reported deficits. They increased from \$9,000,000 in 1946 to \$42,000,000 in 1949. In years prior to the Second World War, there also was a record of deficits. In 1938--the year before the outbreak of war--the deficit was \$54,000,000.

The report of the railway, yet to be tabled in the House of Commons, may show that it finished the year with a net operating surplus but was hauled into the red by the burden of annual fixed charges on obligations held by the public and the Government.

Trans-Canada Airlines Deficit Down: Ottawa, March 19 (CP) -- Trans-Canada Airlines, the country's 16,000-mile domestic and overseas airways system, went in the red for \$1,300,000 in 1950, all of it chargeable to Atlantic operations.

The figure represented a decline in the deficit of almost \$3,000,000 compared with the T.C.A. deficit in 1949. Domestic operations showed a profit last year for the first time since the end of the Second World War.

The annual report of the government-owned airline, tabled in the House of Commons today by the Minister of Trade and Commerce, Mr. Howe, showed an over-all deficit of \$1,325,205 compared with \$4,317,593 in 1949.

Domestic operations got out of the red for the first time since 1945 with a profit of \$201,206 compared with a deficit of \$1,419,444 in 1949. Overseas operations again were in the financial hole, but the deficit was cut from \$2,898,149 in 1949 to \$1,526,412 last year.

Charges Against Nuns Basis Of Inquiry: Ottawa, March 19 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said today charges laid against five Canadian nuns by Red China authorities appear to have been preferred for "propaganda purposes."

He told E.D. Fulton (P.C.--Kamloops) in the House of Commons that the Government is doing what it can to ascertain the basis for the charges.

Mr. Fulton suggested the charges obviously had been "trumped up."

(over)

Says Nuns Tried To Save Abandoned Children: Hong Kong, March 19 (AP) -- Five Canadian nuns, held by the Chinese Communists on charges of causing the deaths of 2,116 orphans, actually tried to save the abandoned children's lives, a Catholic priest said today.

The Communists earlier today announced arrest of the nuns at Canton. They said the children had died in the last 18 months at the Canadian Mission of the Immaculate Conception there.

The priest here, who declined use of his name, gave a different version of the story. He said the nuns years ago set up the Canton receiving station for stricken children, abandoned on the streets by their parents. When found, many children were dying of hunger or disease.

Police and civilians also took to the nuns many unwanted children -- the tragic flotsam of the Orient.

More than 2,000 were beyond any help the nuns could give, the priest said. They died and the sisters buried them. Some 200 others were nursed back from the brink of death and sent to the orphanage.

Instead of crediting them with saving the lives of hundreds, the Reds charged them with the deaths of the waifs beyond help, he said.

The Reds identified the five as Sister Superior Alexander, Sister Ste. Marie Germaine (Germaine Gravelle) of St. Faustin, Que.; Sister St. Isidore (Germaine Tanguay), of Nashua, N.H.; Sister St. Foy (Elizabeth Lemire) of Boise du Febure, Que., and Sister St. Germain (Ymelda Laferrière) of Port Route, Que.

Mr. Heeney's Montreal Address: Montreal, March 20 (Gazette) -- Union of the 12 countries of the North Atlantic Treaty Organization affords the only firm basis for successful defence of the free world, A.D.P. Heeney, K.C., Montreal-born Under-Secretary of State for External Affairs, told the Montreal Canadian Club yesterday.

"For the first time since the crusades, western Christendom has an army made up of forces contributed by various nations committed to a common purpose," he said.

Vote \$7,250,000 For Korea Relief: Ottawa, March 19 (CP) -- The House of Commons today voted \$7,250,000 as Canada's share of United Nations relief and rehabilitation for war-ravaged Korea.

The Secretary of State for External Affairs, Mr. Pearson, said the U.N. estimates it requires about \$250,000,000 to meet immediate needs in Korea. This will be for relief only; rehabilitation will come later.

R.G. (Gerry) Riddell: Ottawa, March 20 -- Funeral services for R.G. (Gerry) Riddell, Canadian Permanent Delegate to UN, who died suddenly at Virginia Beach, Va., last Friday, are being held today at Southminster United Church, in Ottawa.

Rev. Dr. Charles Donald will conduct the funeral service, which members of the Cabinet will attend. Burial is to be in Beechwood cemetery.

Across Canada: Some 1,750 immigrants will come to Canada by air by March 31 under the Government's plan of subsidized air passage, the Minister of Citizenship and Immigration, Mr. Harris told the House of Commons....Three officials of the Anglo-Iranian Oil Company, one of the world's largest oil firms, arrived in Edmonton yesterday from London to survey the feasibility of producing oil from Northern Alberta's tar sands....The \$157,000,000 power development at Niagara Falls will be in operation by 1954, G.H. Challies, Vice-Chairman of the Ontario Hydro-Electric Power Commission, told the Ontario Legislature.... The Defence Department disclosed yesterday that the shipbuilding programme for the Navy is being boosted from 27 ships to more than 40 as part of Canada's growing defence effort.

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Vol. 2, No. 57

Wednesday, March 21, 1951.

Mr. Pearson On Korean Situation: Ottawa, March 20 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said today there is a possibility that the fighting in Korea will end with an undeclared cease fire.

The position might even be reached where there would be a sort of undeclared cease fire roughly along the line of the 38th Parallel, dividing North and South Korea.

If that position is reached, "it would surely be statesmanlike to take advantage of that position to see if we can work out the kind of settlement which will make it possible for us to extricate ourselves . . . with honour from Korea, because Korea is not the main danger front."

Mr. Pearson spoke in a debate launched by Angus MacInnis (CCF--Vancouver East) on a motion to go into Committee of Ways and Means to renew study of supplementary estimates of expenditure. On such a motion members can discuss any topic.

Mr. MacInnis said he believed it would be a grave mistake for the United Nations forces to recross the 38th Parallel. He said the political decision on what should be done when the line is reached was the responsibility of United Nations and not of Gen. Douglas MacArthur, the U.N. Supreme Commander.

Mr. Pearson said he could not say much at this time on whether the 38th Parallel should be recrossed.

He added:

"There is real difficulty from my point of view in dealing with this matter because at this moment, even this afternoon, discussions are going on in Washington with the other countries participating in the Korean campaign on the subject of what would be a proper directive, if a directive should be issued for the United Nations commander in Korea.

"Although I do not think the United Nations has any right to fight Gen. MacArthur's war, nevertheless it is our duty as members of the United Nations to lay down the political directive which would govern his operations. He is the first one to accept that fact."

He described the Washington discussions as informal and said any decision on recrossing the line would be made by United Nations as a whole.

There was another reason why not much could be said at this time about crossing the Parallel. He said:

"It certainly would be unwise and unfair to the commander and to the men in the field to tell the enemy exactly what we were going to do in a military way when we reached that particular line.

"I think that that certainly would be playing into the hands of those whom we do not wish to help. No doubt when the decision is taken it will be governed by both military and political considerations."

Says Charges Against Nuns Grotesque: Ottawa, March 20 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said today Communist China's charges against five Canadian nuns are grotesque and unfounded and that the British diplomatic service has been asked to do all possible to help them.

Mr. Pearson, answering in the Commons a question by Jean François Pouliot (L. Temiscouata), said a March 5 letter from the Canton orphanage to the Montreal headquarters of the nuns' order said the orphanage was being taken over by the Chinese and that the nuns were being deported to Hong Kong.

(over)

So far there has been no official confirmation of newspaper reports of the arrest of the five, he added.

However, the fact that Chinese newspapers have made charges against the Canadian orphanage has been confirmed through London. The charges included allegations of inhuman acts, that the nuns' order is an "imperialist" organization and that more than 2,000 Chinese children have died because of mistreatment in the orphanage.

Foreign Trade Picture In January: Ottawa, March 20 (CP) -- Canada's foreign trade in January hit its most unfavourable balance in many years, as heavy imports from the United States overshadowed the country's import-export pattern.

Imports during the month hit a new high of \$327,200,000 in dollar value, compared with \$266,300,000 in December and some 54 per cent higher than the \$211,900,000 for January, 1950.

Of these, imports from the United States totalled \$233,300,000, or 50 per cent higher than the \$154,500,000 imported in January last year.

Total exports to all countries were valued at \$288,800,000 of which \$3,700,000 was exported from Canada's foreign holdings. The domestic exports of \$285,100,000 were down slightly from the \$289,900,000 in December, but 29 per cent higher than last year's January value of \$221,200,000.

But the higher imports gave Canada an import or adverse balance of \$38,400,000 for January, compared with an export or favourable surplus of \$11,800,000 for January last year.

Shipments to the U.S. in January continued the expansion, of previous months, increasing 43 per cent in value to \$186,900,000 compared with \$130,900,000 in January, 1950.

R.G. (Gerry) Riddell: Funeral rites were held in Ottawa on March 20 for R.G. (Gerry) Riddell, Canada's Permanent Delegate to the United Nations, who died in Virginia last week.

The Prime Minister, Mr. St. Laurent, headed a group of Cabinet Ministers and high-ranking officials of the Department of External Affairs who paid tribute to the young diplomat.

The service was conducted at Southminster United Church by Rev. Charles Donald, while flags throughout the capital flew at half mast. At Lake Success, N.Y., the United Nations flag flew at half mast, and according to protocol, none of the flags of the 60 UN members which usually are raised in front of the UN site, were flown on March 20.

Mr. Sandwell On UN: Montreal, March 21 (Gazette) -- "We are nearer to some assurance of a peaceful world today than we were before the formation of the League of Nations and the United Nations," B.K. Sandwell, Editor of Saturday Night, told members of the Rotary Club of Montreal yesterday.

The Toronto journalist criticized the opinion that the sole function of the United Nations is the prevention of wars and the idea that it will have failed as an organization unless it succeeds in this respect.

Across Canada: The Department of Transport today announced a new, approved commercial flying training course which cuts 50 hours off flying time required for a pilot to qualify. Commercial pilot applicants completing an approved course of training now may qualify for their licence with a minimum total of 150 hours flying experience compared with 200 hours previously required. The course must be completed in a year....An "even break" for Canadian farmers in the event of another world war, and a "fair share" of the country's manpower, materials, as well as such other concessions that might be granted labour and industry in a national emergency, were demanded in Montreal yesterday by H.H. Hannam, President of the Canadian Federation of Agriculture....A 24-hour postponement of Toronto's threatened milk delivery strike was won last night by Mayor Hiram MacCallum. The strike of 1,700 dairy workers had been scheduled for this morning.



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Vol. 2, No. 58

Thursday, March 22, 1951

Six-fold Boost in Air Training Plan: Ottawa, March 21 (CP) -- The broad Prairies, with the reopening of seven wartime airfields, are going to become the crux of Canada's plan to boost air training six-fold to turn out 3,000 Canadian and Allied fliers a year.

The Minister of National Defence, Mr. Claxton made that clear in the Commons today. He said:

1. Canada has offered to train 1,100 Atlantic Pact airmen a year in addition to the 150 to 200 now here and the Pact authorities have recommended that the United Kingdom be allotted all 1,100 places.
2. In addition to the 25 R.C.A.F. bases now operating, three flying training schools will be opened in the western part of the prairies, three advanced flying schools in the eastern part of the prairies and gunnery and navigation schools in Manitoba.
3. Ground crew training facilities will be boosted five-fold and virtually every R.C.A.F. establishment will be increased, including administrative establishments.
4. To meet the need for "a large number of additional aircraft," Canada is going to manufacture Harvard trainers, is going to use what she has available and will probably both buy and borrow planes from the United States.
5. Some two-seater U.S. jet-training aircraft will be bought for use until Canada's own production, presumably of two-seater Canuck jets, is sufficient.

The plan--to cost \$64,500,000 in the next 12 months--means there will be six times as many airmen in training in Canada as at present and 15 times more as in 1949. It will become a miniature equivalent of the wartime British Commonwealth air training scheme which turned out 131,000 fliers in five years at 56 airfields.

The new flying-training schools will be at Claresholm and Penhold, Alta., and Moose Jaw, Sask. The advanced flying schools will be at Saskatoon, Sask., and Portage la Prairie, Man., and eventually at Gimli, Man., where the present basic school will be switched to one of the other places.

In addition there will be a gunnery school at Macdonald, Man., and a second large air navigation school at Winnipeg. The first is at Summerside, P.E.I.

The training program will come under air Vice-Marshal Roy Slemon, air officer commanding training command with headquarters at Trenton, Ont.

Breakdown of Estimates Shows Defence Major Item: Ottawa, March 21 (CP) -- Defence buying will take by far the biggest single bite out of the taxpayer's income in the year ahead.

A table for 1951-52 expenditures brought down in the Commons today by the Minister of Finance, Mr. Abbott, showed it's going to cost about \$1,500,000,000 to buy and build planes, guns, ships, housing and the other requirements of defence.

That is better than one-third the total estimates of Government spending--\$3,586,915,000--tabled by Mr. Abbott last week.

The minister presented his figures today as an appendix to the main estimates. They show the proposed spending by categories--such as wages and other types of outlay--in addition to departments as in the estimates.

Neither the main estimates nor today's tabulation reflected an additional \$201,000,000 for the current year ending March 31, proposed in supplementary estimates brought down in the Commons Monday. The 1951-52 main estimates also will be increased later by supplementaries.

(over)

Ottawa, March 21 (CP) -- The Prime Minister, Mr. St. Laurent, said today in the Commons that following the Easter recess he will be glad to discuss the selection of a date for debate on defence matters.

Wheat Contract Settlement Approved: Ottawa, March 21 (CP) -- Parliament tonight approved the payment of \$65,000,000 to Western Wheat farmers in final settlement of the Anglo-Canadian four-year wheat contract.

The climax came in the Senate where a precedent-setting motion was introduced aimed at blocking the payment. The motion, first attempt in the Senate to reduce a Government supply bill, was defeated 27 to 8 in the Upper Chamber's first division of the session.

It was introduced by Senator Norman Lambert (L-Ontario) and seconded by Senator Frederick Pirie (L-New Brunswick). It was proposed during a debate which delayed the Easter recess of Parliament for two hours....

The Commons earlier had voted 83 to 21 to make the payment to the Anglo-Canadian wheat pool which was operated between 1946 and 1950 while Canada was filling a 600,000,000-bushel commitment.

The Commons, kept waiting while the Senate debated the wheat payment, adjourned at 9.30 p.m. EST until April 2 after attending Royal assent in the Senate. The Senate, with a slightly longer Easter recess, adjourned until April 5.

Explosives Shipment to Yugoslavia Approved: Ottawa, March 21 (CP) -- Trade and External Affairs Department officials said today a cargo of explosives, cleared at Halifax, is destined for Yugoslavia with the government's full approval.

This shipment of TNT, second in two years, is primarily for use in mining copper, officials said, though the explosives could be converted for military use.

However, it is not Canada's policy to ship arms or munitions outside the western democratic orbit, and officials said that if it is found that the explosives are being put to other than strictly civilian use, Yugoslavia would get no further shipments.

Rates up on Canada-U.S. Freight Hauls: Ottawa, March 21 (CP) -- The Board of Transport Commissioners today authorized freight-rate increases on some hauls between Canada and the United States and other international traffic.

The increases--four per cent in the East and two per cent in the West--do not affect all-Canadian traffic. They are in line with increases awarded the United States railway March 12 by the Interstate Commerce Commission....

In general, the new increases apply to the Canadian part of movements between the U.S. and Canada in both directions and on the Canadian section of hauls between two U.S. points.

Wholesale Price Index Rises: Ottawa, March 21 (CP) -- Virtually the entire wholesale price range in Canada swept to higher ground in January, advancing the wholesale price index 7.4 points to a peak of 233.8, the Bureau of Statistics reported today.

Biggest of the advances went for wool, worsted yarns and wool cloth. Pronounced gains also were made for meats, leather, oils and fats, lumber, woodpulp and wrapping paper.

J. W. Holmes Acting U.N. Representative: (Press Release No. 16 of March 22) --

The Department of External Affairs announced today that John W. Holmes, now head of the Department's United Nations Division, will go to New York early next week as acting Permanent Representative of Canada to the United Nations. Mr. Holmes will serve temporarily in this capacity until a permanent appointment is made.

Across Canada: The S.S. Volendam of the Holland-America Line will arrive in Halifax Saturday with 1,350 Netherlands settlers for Canada, the Netherlands embassy announced yesterday.....Effective today, the Toronto price of milk, delivered to homes, has been increased a half-cent to 20½ cents a quart. The newly constituted Ontario Milk Board made this announcement last night, with the provision the price increase would stand only until April 15..... An extra edition of the Canadian Gazette yesterday proclaimed that Monday, June 4, will be celebrated as the King's birthday this year.....The Secretary of State for External Affairs, Mr. Pearson, slipped quietly away from Ottawa today for his first real holiday in some time.

for

DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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Vol. 2, No. 59

Tuesday, March 27, 1951.

Adverse Trade Balance In February: Ottawa, March 25 (CP) -- Canada's foreign trade continued to forge ahead at record levels in February, but for the second month in a row the country ended up with a deficit.

Exports to all countries totalled \$236,800,000--a record for the month and a gain of \$35,000,000 over February last year, the Bureau of Statistics reported in a preliminary estimate Saturday.

But the demand for imports took on wider proportions, with the influx of goods reaching \$274,300,000, an increase of \$74,000,000 over the same month last year.

Thus, Canada ended up with a deficit of \$37,500,000. Added to the deficit of \$38,400,000 in January, it brought the total adverse trade balance to \$75,900,000 for the first two months of 1951.

Suggests Toronto Cominform Propaganda Centre: Ottawa, March 26 (CP) -- The Greek Embassy reported today that Stefanos Rockanas has taken up his duties as Vice Consul in Toronto but declined to elaborate on official statements in Athens that his appointment is designed to counter anti-Greek propaganda emanating from the Canadian city.

Meanwhile a senior official of the Department of External Affairs expressed surprise that Prime Minister Venizelos of Greece has singled out Toronto as one of the principal centres for Communist propaganda, particularly Bulgarian....

The move to open a new diplomatic office followed an address by Prime Minister Sophocles Venizelos in the Greek Parliament, in which he declared that Toronto is one of the principal centres for Cominform propaganda, particularly Bulgarian.

N.Z. High Commissioner Comments On Butter Sales: Vancouver, March 26 (CP) -- Canadian housewives can have all the New Zealand butter they want -- at 54 to 56 cents a pound -- but the Canadian Government won't buy, Hon. T.C.A. Hislop, New Zealand High Commissioner to Canada, said on his arrival here today.

"We just sold you 4,000,000 pounds of butter but your people made a lot of fuss about it," he said.

By "your people" he said he meant certain federal Government officials who claimed the purchase of New Zealand butter "would undermine Canadian economy" and was contrary to Canada-New Zealand trade agreements.

He said New Zealand can sell Canada much more butter to bridge the gap between this year's and next year's supply.

Defence Production Appointment: Montreal, March 25 (CP) -- Allan C. MacDonald of Montreal, Executive Assistant to the President of the Canadian Pacific Railway since January, 1948, has been granted leave of absence by the CPR to become Director of shipbuilding in the new Department of Defence Production.

(over)

Duncan M. George of Toronto, Assistant to the Vice-President of the CPR's eastern region for the last year, was appointed Assistant to the President of the company in Montreal.

Mr. MacDonald has been with the railway since he was 15 and has had experience with the hotel, purchasing and operating department before moving to company headquarters as Assistant to the President in 1947.

Across Canada: The Ontario fire marshal's office has ordered an investigation into the \$250,000 fire in Sarnia, Ontario, which destroyed an entire business block and took the life of a Toronto man on Saturday....Mr. Par Edmond Chasse, 64-year-old aristocrat of Quebec journalism and one of Canada's best reporters, died in hospital Saturday after two emergency operations....An appeal will be entered against the death sentence imposed upon Mrs. Arthur Pitre, it was announced yesterday by Irénée Simard, the condemned woman's lawyer. Mrs. Pitre was found guilty a fortnight ago on a charge of murder in connection with the explosion aboard, and crash of an airliner at Sault au Cochon in September, 1949. She was sentenced to be hanged July 20 next....Ralph Maybank, member for Winnipeg South Centre and Parliamentary assistant to Resources Minister Prudham, last night announced his intention to resign from Parliamentary life shortly.

file

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Vol. 2, No. 60

Wednesday, March 28, 1951.

Atlantic Flight Scheduled For CF-100: London, March 27 (CP) -- Canada's Avro CF-100 jet, the world's most powerful fighter aircraft, will attempt a record-breaking non-stop flight across the Atlantic shortly, it was announced here tonight.

The plane will fly from Gander, Nfld., to Shannon, Ireland, or to London-- longest non-stop trans-Atlantic flight ever undertaken by a fighter.

The CF-100, first long-range, all-weather day and night fighter of its type, has been specially developed for Arctic combat.

Reason for the flight is to demonstrate the CF-100 in England at request of the R.A.F.

Announcement was made by the Hawker Siddeley Aircraft Co., an associate of the Canadian manufacturer.

The company said the announcement was being made simultaneously by the R.C.A.F. in Ottawa.

In Ottawa, an R.C.A.F. spokesman said the jet aircraft will not be making the flight until April "and may be not until May." It would not be an official attempt at setting a record, in that certain rules laid down by bodies responsible for keeping "records" would not be followed. However, departure and arrival times would be kept. The flight's principal purpose was to get the CF-100 to England so it could be demonstrated to the R.A.F.

Armed Forces Extend Scheme To Get Officers: Ottawa, March 27 (CP) -- The armed forces, looking for officers in all categories, announced today they are extending one scheme for getting them.

This is the system whereby university students entering their final undergraduate or postgraduate year may be commissioned in the regular forces, paid \$162 a month as second lieutenants or their equivalent, and then actually take up duties with the forces on graduation.

The scheme was tried last year and got a total of 305 new officers for the forces.

Originally a number of war veterans were taken back into the forces and sent to university on the understanding they would continue with the forces on graduation. This was later extended to embrace non-veterans as well.

Shipping Of Grain Posing Difficulties: Regina, March 27 (CP) -- W.C. McNamara, Assistant Chief Commissioner of the Canadian Wheat Board, today said the grain shipping problem this year is the worst ever because of the volume and lateness of last year's crop.

Mr. McNamara, with Commissioner W. Riddel, arrived in Regina to confer with inspectors on handling and shipment of wheat this spring and summer.

He said that grain that normally would have moved last August and September has been held up so that an estimated 150,000,000 bushels is still in the hands of Prairie farmers. This grain would have to be moved this spring to relieve congestion at country elevators and make room for the new crop next fall.

Official Comment On N.Z. Butter: Ottawa, March 27 (CP) -- An Agriculture Department spokesman said today consideration recently was given to the possibility of importing another 1,200,000 pounds of butter from New Zealand, but the idea was turned down because the butter "would not have arrived in time."

He was commenting on a Vancouver dispatch last night in which T.C.A. Hislop, New Zealand's High Commissioner to Canada, said Canadian housewives can have all the New Zealand butter they want -- at 54 to 56 cents a pound -- but the Canadian Government won't buy.

(over)

The spokesman said that following importation of 4,800,000 pounds of New Zealand butter late in February, consideration was given to the purchase of 600 tons or 1,200,000 pounds which was estimated to be the surplus remaining in New Zealand.

However, importers estimated it would be April 25 or later before the butter actually would arrive in Canada. By that time, Canada's own butter production would be in full swing and the New Zealand butter would be surplus in Canada.

Ontario Law Administration To Be Reviewed: Toronto, March 27 (CP) -- A select committee of the Ontario Legislature to review administration of criminal law in the Province was proposed in the Legislature today by Attorney-General Porter. His motion to establish the committee will be voted on tomorrow.

Mr. Porter will be Chairman of the committee, expected to meet following the close of the present session of the House. Premier Frost proposed that two Progressive Conservative members and one member each from the C.C.F. and Liberal parties make up the committee's membership.

The Attorney-General's motion contained a directive to make a special investigation of the handling of large-scale gambling and similar offences.

Nfld. Government Policies Criticized: St. John's, Nfld., March 27 (CP) -- Edward Russell, former Resources Minister who resigned from Premier Smallwood's Cabinet last week-end, told the Legislature today Newfoundland is headed for financial ruin....

Premier Smallwood said Mr. Russell's desire for free and independent expression of his opinion at all times made him "unfit by temperament, belief and conviction to be a member of a Cabinet."

Mr. Russell, who spoke as an Independent, said he had been expelled this morning from the Liberal Party. This brought the number of independents to three, Progressive Conservatives hold five seats. With one seat vacant following a Senate appointment, ruling Liberal ranks have been reduced to 19.

Writ Granted To de Bernonville: Montreal, March 27 (Gazette) -- Count Jacques Duge de Bernonville, former officer in the French Army and described in the court records as a businessman, a citizen of France now residing in Montreal, was granted a writ of habeas corpus by judgment of the Superior Court given yesterday by Mr. Justice Roger Brossard.

The writ orders J.M. Langlais, superintendent of immigration in Montreal, to bring Count de Bernonville into Superior Court at 10:30 a.m. tomorrow to justify "deprivation of the liberty of the petitioner, Count de Bernonville, which the latter alleges is illegal."

Across Canada: For the first time in nearly three years, Russian observers appeared yesterday at a meeting of International Civil Aviation Organization, it is reported from Montreal....Research Council of Ontario has awarded research scholarships of from \$600 to \$1,000 to 74 graduate students; 40 will study at universities in Ontario, 18 at other Canadian universities, six in Britain and 10 at United States universities....Maurice "The Rocket" Richard broke up a marathon Stanley Cup playoff opener in the fourth overtime period at Detroit last night to give Montreal Canadiens a 3 to 2 victory over Detroit Red Wings. It was the first game in a best-of seven series.



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J. C. C.

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Vol. 2, No. 61

Thursday, March 29, 1951.

Pats Return To Action: Western Sector, Korea, March 28 (CP) -- The Patricias went back into action today, after 14 days of rest.

They made a 2,000-yard advance from one hill to another in a sector northeast of Seoul--the mountain climbing actually meaning about five miles travel overland.

Tuesday the Canadians moved to the village of Porungol where they bivouacked overnight in a drenching downpour four miles behind the lines.

Major Henry Tighe of Victoria, acting commander in the absence of Lieut.-Col. J.R. Stone, who is in Japan with an attack of smallpox, led the battalion on to a U.S.-held 3,000-foot mountain four miles north, which was its kickoff point.

Movement Of 25th Brigade Starts: Fort Lewis, Wash., March 29 (CP) -- The movement of Canada's 25th Brigade to Korea has started.

It was announced yesterday that a small advance party has sailed from a west coast United States port bound for the war-wrecked peninsula where one Canadian battalion has just gone back into the line.

(In Ottawa, defence headquarters said the bulk of the brigade, about 5,000 men, is expected to sail in April. There have been difficulties in arranging shipping.)

The advance party "will make arrangements for the arrival of combat elements of the brigade."

Troops To Be Transferred From Fort Lewis: Ottawa, March 28 (Globe) -- Several thousand Canadian troops, at present training at Fort Lewis, Washington, soon will be transferred to a Canadian base, army officials said here today. The men to return to Canada will be those left behind when the Canadian 25th Brigade sails for Korea next month.

The army's big Wainwright, Alberta, base will be enlarged by 25 buildings, which will be ready by September 1. The troops at Fort Lewis will be moved there.

The Wainwright force will become the nucleus of the new brigade for Europe, which will likely be trained at the Wainwright base. Brig. William J. Megill will command this force, according to military reports from Victoria, B.C. Brig. Megill is at present area commander of British Columbia.

Nfld. Premier Replies To Critic: St. John's, Nfld., March 28 (CP) -- Premier Smallwood told the Legislature today "I repudiate with scorn" a statement by former Natural Resources Minister Edward Russell that Newfoundland is headed for financial ruin.

Continuing the Throne Speech debate, Premier Smallwood said Mr. Russell's statement was "likely to do his native land irreparable damage."

Newfoundland has a sounder financial position than any Province of Canada, Mr. Smallwood said. It had a public debt of \$14 a head against \$90 a head for Quebec, next lowest on the scale, "and we have many times our debt in actual cash in the till."

Mr. Russell, who resigned from the Cabinet last week-end, made the charges in the Legislature yesterday.

(over)

Dissatisfaction With B.C. Government Voiced: Vancouver, March 28 (CP) -- The British Columbia Coalition Government, headed by a Liberal, faced a barrage of demands tonight that it resign.

Its hospital insurance scheme, which has lost millions of dollars in two years of operation, is main target of attack. Its Labour Act also comes in for criticism.

Province-wide protest followed an increase in the hospital service plan rates -- from \$33 to \$42 a year for married persons and from \$21 to \$30 for single.

Premier Byron Johnson, provincial Liberal Leader, has remained silent. Other Government leaders had no comment.

Political observers in Victoria feel there is little likelihood of the Government resigning and calling an election.

Mr. Martin Speaks To Welfare Group: Montreal, March 29 (Gazette) -- The Minister of National Health and Welfare, Mr. Martin, last night told the annual meeting of Welfare Federation of Montreal that nothing could do society a greater disservice than to have government assume the whole responsibility for social welfare.

"Because of the massive nature of many welfare hazards in our highly industrialized society, action by government is essential to provide a proper counter for insecurity," Mr. Martin said. "But at all times and for all varieties of human need, there is an essential place for voluntary effort."

"It must never be thought that ... the Government should gradually assume the whole responsibility."

Freda Linton To Return To Canada: San Francisco, March 29 (CP) -- New leads that may help investigators of subversive activities in the United States were laid before a federal Grand Jury here yesterday by Mrs. Freda Linton Alexander who was cleared of spy charges in Canada two years ago.

Tom DeWolfe, Assistant U.S. Attorney-General, said the information was contained in testimony by Mrs. Alexander, who with her 21-month-old daughter, Deborah, leave for Canada today.

Mrs. Alexander, former National Film Board secretary, and her daughter have been held in detention for 3½ months at immigration offices here. Following yesterday's hearing, Immigration Director Bruce Barber said they are to leave by plane today for New York and Montreal.

Across Canada: Maj.-Gen. Thomas Louis Tremblay, who led Quebec's Royal 22nd Régiment to military fame during the First World War, died at Quebec yesterday; he was 64....Close to 2,000 ocean travellers will have moved through Saint John, N.B., in the past 24 hours with the disembarkation early today of 775 displaced persons from the Canadian Pacific's Beaverbrae....The Ontario Temperance Federation was told yesterday that the Prime Minister, Mr. St. Laurent, has promised to appoint a Royal Commission to study the alcohol problem in Canada when a majority of the Provinces request such a commission....Premier Duplessis yesterday told a group of Montreal businessmen the two most "urgent" Quebec highway projects are ones linking Sept Iles, Quebec, to Quebec and Montreal and cutting north-south across Gaspé Peninsula....Hockey yesterday: Boston 2, Toronto 0. (First game of best-of-seven semi-final series in the Stanley Cup Playoffs.)

Free



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Vol. 2, No. 62

Friday, March 30, 1951.

25th Brigade Replacement Group Formed: Ottawa, March 30 (CP) -- The Department of National Defence announced yesterday that members of the army special force who don't go to Korea are being formed into a replacement group and posted to the big training base at Wainwright, Alberta.

They will "continue their training during the summer."

The announcement said Brig. William J. Megill, D.S.O., 43, formerly of Ottawa, will command the group temporarily. This appointment had been forecast. The group is expected to embrace some 3,000 to 4,000 men now at Fort Lewis, Washington.

The rest of the special force, about 6,000 men, is going to Korea next month. The replacement group will be tapped for reinforcements.

Brigadier Megill, now in command of the army's British Columbia area, "will be responsible for the evacuation of Fort Lewis by the units remaining there and handling back to U.S. authorities the accommodation and facilities used by the Canadian troops."

The new unit will be called the 25th Canadian Infantry Brigade Replacement Group. It will include all those elements of the special force which will remain behind at the U.S. army base when the 25th Canadian Infantry Brigade under command of Brig. J.M. Rockingham goes to Korea.

Canadian forces will be moved from Fort Lewis some time after the 25th Canadian Infantry Brigade sails for Korea, the statement said.

Army Staff Appointments: Ottawa, March 30 (Citizen) -- The pending retirement of one senior Canadian army officer and the appointment of two others to top staff positions, one at Washington, was announced yesterday by army headquarters.

The shifts:

Brig. G.P. Morrison, C.B.E., 56, a native of Quebec City, Deputy Quartermaster General, will retire from the army early in June.

Col. A.E. Wrinch, C.B.E., 43, of Hazelton, B.C., chief of staff at Canadian army staff, Washington, will take over as Deputy Quartermaster General in the rank of brigadier.

Col. R.L. Purves, D.S.O., 39, Victoria, director of the Royal Canadian Armoured Corps, will become chief of staff at Canadian army staff, Washington. He leaves for the U.S. capital early next month.

A new director for the Royal Canadian Armoured Corps will be named shortly.

Preliminary Report On Pilgrims' Plane Crash: Montreal, March 29 (CP) -- French investigators reported today that neither the plane nor its equipment appeared responsible for a crash last November that killed 58 persons, mostly Canadians.

The interim report was that of a board of inquiry set up by the French Government, released through the French consul in Montreal.

The plane was a chartered DC-4 Skymaster, operated by Curtiss-Reid Flying Service, Ltd., of Montreal.

Steel Order Pending: Ottawa, March 29 (CP) -- Government officials have put the finishing touches to a new steel order, the first to curb the use of steel in the manufacture of civilian consumer goods, it was learned today.

(over)

The Minister of Defence Production, Mr. Howe, is expected to sign it and put it into operation following his return from a Bermuda holiday Monday.

Ontario Charities Inquiry Possible: Toronto, March 29 (CP) -- Premier Frost said today that Provincial authorities will investigate operations of the United Emergency Fund for Britain, which is reported to have sent only \$880 worth of food parcels overseas from the \$593,000 raised by public subscription.

He said that if the investigation by the Public Trustee and law officers shows that further action is warranted, he will appoint a Royal Commission to "look into the whole field of charitable gifts" and operations such as the Fund.

The Premier replied to a demand by E.G. Jolliffe, C.C.F. Opposition Leader, who called in the Legislature for an investigation of organizations which he said launch charitable appeals but whose operations are "questionable." He specifically mentioned the United Emergency Fund for Britain and the March of Dimes.

C.P.R. Financial Report: Montreal, March 30 (CP) -- W.A. Mather, President of the Canadian Pacific Railway Company, yesterday reported a lower volume of traffic last year than in 1949 but highest net earnings since 1944.

In his report prepared for the annual meetings, May 2, Mr. Mather said net income for dividends and surplus was \$40,000,000 against \$26,000,000 in 1949. This was \$3.32 a share against \$1.93.

Higher earnings resulted from higher freight rates. These partly corrected the "serious" difference in increase of rates and costs which developed progressively since 1945.

Mr. Claxton To Receive Plaque: Ottawa, March 30 (Citizen) -- The Minister of National Defence, Mr. Brooke Claxton, will be presented with a plaque "in recognition of his outstanding contributions to commercial peace and security" at a dinner meeting of the American Arbitration Association in the Metropolitan Club, New York City, this evening.

Thomas J. Watson, Chairman of the International Business Machine Co. Ltd., will make the presentation on behalf of the American Arbitration Association, the Canadian Commercial Arbitration Association and the International American Commercial Arbitration Commission.

On Monday, April 2, in New York, Mr. Claxton will address a dinner meeting of the Council of Foreign Relations. He will return to Ottawa the same evening.

General Vanier In Montreal: Montreal, March 29 (CP) -- Georges Vanier, Canadian Ambassador to France, said in an interview today that countries of Western Europe are more optimistic now about world affairs than they were a few months ago.

General Vanier arrived in Montreal on his first visit home in more than two years.

"The Atlantic Pact has made a great deal of difference to Western Europe," he said. "People have much more confidence in the future."

There is determination to support the United Nations, he said.

"No one likes war, whether in Korea or elsewhere, but the countries of Western Europe believe completely in the U.N."

Across Canada: The Bureau of Statistics reported estimated national cash income of farmers from sale of farm products in Canada at \$2,223,500,000 in 1950, down 10.9 per cent from the all-time high of \$2,494,800,000 in 1949. Newfoundland was not included in the calculations....The Department of Labour last night announced establishment of a conciliation board to deal with a dispute between Canada Steamship Lines, Ltd., and its 400 seasonal freight handlers employed on the water-front at Fort William and Port Arthur.... Garfield Weston, Canadian-born biscuit manufacturer, Thursday announced the selection of 51 British girls who will make a five-week, expenses-paid tour of Canada....Maurice Richard rammed in a goal after 42:18 minutes of sudden-death overtime play last night to give Montreal Canadiens a 1-0 victory over Detroit Red Wings in the second game of their semi-final Stanley Cup playoff series.



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Vol. 2, No. 63

Monday, April 2, 1951.

Mr. Pearson On Korea: The Secretary of State for External Affairs, Mr. Pearson, in an address to the Canadian Bar Association's Ontario Section, in Ottawa, on Saturday night, commented upon the Korean situation. The Canadian Press reported the address as follows:

"Without identifying any commander by name, he said free world unity was endangered by U.N. military men who make 'controversial' statements that go 'far beyond' their military responsibility and create 'confusion, disquiet and even discord.'

"It was time, he said, in an address to the Canadian Bar Association's Ontario Section, for the specialist to 'stick to his speciality.' That went for diplomats as well as military generals.

"While the Minister did not name any military figure, there has been lengthy controversy over statements made during the Korean campaign by Gen. MacArthur, United Nations Commander in Korea.

"Mr. Pearson said the U.N. should 'continue to localize' the Korean War, and should refuse to be 'stampeded into action, such as a massive attack towards the Manchurian border, if such action were possible militarily, but felt to be unwise.' The door should be left open to 'every possible opportunity' to a settlement.

"Another threat to free world unity of action was a 'feeling of impatience and even irritation in the United States that, while they are bearing the brunt of the fighting, their friends in the United Nations do not give them sufficient backing, even at Lake Success.'

"That feeling, along with the American leadership in the fight against Communist imperialism, should be recognized and co-operation and support extended.

"But that support, if it was to have any value, did not mean 'an automatic response of 'ready, aye ready' to everything that Washington proposes.'

"It may mean constructive criticism of, and even opposition to, courses or proposals which we in Canada may think are unwise, and concerning which it is our duty to express our views.

"Because such criticism and opposition would be exploited by the Communists, it should be expressed in private.

"Of U.N. commanders who speak on policy questions, Mr. Pearson said:

"It seems to me to be as unwise, indeed, as dangerous, for the generals to intervene in international policy matters as it would be for the diplomats to try to lay down military strategy.

"This is a case, I think, where the specialist should stick to his speciality.

"Otherwise, unnecessary difficulties are created and that whole-hearted co-operation between friends which is so essential is hindered.'

"In localizing and ending the Korean War as soon as possible, the U.N. should do this if it can by negotiating terms of peace which would be honourable and not be a 'betrayal' of obligations under the U.N. Charter.

"If negotiation were not possible, there was no alternative but 'to do our best to stabilize the military position, force the aggressor to pay as high a price as possible for his crime, avoid rash actions and words and unnecessary provocation in doing this, and hope that the Chinese Communists will soon desire to extricate themselves from a dangerous and costly adventure.'

(over)

"The safety of the fighting men was a first consideration and it should be possible 'to maintain our military position in Korea while keeping the door open for every possible opportunity to negotiate a settlement.'"

Parliament Reassembling Today: Ottawa, April 2 (CP) -- Parliament reassembles today.

Returning from a 12-day Easter holiday in their constituencies, the Members will tackle the bulk of a legislative programme which may keep them in session until mid-summer or later. The session opened January 30.

Biggest item on their immediate agenda is the Budget. The Minister of Finance, Mr. Abbott, probably will announce the date of its introduction this week. It is expected to be brought down Tuesday, April 10.

Brig. Rockingham's Interview: Western Sector, Korea -- Brig. J.M. (Rocky)

Rockingham believes the special Canadian brigade he commands will have a fighting job to do in Korea.

He paused Friday in a busy visit to the front to say in an interview that he believes his troops--now at Fort Lewis, Washington--will have the opportunity to share in the United Nations army's task of destroying as many of the enemy as possible in Korea.

"Gen. MacArthur in Tokyo and Gen. Ridgway in Korea are anticipating the arrival of the Canadians," he said. His own impression was that additional Canadians would be welcome thickening for the forces already in the field.

He was struck by the "terrific spirit and camaraderie in this international army where Americans, Britons, Canadians, Turks, French and so many others work together with the smoothness and good will that comes when men share a common objective."

Mr. Gregg At Regimental Dinner: Cornwall, April 1 (Globe) -- Avoidance of any half-way measures in the event total mobilization in Canada becomes necessary will be his personal programme, the Minister of Labour, Mr. Gregg, said here Saturday night.

Mr. Gregg was here to address the annual regimental dinner at the Stormont, Dundas and Glengarry Highlanders officers' mess.

"I shall never be a party to any legislation that will again make it possible for a portion of our fellow Canadians to be known as zombies," Mr. Gregg said. "If mobilization is required let it be total mobilization and let it never again be carried out along the lines adopted in World War Two."

Newfoundland In Industrial Upswing: St. John's, Nfld., April 1 (CP) -- Newfoundland entered her third year of Confederation today with indications that the next 12 months will see the greatest attempts at industrial development in more than a decade.

N.H.L. Semi-Finals: In the Stanley Cup hockey semi-final playoffs, Toronto tied Boston 1 to 1 on Saturday night in Toronto and defeated the Bruins 3 to 0 in Boston on Sunday to tie their best-of-seven playoff at one victory each. Detroit defeated Canadiens in Montreal Saturday night, 2 to 0, leaving the Montrealers with a lead of two games to one.

Across Canada: The Prime Minister, Mr. St. Laurent, tanned and refreshed, returned to Ottawa Sunday night after a week-long holiday in the sun. A big transport plane picked up Mr. St. Laurent and the Minister of Trade and Commerce, Mr. Howe, in Bermuda....The Canadian destroyer Cayuga is on her way home after almost eight months of patrols, bombardments and other naval operations in Korean waters....Sudden announcement of a Prince Edward Island general election April 26 was made by Premier J. Walter Jones Saturday.



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Vol. 2, No. 64

Tuesday, April 3, 1951.

Report On "Canada And The United Nations": Ottawa, April 2 (CP) -- The United Nations isn't yet strong enough to take on the role of international policeman and stamp out every aggression that may occur, the Secretary of State for External Affairs, Mr. Pearson said, today. The free nations should govern themselves accordingly.

Mr. Pearson discussed the place of the United Nations in world politics in the light of the Korean conflict in a preface to his Department's Annual Report on "Canada and the United Nations." The report this year has been cut down to 190 pages from last year's 319.

The free world should maintain its principles, he said, despite limitations of U.N. power and resources.

"We must make clear that we are firmly opposed to aggression of all kinds and that if at times we are unable to meet aggression with the firmness we would wish, it is because we do not yet possess the arms to do so."

U.N. action in Korea set precedents of "enormous importance" because it brought to bear combined military strength where it had been felt none could be created.

"The U.N. should not be judged as if it were a court to try offenders with a police force always ready and able to punish those found guilty. The U.N. is not an entity in itself. It is the sum total of the wills of its members . . .

"It is not now able to apply over-whelming pressure at all times on all offenders, major or minor. Its members must therefore conserve their limited resources in order to be able to apply them collectively where they are most needed."

Brig. Rockingham Talks With General McArthur: Tokyo, April 2 (NYT) -- Seventy per cent of the 10,000 troops that Canada raised last year for service with the United Nations "wherever needed" will be in Korea by next month, their commander, Brig. John M. Rockingham, said today.

The Canadian brigade, training at Fort Lewis, Washington, will make a new contribution to Allied forces of infantry, self-propelled guns, engineers and an ambulance unit, Brig. Rockingham said. The 25th Brigade, which he commands, will supplement the Princess Patricia's Canadian Light Infantry, already in action on the western Korean front.

The commander made his statements to correspondents before returning to the United States, where he will supervise shipping the brigade and equipment. Then he will return to this area in advance of his men.

The brigadier has just returned from Korea, where he visited Canadian installations and conferred with Lt.-Gen. Matthew B. Ridgway, commander of the United States Eighth Army. The Canadian commander talked more than an hour with Gen. Douglas MacArthur here.

Outlines Canada's Defence Research Work: Halifax, April 2 (CP) -- Dr. Omond Solandt, Chairman of the Defence Research Board and Science Member of the Joint Chiefs of Staff, told a service club here today what Canadians across the country are doing in his Department.

At Suffield, Alta., Canada's biggest defence research centre, they are carrying on the only field trials in biological and chemical warfare in the free world--"work of primary importance."

At Churchill, Man., the "northern lab" deals principally with problems of humans in Arctic conditions.

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Research at Esquimalt, B.C., is devoted to anti-submarine warfare and problems of underwater sound.

At Halifax, the naval research establishment works mainly on problems of underwater warfare, but has done work of major importance in the field of corrosion.

The Canadian armament research establishment at Valcartier, Quebec, is moving toward intensified study of guided missiles. Experts feel "within the next 10 years guided missiles will have replaced guns."

At Esquimalt the scientists have developed a new anti-tank shot "turning out to be the best of its kind in the world."

In Ottawa, a new Arctic respirator has been developed, and the defence aspects of chemical warfare are being studied. Also in Ottawa is the defence research tele-communication establishment which deals with such problems as radio transmission from the Arctic Circle, a problem peculiar to Canada's north.

In Kingston, Ontario, there's a small bacteriological warfare laboratory. Toronto has a medical laboratory devoted to research into diseases and ailments peculiar to the armed forces.

Aeronautical research deserves special attention, Dr. Solandt said, and a national aeronautical establishment is to be established at Uplands Fields, in Ottawa.

"It seems quite clear Canada is destined to have a great future in aviation," Dr. Solandt said, "and I feel this new establishment will facilitate development and expansion."

Budget Day April 10: Ottawa, April 2 (CP) -- The 1951 budget, expected to increase the tax burden on Canadians, will be presented to the Commons Tuesday, April 10, at 8 p.m. EST, it was announced in the House of Commons today by the Minister of Finance, Mr. Abbott.

Textile Union Dispute: Toronto, April 2 (CP) -- A dispute within the Textile Workers Union of America (C.I.O.) flared anew today when Sam Baron was elected a Canadian director.

It gave the union two Canadian directing heads and pointed up a situation arising from his dismissal from the post recently by Emil Rieve, the organization's international president.

Mr. Rieve appointed Harold Daoust of New York, Mr. Daoust was invited to today's conference but didn't appear. The meeting was attended by delegates representing more than 85 per cent of the union's 20,000 members in Canada, a statement said.

B.C. Roman Catholic School "Strike": New Westminster, B.C., April 2 (CP) -- A classroom "strike" ordered by the Roman Catholic School Board today closed two schools in suburban Maillardville.

Eight hundred students, back from a 10-day Easter vacation, marched from their classrooms to the office of the Public School Board.

The march and closing of the schools was a protest against the British Columbia Government's educational policy which does not provide funds for separate schools.

Across Canada: The House of Commons yesterday approved and sent to committee for detailed study a bill setting up a new charter for Canada's original inhabitants--the Indians. It approved the principle of the legislation, which revises and brings into a single statute a number of older laws dealing with Indian administration. The bill is the product of several years of House committee investigations... Roads Department officials last night reported that Eastern Quebec north of the St. Lawrence River is virtually cut off from the rest of the Province by a flood at Berthierville, Quebec, 40 miles northeast... A farm pool system for all farm products under provincial marketing schemes will be established by the Ontario Government, the Minister of Agriculture, Mr. Kennedy, told the Legislature yesterday.



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Vol. 2, No. 65

Wednesday, April 4, 1951.

Citizenship Act Amendments: Ottawa, April 3 (CP) -- The House of Commons today approved the principle of a bill giving the Government wider powers to take citizenship rights away from Canadians who prove to be disloyal to this country.

The legislation received second reading after a two-hour debate indicating it had the general approval of all parties. Some speakers urged that the Government take power under the criminal code to deal with Communists and other subversive elements.

Some called also for a provision giving those being so deprived the right to appeal to the Supreme Court of Canada.

The Minister of Citizenship and Immigration, Mr. Harris, introducing the legislation, said the Government feels it is essential to the "welfare and security" of Canada. Those affected will have the right to a hearing before a commission.

The Minister of Justice, Mr. Garson, said his Department is working on a draft amendment to the criminal code to deal with communist activities. However, that did not mean the draft would emerge as legislation. The policy would have to be decided by the Cabinet.

This will be the effect of the Legislation:

1. Citizenship of naturalized citizens who return to their country of origin or former nationality without retaining a substantial connection with Canada could be revoked after two years. At present, a six-year period must elapse.
2. Citizenship could be revoked for persons convicted under the Official Secrets Act, as in the case of those found guilty in the 1946 Soviet spy inquiry. At present, this can be done only on conviction of treason or sedition.
3. Citizenship also could be revoked in the case of Canadian citizens by birth or naturalization who formally declare their allegiance to another state without technically acquiring the nationality or citizenship of that state.

George Drew, Progressive Conservative Leader, said the legislation would not make it possible to deal with actions by people who had come to Canada and were "abusing" the rights of Canadian citizenship and seeking to "destroy" Canadian institutions.

The Government should still further widen the basis upon which citizenship could be withdrawn. It should have an amendment to the criminal code to deal effectively with Communists....

Investment Peak Forecast For 1951: Ottawa, April 3 (CP) -- Canada's business men, governments and institutions are planning to swell the country's investment boom to the highest figure in history--\$4,300,000,000.

George McIlraith, Parliamentary Assistant to the Minister of Trade and Commerce, Mr. Howe, today tabled in the House of Commons a white paper on the Canadian investment outlook for 1951.

The report said that an investment programme of this magnitude, coming at a time when Canada is planning a huge defence programme, may put "considerable strain" on available supplies of labour and materials.

The greatest detrimental factor is the lack of steel, particularly sheet, plate and heavy structural steel imported from the United States, it added. Some construction projects may be delayed, but on the whole there is optimism that the whole investment programme will be realized.

The 1951 investment intentions of \$4,300,000,000 are a half-billion-dollar increase over the \$3,791,000,000 in 1950 and more than three times the \$1,265,000,000 of 1945.

It means an increase over the accomplished 1950 programme of 14 per cent, in value and six per cent in volume. Canada is devoting 22 per cent, of the gross national product--the total value of goods and services produced--to the creation of new buildings, new machinery and new equipment.

The gross national product also is expected to climb to a new high--\$20,000,000,000 from \$17,693,000,000 in 1950 and almost double the \$11,810,000,000 in 1945.

The investment estimate for 1951 includes both public and private capital outlays. Investment by private industry is expected to touch \$3,107,000,000 from \$2,796,000,000 in 1950, an increase of 11 per cent.

Investment by governments is expected to climb to \$1,221,000,000 from \$995,000,000, an increase of 23 per cent.

1950 C.N.R. Revenue Highest Ever: Ottawa, April 2 (CP) -- The Canadian National Railways in 1950 enjoyed the highest gross revenues in history and the biggest net operating return since 1945 and, as a result, sliced its 1949 deficit by more than \$38,000,000.

When everything was balanced--including some \$45,600,000 in fixed interest charges--the huge, publicly-owned transportation system reported a 1950 income deficit of \$3,261,235 compared with \$42,043,026 in the previous year. Increased freight rates had a lot to do with the better financial position.

The system's 1950 annual report, tabled in the House of Commons today by the Minister of Transport, Mr. Chevrier, showed operating revenue totalling \$553,831,581, up more than 10 per cent over the previous record of \$500,723,386 established in 1949.

Operating expenses went up, too, totalling \$493,997,079 compared with \$478,501,660 in 1949, but net operating revenue of \$59,834,502 was almost three times the 1949 figure of \$22,221,726.

Invites Winston Churchill To Ottawa: Ottawa, April 3 (CP) -- Winston Churchill has been invited to visit Ottawa early next month by Dr. M. M. MacOdrum, President of Ottawa's Carleton College.

Dr. MacOdrum said today he has sent a cable to Mr. Churchill, noting that the British Conservative Leader is to address the University of Pennsylvania May 8 and asking him to "address the Canadian Nation" at ceremonies marking the opening of a new library at Carleton.

"The Freedom Programme": Declaring the basic conflict in the world today to be the battle for men's minds, the Minister of Resources and Development, Mr. Winters, told the Advertising and Sales Club, of Ottawa, on April 3, that the National Film Board this year will begin production of a series of films which, collectively, will be known as the Freedom Programme.

It was desirable, he said, that the people whose concerns are the same as ours should see us as we are. The programme's subject-matter would be drawn from the everyday pursuits of Canadians - in their work and worship, in their homes and schools, in their politics and play.

"The Freedom Programme," he said, "presents a new challenge. The Board in this endeavour will have the guidance of the Department of External Affairs and will co-ordinate its efforts with those of our allies in this field through the North Atlantic Treaty organization."

Detroit, Toronto Win In Cup Semi-Finals: In the Stanley Cup hockey semi-finals last night, Detroit defeated Canadiens in Montreal 4 to 1 to even that series at two victories each. At Boston, Toronto defeated the Bruins 3 to 1 to move ahead in that series, two victories to one.

Across Canada: The Canadian Government should call on the United States for co-operation in easing this country's boxcar shortage, the Board of Transport Commissioners was told yesterday by the Canadian Industrial Traffic League....Expansion plans of the Ontario Hydro-Electric Power Commission will provide the Province in 1952 with a power capacity of 80 per cent higher than in 1945, Hon. G.H. Challies, Vice-Chairman of the Commission, told the Legislature last night.



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Vol. 2, No. 66

Thursday, April 5, 1951.

Living Costs Jump 4.5 Points: Ottawa, April 4 (CP) -- Living costs in February, measured by the official cost-of-living index, increased to a new high of 179.7 points from 175.2, boosted by the biggest monthly climb in History-- a thumping 4.5 points.

Climbing food prices provided the main impetus for the record advance, but all other items which normally go into the family budget also went higher, the Bureau of Statistics reported today.

The index is based on 1935-39 prices equalling 100. The big monthly climb of 4.5 points in February, compared with the previous high point of 4.0 points in April, 1917. The 1917 figure is an estimate calculated on the 1935-39 base.

Labour's Views On Living Cost Rise: Ottawa, April 4 (CP) -- Labour leaders today predicted new demands for wage increases as the result of a record jump in the Government's cost-of-living index.

President Percy Bengough of the Trades and Labour Congress of Canada and President A.R. Mosher of the Canadian Congress of Labour said the 4.5-point surge announced today inevitably would lead to labour pressure for higher pay to meet rising living costs.

The two labour chiefs, whose organizations have a combined membership of around 900,000, also declared the new index figure of 179.7 at March 1 underlines Canadian labour's campaign for reimposition of Government price controls.

Shortly after the Bureau of Statistics announced the new record high, M.J. Coldwell, C.C.F. leader, also issued a statement saying Canada now faces "runaway inflation" and "comprehensive controls over prices and rents" must be undertaken immediately.

He called for a rollback of prices and federal subsidies, particularly on key farm products.

27th Commonwealth Brigade Crosses 38th: Tokyo, April 5 (CP) -- An Australian patrol led elements of the 27th Commonwealth Brigade across the 38th Parallel yesterday as United Nations troops moved into North Korea in force....

(Canada's Princess Patricias are in the 27th Brigade, but the Reuters dispatch did not indicate whether the Canadians had crossed the Parallel.)

President Auriol's Visit: Ottawa, April 4 (CP) -- Amid pomp and ceremony, President Vincent Auriol of France will be welcomed tomorrow to Canada, once one of France's richest colonies.

Mr. Auriol, first President of France to come to Canada in an official capacity, will arrive in his flag be-decked capital at 11:30 a.m. E.S.T. on the start of a five-day visit. Arrangements have been made to give him a rousing reception during his stay which will include a visit to Toronto Friday, to Quebec Saturday and to Montreal Sunday. He will fly back to France Monday.

A special train will bring him here from New York where he completed a seven-day visit to United States today. He will be accompanied from the Canadian Border by the Secretary of State for External Affairs, Mr. Pearson.

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Financial Aid For Disabled Vets: Ottawa, April 4 (CP) -- The Government proposed today to give a helping hand financially to war pensioners who can't work and to help children of pensioners to get higher education. War widows with children will receive substantial new help too.

The first move, one to introduce an "unemployability supplement," was promptly assailed as one which brings the means test into war pensions legislation for the first time. Members of all three parties in opposition also complained that the Government is restricting the scope of the first veterans committee in three years.

The Minister of Veterans Affairs, Mr. Lapointe told the Commons the Government wants to establish a 31-member House committee to study bills which would do these among other things:

1. Provide for members of the Army Special Force some but not all the discharge benefits accorded veterans of the Second World War.
2. Provide up to \$40 a month for unemployable married pensioners and up to \$20 a month for unemployable single pensioners.
3. Provide more adequately for the children of pensioned widows.
4. Encourage higher education for pensioners' children.

Across Canada: Fabio Monet of Montreal has been appointed Chairman of the Income Tax Appeal Board effective April 1, the Revenue Department has announced.... A wage increase of $14\frac{1}{2}$ cents an hour for 11,000 CPR employees across Canada was announced yesterday. The increase goes to yardmasters, conductors, baggagemen, trainmen, yardmen, switchtenders, firemen and hostlers. It is retroactive to December 1.... For the first time in 20 years and the second time since Confederation, Parliament shortly will tackle a major revision of what was described today as "the key act (legislation) of the Government of Canada," the Consolidated Revenue and Audit Act.

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Vol. 2, No. 67

Friday, April 6, 1951.

Mr. Schuman On Peace Action: Ottawa, April 5 (CP) -- Robert Schuman, French Foreign Minister, said today the time has come for action to bring peace to Korea.

Even though communist China remains silent, he told a press conference, those countries who desire peace should press ahead with discussions of the problem and do whatever can be done to end hostilities.

The time had come when those countries who wanted peace must be active.

He said this is a matter of the greatest importance to all those countries with forces fighting in Korea, and added that he would probably discuss it with the Secretary of State for External Affairs, Mr. Pearson.

He talked to reporters after listening to President Vincent Auriol address the Canadian Parliament. Mr. Schuman made these other points:

1. He is "really hopeful" that France will soon be able to conclude an agreement with Canada and other countries to get newsprint. He would probably discuss this matter with the Minister of Trade and Commerce, Mr. Howe, while here.
2. If the agreement falls through, available newsprint would have to be requisitioned and distributed equally to newspapers so that all political parties can get their platforms across to the people for the October elections. This could mean that the campaigns of democratic parties would be printed on newsprint sent from behind the Iron Curtain for Communist propaganda.
3. He might discuss with Mr. Pearson the question of whether Turkey and Greece should be admitted to the North Atlantic Treaty Organization.
4. He has been astonished and pleased at the great interest North America shows in European affairs. Both Canada and the U.S. gave to European matters an interest which sometimes surpassed that of Europeans themselves.
5. Increasing military efforts in Indo-China make it difficult for France to carry out her commitments for the defence of Western Europe, but they will be carried through.

President Auriol Addresses Parliament: Ottawa, April 5 -- In his speech today before a joint session of Parliament, President Vincent Auriol of France declared that France is not giving herself up to any "naive neutralism." Whatever "sacrifices our rearmament efforts add to our already crushing burdens for rehabilitation and re-equipment, we know that no sacrifice is as heavy as that of liberty," he said.

He spoke in French from the clerk's table in the green-carpeted Commons chamber, a few feet away from the Speaker's dais. Members who do not understand French followed him by reading from mimeographed copies of the speech translated into English and distributed in advance.

Members of the House of Commons sat at their regular desks, Senators occupied chairs placed in the centre aisle of the chamber. The galleries were crowded to overflowing by members of the diplomatic corps, the wives and relatives of members and the public.

Mrs. Auriol sat in the Speaker's gallery next to Mrs. Louis St. Laurent, wife of the Canadian Prime Minister. Mr. St. Laurent introduced the President to the Chamber.

In The House Of Commons Yesterday: Ottawa, April 5 (CP) -- Liberal, Progressive Conservative and C.C.F. members tried unsuccessfully in the House of Commons today to launch an "urgent" cost-of-living debate hinged on February's record 4.5-point jump in the Government's living-cost index.

(over)

A Progressive Conservative motion was ruled out of order and two others were dropped, but the House received a promise from the Government that it would open the way for such a debate Monday.

George Drew, Progressive Conservative leader, promptly gave notice he will start a debate then and call on the Government for immediate action to halt the rise in prices.

Mr. Drew's motion for a debate today was ruled out by Speaker Ross Macdonald on the ground that, in the light of the Government commitment for Monday, discussion now was not urgent.

M.J. Coldwell, C.C.F. leader, who had been ready to introduce a debate motion of his own, backed the Progressive Conservative leader in a short, sharp discussion.

Equalization Of Freight Rates: Ottawa, April 5 (CP) -- The Government intends to implement recommendations of the Royal Commission on Transportation for the equalization of freight rates across Canada, the Minister of Transport, Mr. Chevrier, told the Commons tonight.

However, he indicated it is not yet known whether the legislation--a series of amendments to the Railway Act--will be ready for action by Parliament at the current session.

Alexander Rated "Outstanding General's General": New York, April 5 (CP) -- Viscount Alexander, Canada's Governor-General, is described as "the outstanding general's general of the European War" in a new book by Gen. Omar N. Bradley of the United States Army.

The first instalment of a condensed version of Bradley's book, "The War America Fought," appeared today in Life magazine. Bradley, now chairman of the U.S. Joint Chiefs of Staff, served under Gen. Dwight Eisenhower in North Africa and in Europe during the Second World War.

Wheat Offer Declined: Ottawa, April 5 (CP) -- India has decided to decline a gift of low-grade wheat from Canada, P.K. Banerjee, India's acting High Commissioner, said in an interview today.

"The poor people of India would not have understood the gift," he said. "Even though there is hunger in India and more wheat is needed, we have decided to wait until high-quality wheat is available in Canada next fall."

Canada has informed India that at the moment there is no high-quality wheat available....

Canadiens Take Lead In Playoff: Montreal Canadiens defeated Detroit 5 to 2 in Montreal last night in their Stanley Cup hockey semi-final and Montreal now leads the best-of-seven series three games to two.

Across Canada: For the 10th consecutive month, Canada's exports moved ahead in February. They totalled \$253,910,000 in value compared with \$199,462,000 in February last year, a rise of 17 per cent. The January total was higher at \$285,100,000....Factory shipments of Canadian-made motor vehicles in February reached 40,592 units--third highest monthly figure on record....George Burt, Canadian regional director of United Auto Workers (C.I.O.), said in Cleveland yesterday that living costs have risen more than twice as fast in Canada as in the United States....The Ontario Legislature was prorogued yesterday.



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Vol. 2, No. 68

Monday, April 9, 1951.

Canadians Scale 2,000-Foot-Slope: From Tokyo, (AP) (April 9) -- Reuters News Agency reported that Commonwealth and Turkish troops Saturday encountered the most stubborn resistance of the day on the central front. Canadian, Scottish and Australian troops scaled a 2,000-foot slope in the face of fire from Chinese holding the razor-back ridges, Reuters said....

President Auriol On Canada-U.S. Relations: Montreal, April 9 (CP) -- President Vincent Auriol of France said in a brief address here last night that Canada and the United States have a mutual and binding friendship which can be a lesson to the world.

Addressing guests at a special reception, M. Auriol said "Canada and the United States are so strongly linked that they offer to the world itself the solidarity which two great nations, on their own, can foster and maintain."

"We realize that France and England, like Canada and the United States, must bind themselves each to the other to save the world from another world war."

President Auriol Receives Laval Degree: Quebec, April 8 (CP) -- President Vincent Auriol of France confessed Saturday that he really felt at home in this capital of French Canada.

He made the statement after receiving an honorary degree at Laval University, the oldest French-language educational institution in the Western Hemisphere.

"Pats" Speculate On Leave Plans: West Central Sector, Korea, April 8 (CP) -- News that the United States is instituting a rotational policy for service in Korea, and that the British Government is relieving two battalions of the 27th Commonwealth Brigade, spurred discussion on what may be provided for the Patricias....

The emphasis among the men's preferences is on provision for leave in Japan, preferably at the 27th Brigade's leave centre. But a close second is for an established policy on how long a Canadian soldier shall serve in Korea.

Bureau Of Current Affairs: Ottawa, April 8 (CP) -- Establishment of a bureau of current affairs to tell Canadian servicemen why they are serving and fighting was announced today by the Defence Department.

It will be headed by Harry R. Low, 44, of Ottawa and Winnipeg, wartime Director of Education for the RCAF and a former Professor at the University of Manitoba.

The Minister of National Defence, Mr. Claxton, explained Mr. Low's duties as Director of the new bureau in one paragraph:

"Mr. Low will assist commanding officers in the services to keep personnel informed on matters of national and international concern. . .The object of the information will be to ensure that the man in the services has a basic understanding of that which he has enlisted to support and that which he must be prepared to oppose."

(over)

Canada-Sweden Tax Agreement (Press Release No. 17, April 6): An Agreement between Canada and Sweden for the avoidance of double taxation in the field of income tax was concluded in Ottawa on April 6. His Excellency, Per Wijkman, the Swedish Minister signed for Sweden, and the Minister of Finance, Mr. Abbott, signed on behalf of Canada.

Hopes For 5,000,000 Tourists: Ottawa, April 9 (CP) -- Canada is looking for 5,000,000 tourists this year to duplicate 1950's record figure.

A Canadian Press survey shows that the experts believe the season ahead will be as good as last year's--barring a major war. They base their prediction on healthy prospects shown by Ontario and Quebec, the Provinces which usually get the lion's share of the tourist trade.

While the war in Korea was a limiting factor in tourist travel and trade last year, the conflict may have different effects this year.

Inquiries to travel agencies in Ontario and Quebec suggest that many potential tourists are planning an early vacation in case of a service call-up or with the thought that conditions arising from the defence programme may make pleasure trips difficult.

Toronto And Canadiens For Stanley Cup Final: Toronto Maple Leafs and Montreal Canadiens will play off a best-of-seven Stanley Cup hockey championship series. Toronto eliminated Boston with two victories over the Bruins at the week-end, 4 to 1 in Toronto on Saturday and 6 to 0 in Boston Sunday night, while Montreal eliminated the fancied Detroit team with a 3 to 2 victory in Montreal Saturday night.

Across Canada: More than 2,000 relatives and friends crowded a sunlit jetty at Victoria, B.C. to welcome home the 280 men aboard the destroyer Cayuga.... The Foreign Exchange Control Board swooped down on exchange-control evaders last year, collecting up a total of \$227,454 in fines and forfeitures.... Canadians from Cape Breton to the Pacific split up at least \$363,560 in prize money Saturday by drawing winning tickets in Grand National sweepstakes.... Word was received from California last night that Michael A. Mahoney, the "Klondike Mike" of Yukon gold rush fame, and later a well-known Ottawa business man, had died at his Santa Monica home. He was in his 75th year.



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Vol. 2, No. 69

Tuesday, April 10, 1951.

"Pats" Cross 38th Parallel: (From Tokyo AP Dispatch, April 10) -- Canadian Press Correspondent Bill Boss reported that Canadian troops crossed the 38th Parallel Sunday unopposed. The Princess Patricia's Light Infantry filed through an opening in barbed wire across a mountain valley trail northeast of Seoul in what was termed another "dry run." The Canadians crossed the Parallel in the lee of positions taken two days ago by the Australians.

Mr. Howe On Price Controls: Ottawa, April 9 (CP) -- The Minister of Trade and Commerce, Mr. Howe, told the Commons tonight, on the eve of the federal budget, that the Government is not going to put general price controls into effect now. The Minister, stepping into debate on living costs and inflation, said the greatest contribution Canadians can make against inflation is to avoid panic buying and to produce more goods.

"The Government is not going to put into effect controls that would do more harm than good," Mr. Howe said in response to a series of Opposition demands for Government action to halt the rise in the cost of living.

He spoke in an all-day discussion on a Progressive Conservative motion of non-confidence in the Government because of higher living costs.

The motion of George Drew, Progressive Conservative leader, called for "immediate consideration" by the Government to the "adoption of appropriate measures to hold down the cost of living and halt inflation."

Ship Fire That Cost Seven Lives Said Incendiary: Ottawa, April 9 (CP) -- Fire that raged through the cruise liner Quebec with the loss of seven lives August 14 last was set by one or more incendiarys who also partly knocked out the ship's automatic fire-alarm system.

The House of Commons received these findings today from an investigating judge, and it also heard the Minister of Transport, Mr. Chevrier, announce his Department will give "immediate attention" to the judge's recommendation for tighter fire precautions.

Mr. Justice Fernand Choquette of the Quebec Superior Court was unable to name anyone responsible for the fire. Mr. Chevrier said arrest and prosecution would be a matter for authorities in the area where the fire occurred--Quebec.

At Quebec City, Solicitor-General Antoine Rivard of that Province said the report will be studied and the Quebec Government will consider what course police action should take.

Today Is Budget Day: Ottawa, April 9 (CP) -- Canadians will hear the bad news about their 1951-52 taxes tomorrow (Tuesday) night.

The Minister of Finance, Mr. Abbot, introducing his Budget in the Commons, is expected to announce a heavier tax burden, possibly through the imposition of new taxes and a series of increases in existing levies.

Mr. Abbott and other Government spokesmen already have made it clear that higher taxes are necessary to help finance the country's expanding defence programme.

The Minister of Finance will begin his Budget speech to the Commons at 8 p.m. EST.

President Auriol Bids Farewell: Montreal, April 10 (Gazette) -- Obviously tired but still wearing his well-known smile, President Vincent Auriol of France bade Montreal adieu yesterday with the words, "Merci à tous."

(over)

The French chief of state, accompanied by his charming wife and son, and his Foreign Affairs Minister, Robert Schuman, and the rest of his party, boarded an Air France Lockheed Constellation shortly after 3:30 p.m. at the Montreal Airport, Dorval.

Minutes later, the presidential party was winging eastward on a non-stop flight to Shannon Airport, Ireland. A previous plan for a direct return to Paris was cancelled within the past few days when President Sean T. O'Kelly of Ireland extended Mr. Auriol an invitation for a meeting at Shannon. The aircraft is expected to arrive at the Irish international airport at 6:30 a.m. (Irish time), at 1:30 a.m. (Montreal Standard Time.) There was no report on the probable length of Mr. Auriol's stay in Ireland.

Beaudry Leman's Death: Montreal, April 10 (Gazette) -- One of Canada's most prominent business leaders, Beaudry Leman, B.Sc., C.E. D.C.Sc., Chairman of the Board of the Banque Canadienne Nationale, died at his home in Outremont yesterday morning. He was 74.

Noted also as an engineer, civic leader, prominent member of many important government commissions and supporter of charities, Mr. Leman had been actively engaged in banking since 1912, following an outstanding career in the Province as an engineer. He had been in failing health for more than a year.

Prophesies Vast Iron Ore Production: Quebec, April 9 (Gazette) -- Quebec Labrador ranks among the world's great endeavours, Sir James H. Dunn, Bart., K.C., D.C.L., LL.D., today told the Canadian Institute of Mining and Metallurgy.

The inaugural session of the three-day meeting got under way with addresses of welcome by city and Provincial Government officials. Delegates were told the day will come when Canada's iron ore production will climb to 30,000,000 tons annually with a value of at least \$250,000,000.

"In all great endeavours, and Quebec Labrador ranks among the world's great endeavours, what counts is the men who go far afield, north and south, to dare and do," said Sir James.

Across Canada: The Fisheries Council of Canada said yesterday that two Latin-American countries have shown discriminatory tendencies against the Canadian fishing industry. The Council has asked the Government to intervene. The countries are Trinidad, a British possession, and Brazil. The Council also has urged the Government that in any general peace treaty with Japan, action be taken to guard against possible encroachment on Canadian fishing areas by Japanese fishermen....The Governor-General, accompanied by the Minister of National Defence, Mr. Claxton, will make a flying visit to Fort Lewis, Wash., next week-end to visit troops of the 25th Infantry Brigade before they sail for Korea, it was announced yesterday. It is expected the Canadian brigade will sail for Korea from Seattle a few days later....Adolph Koldofsky, 45, a former member of the Toronto Symphony Orchestra and one of Canada's foremost musicians, died yesterday in California, the Canadian Press reports from Toronto.



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INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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Vol. 2, No. 70

Wednesday, April 11, 1951.

The Budget: The following are the highlights of the Budget presented in the House of Commons last evening by the Minister of Finance, Mr. Abbott:

"Defence Surcharge" of 20 per cent clapped on personal income tax payments -- effective July 1.

Basic personal income tax rates and exemptions unchanged. Scattered minor deductions allowed.

Cigarette tax up three cents on package of 20. Beer and liquor taxes unchanged.

General sales tax boosted to 10 per cent from eight per cent -- effective immediately.

Special excise tax boosted to 25 per cent from 15 per cent on motor cars, radios and other luxuries -- effective immediately.

New 15 per cent excise tax imposed on household refrigerators, washing machines and cooking stoves -- effective immediately. Coal or wood stoves exempted.

Tobacco tax up to \$1.15 per pound from 67 cents; taxes on roll-your-own papers and tubes repealed.

Three-year tax exemption for new mines extended to mines starting production in 1953 and 1954.

Tax deductions on exploration expenses for oil, mining and natural gas companies extended for another year.

Corporation tax on profits over \$10,000 boosted to 45.6 per cent, from 38 per cent.

Corporation tax on profits under \$10,000 unchanged at 15 per cent.

Corporation tax increase will not reduce profit rate to less than five per cent of company capital.

Depreciation write-off for tax purposes withheld for four years on new, non-essential capital assets.

Union and professional membership dues and certain travelling and other expenses may be deducted from taxable 1951 incomes.

Excise tax on candy, chocolate and chewing gum reduced to 15 per cent from 30 per cent -- effective immediately.

Surplus for 1951-52 expected to be \$30,000,000 compared with \$203,456,000 in 1950-51.

Revenues in 1951-52 estimated at \$3,730,000,000 compared with \$3,105,300,000 in 1950-51.

Expenditures for 1951-52 estimated at \$3,700,000,000 compared with \$2,901,844,000 in 1950-51.

Tariff changes eliminate or reduce duties on equipment used by farmers, fishermen and mining companies -- effective immediately.

Mr. Pearson On Canada - U.S. Relations: Toronto, April 10 (CP) -- Canada's growing importance and the role of the United States as the dominating force on the side of freedom are ending "the days of relatively easy and automatic political relations" between the two countries, the Secretary of State for External Affairs, Mr. Pearson, said today.

He said that while Canada is anxious to work and support the U.S. in its leadership of the free world, "we are not willing to be merely an echo of somebody else's voice."

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Mr. Pearson told a joint meeting of Toronto's Empire and Canadian Clubs that difficulties and frictions bound to occur will be easier to settle if the U.S. realizes Canada's importance and that "we, in Canada, have had our own experience of tragedy and suffering and loss in war."

The Minister spoke frankly of the causes of current friction, and cautioned both Canadians and Americans against stirring up animosities. H) said that in the present "two-power world of conflict" the question of Canadian-American relations "is one of the most difficult and delicate problems of foreign policy that has yet faced the Canadian people."

Canada had "come of age" in her relationship with the United Kingdom, and the two countries now dealt with one another on a basis of confidence and friendship. Canadians should be careful "not to transfer the suspicions and sensitiveness and hesitations of yesteryear from London to Washington."

Mr. Pearson also warned against getting unduly hot and bothered over "all the pronouncements of journalists or generals which we do not like," although there are some on which Canadians have a right to express their views.

"More important," Mr. Pearson added, "we must convince the U.S. by action rather than merely by word that we are, in fact, pulling our weight in this international team."

"On their side, they should not attempt to tell us that until we do one-twelfth or one-sixteenth, or some other fraction as much as they are doing in any particular enterprise, we are defaulting. It would also help if the United States took more notice of what we do, and indeed, occasionally of what we say."

Mr. Pearson said American leadership in Korea deserved Canada's deep gratitude but, Canada should not be more strongly criticized than other countries for the time it took to adjust herself to the situation.

By facing the problems "frankly and openly" it should be possible to prevent Canadian-American relations from hitting serious snags.

"That relationship means marching with the U.S. in the pursuit of objectives which we share," the Minister added. "It does not mean being pulled along or loitering behind."

Canada's preoccupation no longer was whether the U.S. will discharge her international responsibilities "but how she will do it and how the rest of us will be involved."

Mr. St. Laurent Receives Labour Brief: Ottawa, April 10 (CP) -- Neither price controls nor a broad social-security programme is in the offing, the Prime Minister, Mr. St. Laurent, today told the Trades and Labour Congress of Canada.

The two proposals were the chief demands of the 500,000-member Congress, making its annual submission to the Cabinet. The T.L.C. asked for early action on both.

More than 50 delegates representing the Congress and its major union affiliates got these replies from the Prime Minister to points in their brief:

1. The Government believes price controls would not be beneficial now but would not hesitate to put them in if it were convinced they would be of benefit.

2. There is still much "educational work" to be done before the federal Government can take over the social security field; also, national defence should come first at this time.

3. Launching Government-financed low-rental housing programmes--asked by the Congress--would be difficult because of the high cost of housing.

Across Canada: Russia has fully repaid a \$2,900,000 loan obtained from the Canadian Government following the end of the Second World War, the Minister of Finance, Mr. Abbott, disclosed in his budget speech....The Minister of Justice, Mr. Garson, took action yesterday to pave the way for a 20-per-cent increase in salaries for all Canadian judges with the exception of Justices of the Supreme Court of Canada....The Minister of Justice, Mr. Garson, said yesterday he has sent to the Provinces what he hopes will be final drafts of proposed amendments to the constitution. One of the amendments would clear the way for federal inauguration of a contributory old-age pension plan.

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Vol. 2, No. 71

Thursday, April 12, 1951.

General MacArthur: Ottawa, April 11 (CP) -- A Social Credit member of the Commons suggested today Canada possibly should have been consulted before General MacArthur was fired but the Secretary of State for External Affairs, Mr. Pearson, didn't agree.

The Minister told Rev. E. G. Hansell (SC--Macleod) President Truman's action in relieving the General of the United Nations command in Korea was clearly taken under authority granted the President months ago by the U.N.'s Security Council.

Mr. Hansell said there is some confusion as to whether Canada, as one of the nations with forces in Korea, should have been consulted before the U.N. commander was changed.

Mr. Pearson said he had no desire to make any comment on the nature of the President's action. But he would outline the procedure on which it was based.

Last summer when joint action in Korea was launched the U.N.'s Security Council asked the U.S. President to designate a commander of the U.N. forces. In response, Mr. Truman named General MacArthur.

Now, Mr. Truman had decided the conduct of military operations in Korea should be placed in other hands, and, acting under the authority given him by the Security Council, had appointed General Matthew Ridgway to succeed General MacArthur.

This decision was clearly within the authority given the President last year.

Mr. Pearson made no comment on consultations. However, Canada has been in consultation with Washington for some time over General MacArthur's controversial statements.

Congress Of Labour Submission: Ottawa, April 11 (CP) -- The Prime Minister, Mr. St. Laurent, and top officers of the Canadian Congress of Labour clashed sharply today over government price-control policy.

Leaders of the 360,000-member Congress, at their annual meeting with the Cabinet, took issue with the Prime Minister's statement that controls could not be made to work now.

C.C.L. President A. R. Mosher, banging a table for emphasis while 120 union officers applauded, told Mr. St. Laurent and 15 Ministers that the Government is "missing the point" in its reasons for not clamping controls on prices.

Pat Conroy, Congress Secretary-Treasurer, declared "the continuing negative attitude of the Government on price control will ultimately lead to disaster in this country unless positive steps are taken."

The Prime Minister, after hearing a C.C.L. submission highlighted by the price-control demand, told the union men that controls now would have to involve a price rollback and the estimated \$400,000,000-a-year cost in Government subsidies would be prohibitive.

On top of the new \$400,000,000 which last night's Budget will take from the taxpayer, he said, "it just isn't possible."

"We don't think it would work," the Prime Minister added, telling the labour men his Government does not want to launch something unless it thinks it will benefit the Canadian people.

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Mr. Diefenbaker In Controls Debate: Ottawa, April 11 (CP) -- John Diefenbaker (PC--Lake Centre) charged today that Canada's combines law can be broken with "almost complete immunity" at a time when this legislation should be used in the fight against inflation.

It was "more than financial telepathy" or coincidence he told the Commons, that manufacturers were arbitrarily raising prices at the same time to the same extent in various parts of the country. Yet the Government made no use of the combines law, the act designed to penalize and prevent that sort of thing.

"The safest thing a person can do in Canada today is to commit a breach of the combines law," he said in joining a debate on the cost of living, a debate caused by a Progressive Conservative motion for immediate consideration of measures to halt inflation.

Mr. Diefenbaker spoke as the debate rolled through its third day without a vote on the official Opposition's motion of want-of-confidence in the Government.

He called, too, for Government investigation of "the very great spread" between the price the farmer gets for this produce and the price the consumer pays.

Says Labrador Ore Worthless Without Seaway: Quebec, April 10 (CP) -- G.M. Humphrey, President of the Iron Ore Company of Canada, told the Canadian Institute of Mining and Metallurgy tonight that in the event of a Third World War only rapidly expansible sources of iron ore left on the North American continent are the Quebec and Labrador deposits.

In an address prepared for delivery before the Institute's annual meeting he added that expanded production at these sources would be worthless, however, unless the St. Lawrence seaway project is carried out and the production transported to the great steel-making centres of the Great Lakes basin.

President Auriol's Thanks: The Prime Minister, Mr. Louis S. St. Laurent, announced that he has received the following message from the President of the French Republic, Mr. Vincent Auriol:

"Words fail to express the emotion which I feel upon leaving Canada. The unforgettable days I have spent here bear witness to the close ties which unite and always will unite the Canadian and the French Nations. What has been built in our hearts will grow in strength and in beauty in the future. Our two countries will participate with friendship and with confidence in the task of all free peoples that of safeguarding civilization. My wife joins me in reaffirming our affection for Madame St. Laurent and yourself and expressing our deep gratitude for the reception you have given us."

Toronto Wins First In Cup Finals: A goal by Sid Smith after five minutes and 51 seconds of overtime play, his second of the night, sent the Toronto Maple Leafs winging away in front of Montreal Canadiens with a 3-2 victory in the first game of the best-of-seven Stanley Cup finals in Toronto last night.

The Leafs had quite a margin on the night's play and a lot more of the puck than Canadiens. They outshot Canadiens 39 to 22 and controlled the play except in the second session when Canadiens braced.

Across Canada: Marc Boyer, federal Deputy Minister of Mines and Statistical Surveys, stated before the Canadian Institute of Mining and Metallurgy yesterday that Canada's defence programme meant "no sudden flurry of increased production. . .likely to subside in one or two years." It meant a rising demand even if war is averted....A total of \$57,263 in grants and \$51,895 in loans were paid out in 1950 to members and veterans of the naval service from the Canadian Naval Service Benevolent Fund, the Navy announced yesterday....In another chapter in labour's drive against Communism, the Red-dominated International Union of Fur and Leather Workers yesterday was fired out of the Canadian Congress of Labour.



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Vol. 2, No. 72

Friday, April 13, 1951.

Canada - U.K. Force Studied: Ottawa, April 12 (CP) -- The Minister of National Defence, Mr. Claxton, said today Canada would have no objection to placing the Canadian 25th Brigade in a Commonwealth division in Korea.

However, he added in an interview, that is a matter to be decided by the military leaders in Korea on the basis of the best way the Canadian formation can be used.

Defence officials said later the subject has been under discussion for some time but that no final decision has been reached. It would cause no surprise here if the Canadian brigade and two British brigades are pooled in a Commonwealth division, the first of its kind.

There are two British brigades in Korea and the Canadian brigade is due to sail shortly from the United States, possibly within the next week or 10 days. There are three brigades in a division which consists of about 18,000 men.

The division would include elements of the British, Canadian, Australian and New Zealand armies and would be the first formation of its kind in Commonwealth history.

Brig. 'Des' Smith's New Post: Ottawa, April 12 (CP) -- The Army's two youngest generals will swap jobs in August.

Brig. J.D.B. (Des) Smith, C.B.E., D.S.O., 39, of Ottawa, a man with a big fighting record, became the youngest general today when he was promoted major-general after eight years as a brigadier.

He will continue as acting quartermaster-general until August and then go to London to take over the job now held by Maj.-Gen. S.F. (Fin) Clark, C.B.E., 42, of Ottawa and Winnipeg. Until today, General Clark was the youngest general.

General Clark's job is that of heading the Canadian joint military staff in London and representing Canada on the Atlantic Pact organization there.

That makes him Canada's key military officer in the drive to build up Western Europe's defences through N.A.T.O. co-operation.

Japanese Agency For Canada (Press Release No. 18, April 12): The Department of External Affairs announced on April 12 that the Canadian Government had informed the Supreme Commander for the Allied Powers and the Japanese Government that it would agree to the establishment of a Japanese Overseas Agency in Canada. Similar Japanese agencies are now operating in four key cities in the United States and in other countries in Europe, Asia and South America.

The Agency will be limited to semi-consular and commercial functions and neither the Agency nor its personnel will have diplomatic or consular status. It will not act on behalf of the Japanese Government in making official representations to the Canadian authorities except for the administrative conduct of the Agency itself.

Mr. St. Laurent On Seaway: Ottawa, April 12 (CP) -- The Prime Minister, Mr. St. Laurent, addressing a group opposing the St. Lawrence Seaway, said today he thinks it's going to be built "some day."

"As to when it will be undertaken, that is still undecided," he told the joint legislative committee of the Railway Transportation Brotherhoods.

But when it is built, he added, it will "contribute to the over-all good of the Canadian and United States nations."

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To Consider Wages With Regard To Prices: Ottawa, April 12 (CP) -- A possible drive for a general round of wage increases was foreshadowed today by the Canadian Congress of Labour in summoning an emergency meeting of its unions to consider "the relationship of wages with regard to prices."

The action was taken by the executive council of the 360,000 member Congress a day after its demand for price controls to hold down living costs was rejected by Cabinet at a conference here.

Mr. Howe On Price Controls: Ottawa, April 12 (CP) -- Canada can have effective price control if it works in the United States, the Minister of Trade and Commerce, Mr. Howe, said today.

"But we honestly do not believe we can make it work today until the U.S. stabilizes prices," he told a labour delegation.

Mr. Howe, Canada's defence production chief, said: "The only reason we aren't doing it is that we don't think we can make a go of it."

Atomic Devices Ordered: Ottawa, April 12 (CP) -- The federal Government has placed orders for atomic radiation instruments for use by provincial and municipal civil defence workers should the country be attacked.

A return tabled today in the Commons did not describe the instruments. It said 175,000 gas respirators have been obtained for "issue to provincial and municipal civil defence workers as and when required."

Across Canada: Canada will provide air base facilities at Edmonton and at Whitehorse, Y.T., today, when a U.S. paratroop battalion and supporting units fly northward to meet a mythical invader in Alaska....The Minister of Trade and Commerce, Mr. Howe, told the Commons yesterday housing and residential construction generally will not be affected by the Government's decision to hold up depreciation allowances for four years....A forest that shall never end -- that is the aim of new legislation introduced in the British Columbia Legislature....Filing of nomination papers for the Prince Edward Island general election was featured yesterday by the advent of the Province's first woman candidate and a reduction in C.C.F. stalwarts. Liberals and Progressive Conservatives put a full slate of 30 candidates in the field. Mrs. Leslie Ramsay, a housewife, filed papers for Third Prince -- one of the five C.C.F. candidates. She is the first woman ever to seek election in P.E.I.

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Vol. 2, No. 73

Monday, April 16, 1951.

"Nootka" Shells Enemy-Occupied Village: Tokyo, April 16 -- The Canadian destroyer Nootka shelled an enemy-occupied village and buildings on the west coast of Korea Sunday and caused heavy damage, a United Nations naval communiqué announced today.

The attack was made on a village near Changsan Point southwest of Chinnampo, the port city for Pyongyang, the North Korean capital.

The Nootka has been on the Korean west coast with the Canadian destroyers Huron and Athabaskan, the British cruiser Kenya and other British ships.

His Excellency's Farewell Review At Fort Lewis: Fort Lewis, Wash., April 15 (CP) -- The Governor-General said Canada's goodbye to the 25th Brigade at Fort Lewis today and bade its soldiers fight the good fight against Communism both on and off the battlefield.

Probably 15,000 persons watched Viscount Alexander, famous British field marshal, review 5,000 to 6,000 troops, bronzed, fit and keen for Korean action.

Brilliant sunshine caught the bayonets of the men as the lines of khaki marched past the reviewing stand for a solid 40 minutes. The Governor-General, in uniform himself, saluted as they passed -- two battalions of infantry, a regiment of artillery, a squadron of tank men, engineers, signallers and all the other arms that will sail soon for the Far East.

Over his head fluttered a Canadian Red Ensign he had presented a few moments before to brigade commander, Brig. John (Rocky) Rockingham, to fly over his headquarters wherever it may be.

The brigade, core of Canada's Special Force, first gave Lord Alexander a Royal Salute as the men stood in a hollow square on a giant parade square. After he spoke to them there, thousands of persons -- wives and children of the men, American troops and civilians -- watched them march past, unit by unit, their precision a treat to see. After the parade the men got their last pay before sailing and went on leave until Tuesday morning.

Plans Quiet Retirement: Fort Lewis, Wash., April 15 (CP) -- Viscount Alexander told reporters yesterday that he plans to return to Britain and live in his new home outside London when he retires as Governor-General of Canada.

In Fort Lewis to review the Canadian 25th Brigade before its departure for Korea, the Field Marshal, who commanded Allied troops in Italy during the Second World War, was asked if he would join the Atlantic Pact Organization when his term of office as Governor-General expires in April, 1952.

Lord Alexander said he hadn't been invited. Further, he was quite happy as Canada's Governor-General.

UN Status Given ICAO: Montreal, April 16 (Gazette) -- Canada and the International Civil Aviation Organization at noon yesterday signed an agreement providing officials and members of ICAO with facilities and immunities accorded to the United Nations and other recognized international and diplomatic bodies.

The ceremony of the signing was held in the ICAO council chamber in the penthouse atop the Aviation Building. The Secretary of State for External Affairs, Mr. Pearson, and Dr. Edward Warner, President of the Council, signed the document in the presence of the Minister of Transport, Mr. Chevrier, who in 1950 officially opened the \$4,000,000 Aviation building, constructed by the Canadian Government for ICAO's headquarters. Others taking part in the ceremony were: Mayor Camillien Houde, Benjamin Cohen, representative of

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the United Nations, M.A. Metcalfe, Vice-President of the Canadian National Railways, Dr. Albert Roper, Secretary General of ICAO.

Under the terms of the agreement ICAO, its properties and its assets enjoy the same facilities and immunities "as are enjoyed by foreign governments."

Canada And The United States: Miami Beach, Fla., April 15 (AP) -- Union of the United States and Canada, "perhaps within a quarter of a century," was predicted Saturday by Harold Connolly, Health and Welfare Minister of Nova Scotia.

Connolly, vacationing here, said in an interview that the rising tide of Communist aggression and the menace of dictatorship in some South American countries might speed the welding of the two countries....

Award Nine Canadians \$29,000 In Fellowships: New York, April 15 (CP) -- Nine Canadians, whose studies range from political science to Arctic botany, were named Saturday as winners of 1951-52 fellowships awarded by the John Simon Guggenheim Memorial Foundation.

The stipends, which will enable the Canadians to continue their research and study, total \$29,000. The Foundation said it was the largest number of Canadians ever appointed to Guggenheim fellowships in any one year.

The fellowship winners:

Dr. Alexander Brady, professor of political science at University of Toronto; Dr. William P. Wallace, assistant professor of ancient history, University College, Toronto; Kenneth Earl Kidd, deputy keeper at the Royal Ontario Museum of Archaeology, Toronto; Dr. Maxwell John Dunbar, associate professor of zoology, McGill University, Montreal; Dr. Joyce Hemlow, assistant professor of English at McGill; Dr. Nicholas Polunin, former professor of botany at McGill; Dr. Edmund Grindlay Berry, associate professor of classics, University of Manitoba, Winnipeg; George Woodcock, Vancouver Island, writer; and Dr. Heinrich Edmund Karl Henel, a naturalized Canadian, professor of German, University of Wisconsin.

Canadiens-Maple Leafs All Even On Series: Toronto, April 16 -- Maurice Richard, "The Rocket" of the hockey lanes, put Montreal Canadiens back into the Stanley Cup hunt Saturday with an over-time goal which defeated Toronto Maple Leafs 3 to 2, and tied up the best-of-seven series at one game each.

Barrie Flyers Take First From Quebec Juniors: Toronto, April 16 (CP) -- Barrie Flyers scored four goals in the third period Saturday to defeat Quebec Citadels 6-2 in the first game of their best-of-seven Memorial Cup Eastern Canada finals before the Toronto season's biggest hockey crowd.

Across Canada: The House of Commons is expected to take up the Budget Debate today.... The navy's facilities for protecting the sea approaches to Halifax are being expanded, naval officials said Saturday. A new "seaward defence base" is being established in the harbour to accommodate minesweepers and other units engaged in defence of the key port.



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Vol. 2, No. 74

Tuesday, April 17, 1951.

Nickel Rationing Ordered: Ottawa, April 16 (CP) -- Canada, producer of 90 per cent of the world's nickel, will undergo compulsory government rationing of that essential metal starting May 1.

Order No. 1, placing nickel under government control was issued today by the Defence Production Department's metals administrator, F.V.C. Hewett.

Departmental officials said no drastic curtailment of nickel to civilian industry is expected. Defence projects in Canada, the United States and Britain would get top priority, but it appeared likely sufficient quantities will be available to maintain distribution to some less essential industry.

Most civilian manufacturers of consumer goods now get about 65 per cent of their 1950 purchases through a voluntary rationing system introduced late last year.

They include producers of chrome plate for automobiles, toasters, waffle irons and other kitchen and household equipment.

"One thing we will try to achieve primarily," said an official, "is a more equitable distribution. We don't want one manufacturer to build up big stocks and have some other manufacturer with no stocks at all."

The Budget Debate: Ottawa, April 16 (CP) -- A three-pronged Opposition attack on the 1951-52 Budget, accompanied by two motions of non-confidence in the Government was launched in the Commons today.

The Progressive Conservative, C.C.F. and Social Credit parties joined in criticizing the tax-boosting Budget as inflationary and in deploring Finance Minister Abbott's action in raising the general sales tax to 10 per cent from eight per cent.

As the traditional Budget debate opened, the Progressive Conservative and C.C.F. parties introduced their customary motions of non-confidence, containing specific criticisms.

The C.C.F. motion, moved by C.C.F. Leader M.J. Coldwell, called for limiting the new 20-per-cent defence tax on incomes to single persons who earn more than \$1,500 a year and to married persons earning more than \$3,000. Under the Budget, the tax will apply to income tax payments beginning July 1.

The Progressive Conservative thrust, moved by J.M. Macdonnell (PC-- Toronto Greenwood), specifically expressed regret at the Government's "failure" to take effective steps "to deal with profiteering."

Doing Everything Possible To Free Nuns Held In Red China: Ottawa, April 16 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said today the Government hopes the five Canadian nuns being held by the Chinese Communists will be allowed to return freely to Canada.

He told the House of Commons no formal charges appear to have been laid against the five, all Roman Catholic Sisters of the Immaculate Conception who were operating an orphanage in Canton. The agitation against them appeared to be "chiefly local."

The Government, he said in a brief statement, is doing all it can to protect their interests, and feels it "inconceivable" that they can be guilty of the "grotesque and fantastic" charges directed at them.

"Everything is being done, and will be done, to help them without increasing the danger to them," he added.

In the absence of any Canadian diplomatic link with Red China, the Government has informed the United Kingdom Chargé d'Affaires at Peiping of its "great concern," and has asked his assistance. He has given assurance that he will do all he can.

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General MacArthur: Ottawa, April 16 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said in the House of Commons today that he had "no knowledge whatever of General MacArthur's dismissal before that dismissal was announced in the newspapers."

The Minister was replying to a question by John Diefenbaker (PC--Lake Centre). Mr. Diefenbaker asked if the Minister knew at the time he made a speech in Toronto last Tuesday, dealing with Canadian-U.S. relations, that the U.N. commander in the Far East was going to be dismissed.

Demand Foreseen For Canadian Money: Toronto, April 16 (CP) -- Canadian money is likely to become popular in the world of tomorrow, and to be used to an increasing extent in international transactions, S.M. Wedd, President of the Canadian Bank of Commerce, said, in effect, today.

Addressing the Canadian Club he stated:

"It now appears that we are entering a period when our natural resources and our manufactured goods will be greatly sought after. This fact holds much significance for our future pattern of trade.

"As a resource-rich nation in a world of tight supply, Canada will be in a position to contribute to international trade in raw materials and also capital in terms of a much sought-after currency."

UN Student Interne Programme: (Press Release No. 19, April 16) -- The Department of External Affairs has announced that the United Nations Student Interne Programme for the year 1951 would be held jointly at Geneva and at Lake Success. The Geneva programme is from June 25 to August 17 and the Lake Success programme from July 9 to August 31.

Stanley W. Laird's New Post: Ottawa, April 16 (CP) -- A veteran of the Princess Patricia's Canadian Light Infantry of the First World War, Stanley Wilson Laird, of Ingersoll, Ontario, was appointed today to head a scheme to fight inflation by putting the brakes on investment.

He will take charge of the Trade Department's new capital cost allowance division.

Across Canada: Hon. Gordon Conant last night mentioned legalized gambling as a possible answer to Ontario's troubles. In a speech prepared for delivery to Belleville Rotary Club, Ontario's former Attorney-General said that from his experience he was "convinced" that "a large percentage of the people of Ontario are bound to gamble in some manner."...Quebec Provincial Police, in Montreal yesterday afternoon, halted an automobile and seized more than 4,000 copies of the Canadian Tribune, official organ of the Labour Progressive (Communist) Party....An Edmonton-born Baptist missionary, Rev. J.A. Cunningham, 34, has been imprisoned by the Chinese Communist Government in North China, the Canadian Press reports from Calgary, Alberta.



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Vol. 2, No. 75

Wednesday, April 18, 1951.

Japanese Peace Treaty: Ottawa, April 17 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said today there is a "broad measure of agreement" between Canada and the United States on basic issues of a proposed Japanese peace treaty.

He told the House of Commons the Government has given careful study to a draft prepared by the U.S. Government and will forward its observations to Washington. There will be further consultations between the two Governments.

He said he understood British comments on the American proposals took the form of another draft treaty. That treaty has been submitted to Canada for study but he has not yet had a chance to look at it.

Mr. Pearson said it has not been decided whether the Japanese peace treaty will be signed at a formal conference or separately by governments with the Japanese Government as a result of negotiations among themselves.

He told Howard Green (PC--Vancouver-Quadra) negotiations do not include a Pacific defence pact.

The Budget Debate: Ottawa, April 17 (CP) -- Opposition members, sharpening their attack on the 1951-52 Budget, agreed today that it would do little more than add to the cost of living.

As the Commons Budget debate moved through the second day, the Progressive Conservative, C.C.F. and Social Credit parties again centred their fire on Finance Minister Abbott's decision to increase the general sales tax.

A lone Liberal speaker--Robert Cauchon (Beauharnois)--suggested the establishment of a Special House committee to investigate means of providing and finding employment opportunities for older workers.

Donald Fleming (PC--Toronto Eglinton) criticized Mr. Abbott for what he termed a constant practice of under-estimating budgetary surpluses and said this meant merely that he was taking from the people more money than he needed.

If he over-shot his forecast surplus of \$30,000,000 this year, said Mr. Fleming, the Minister of Finance would have little excuse for his increases in commodity and sales taxes.

The increase -- to 10 from eight per cent -- in the general sales tax, criticized by past Finance Ministers as "harsh", should be withdrawn.

Study Of Defence Spending: Ottawa, April 17 (CP) -- Parliament's first detailed post-war study of defence spending opened today. It was dominated by a verbal war over whether it is going to be restricted to things which happened before Korea transformed the entire Canadian military programme.

The battle began after a statement by C.M. Drury, Deputy Defence Minister, that the machinery for spending Canada's defence dollars "suffers perhaps too much in the way of detailed control" but is being decentralized more and more under a new policy.

When Opposition members of the Commons' Public Accounts Committee tried to get him to bring his statements about decentralization up to date, the battle started. It was waged off and on through the entire meeting--started 10 minutes late because of lack of a quorum--and ended without a decision.

Mr. Abbott On Controls: Ottawa, April 17 (CP) -- The Minister of Finance, Mr. Abbott, said tonight the Canadian Government may "if the emergency develops, extend controls even to the point of rationing of basic commodities."

(over)

In a speech prepared for delivery over a national network in the CBC's "Nation's Business" series, Mr. Abbott said control of personal expenditures rather than rationing is needed at present.

He outlined main features of the Budget brought down a week ago and said to combat inflation personal consumption and capital investment must be reduced.

"Otherwise in the scramble for scarce goods inflation will result, there will be internal disruptions and the defence programme will suffer," said Mr. Abbott.

Mr. Gordon Before Railway Committee: Ottawa, April 17 (CP) -- Donald Gordon, Canadian National Railways President, today disclosed a cautious attitude concerning benefits to the C.N.R. from proposals of the Royal Commission on Transportation for a new capital structure for the company.

He told the House of Commons Railways and Shipping Committee that "the magnitude of the relief (from debt burden) would appear not to be extravagant."

The Minister of Transport, Mr. Chevrier, during a brief and sketchy committee discussion of the complex recapitalization recommendations, said the Government has not yet studied them to the point where he could make any announcement on implementation.

The Minister said he expected the Government would seek implementation "in their entirety" of proposals for freight-rate equalization, and until then it likely would not make a decision on the multi-million-dollar recapitalization issue.

Wheat Needs Of India: Ottawa, April 17 (CP) -- An External Affairs Department official said today that, so far, there are no indications of a change in India's decision to wait until next fall before obtaining a free gift of wheat from Canada.

He was commenting on a New Delhi dispatch which said India has agreed to take "some Canadian wheat" as part of Canada's contribution toward the plan. Deputy Food Minister M. Thirumal told India's Parliament that negotiations for the wheat are in progress and India can choose the quality of the grain.

Hockey Finals: Toronto Maple Leafs defeated Montreal Canadiens 2 to 1 in overtime in Montreal last night to lead the Stanley Cup finals two games to one....Barrie Flyers last night in Barrie defeated Quebec Citadels, 6-4, for the second straight victory in the first two games of their best-of-seven Eastern Canada Memorial Cup finals.

Across Canada: Health Minister MacKinnon Phillips of Ontario said yesterday it is doubtful whether Canada's economy could handle a complete national health programme....Stocks of creamery butter in nine Canadian cities declined sharply on April 13, amounting to 4,936,000 pounds, compared with 19,212,000 on the corresponding date last year, the Bureau of Statistics reported....Purchase of the Ottawa retail firm of R.J. Devlin Company, Ltd., by Henry Morgan and Company, Ltd., Montreal, was announced yesterday....Steps should be taken to ensure a higher rate of immigration than has prevailed since the war, says a report on immigration sent to the Prime Minister, Mr. St. Laurent, by Canadian Manufacturers' Association.



DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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Vol. 2, No. 76

Thursday, April 19, 1951.

Control Over Newsprint: Ottawa, April 18 (CP) -- Canada, with the world clamoring for her newsprint, took an initial step today to prepare for more balanced international distribution of her huge production.

In a move unprecedented in peacetime, newsprint and mechanical and chemical pulps were declared essential materials. The Defence Production Department was empowered to bring them under Government control.

R.M. Fowler, 45-year-old President of Canadian Pulp and Paper Association, was named director of a newly-formed departmental branch which will have authority to regulate and control exports.

Two of his associates, F.L. Mitchell, 55, and J.M. Smith, 29, will join him in the new branch. Mr. Mitchell was Deputy Pulp and Paper Co-ordinator in the Second World War.

Next major step in meeting the appeal for more newsprint from such countries as Britain and France will be up to a 10-nation International Pulp and Paper Committee being set up in Washington.

Canada will be a member of that group, part of an International Materials Conference considering emergency allocation of materials to meet the needs of rearming democracies.

However, officials said any recommendation by this committee to rechannel Canadian supplies likely will be at the expense of United States customers.

"Purely Precautionary Move" -- Mr. Howe: Ottawa, April 18 (Montreal Gazette) --

"This is purely a precautionary move," the Minister of Defence Production, Mr. Howe, said tonight, commenting on the Government's formal declaration that newsprint, along with mechanical and chemical pulps, are essential materials.

As the International Materials Conference meets in Washington strong influence is bound to be exerted by U.S. officials and business and industrial interests, and for that reason the Canadian Government felt it would be playing safe by giving itself power to control production and distribution of newsprint.

It is not contemplated the move will lead to Government control of newsprint prices, but it was hinted that as Canada is sitting in on the Washington parleys it will be in a better position to keep an eye on any move in that direction. It is a good guess any move for higher prices will find scant support here.

Nearly 70,000 In All Forces: Ottawa, April 18 (CP) -- Manpower in Canada's armed forces, with recruiting still booming, should hit the 70,000 mark this month.

Despite a heavy rate of discharge from the Army, the forces continued to grow markedly in strength in March with a total net intake of more than 2,000 men, official figures showed today.

A return tabled in the House of Commons for E.D. Fulton (P.C. -- Kamloops) showed that the three forces took in a total of 2,892 new men and discharged 817 for a net intake of 2,075. It was the third month in a row that they have netted more than 2,000 men, a pace that, if maintained, will let them reach their 1954 target of 115,000 ahead of schedule.

(over)

The gross figure of 2,892 was down from February's 2,954 and January's 3,711.

The return gave no figure for the total strength of the forces. It was 66,465 at the end of February, however, and today's figures indicate it now is in the neighbourhood of 68,500. Unless recruiting slackens heavily, the 70,000 mark should be reached nicely in April.

The discharges in March included 580 from the Army, 158 from the Navy and 75 from the R.C.A.F. The Army thus discharged more than half as many men as it took in. Many of the discharges are believed to have affected members of the Special Force which has let out considerably more than 1,000 members since it was recruited last August and September.

Defence Costs At Peacetime Peak: Ottawa, April 18 (CP) -- With emphasis on air power, armament spending by the Government in the last 12 months climbed to a peak peacetime level of \$800,000,000, more than triple the spending in the previous year.

Figures released today by the Defence Production Department showed that 40 per cent of the defence orders placed in the fiscal year ended March 31 were for speedy American F-86 Sabre jet fighters being built in Montreal, and the CF-100 all-weather jet fighter and the high-powered Orenda engine being produced in Toronto.

The \$328,937,000 worth of aircraft orders is nearly four times the \$88,517,000 spent on similar contracts in the previous fiscal year, 1949-50.

The whole defence-preparedness programme showed the first signs of an expansion move to gain its full stature in the newly-launched \$5,000,000,000 three-year defence programme.

The total \$800,816,000 worth of orders compares with \$244,709,000 in the 1949-50 period.

Adding up its defence-spending bill, the Department gave no break-down to show what was channelled into Canadian or American industry.

But it did disclose that Canada is bent on a big radar production programme, second only to aircraft development. In the 1950-51 period, electronics and communication equipment orders totalled \$90,000,000.

Across Canada: The Navy is negotiating for repurchase of 34 warships to be put back in fighting trim with modern equipment, a return tabled in the House of Commons yesterday indicated. Virtually all are believed to be Second World War minesweepers and frigates sold as war surplus to Marine Industries Ltd. at Sorel, Quebec. It was agreed at time of sale they might be bought back again at the same price....Ralph Maybank, Liberal member for Winnipeg South Centre, yesterday said "farewell" to the House of Commons. He had previously announced his impending retirement....The Government is going to buy back part of the tungsten-producing Emerald Mine in British Columbia for \$328,000, it informed Percy Wright (CCF--Melfort) in the Commons.... Air Commodore Martin Costello, 47, commander of the R.C.A.F.'s tactical group at Winnipeg for the last four years, has been appointed air member at the Canadian Joint Staff, London, England.



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Vol. 2, No. 77

Friday, April 20, 1951.

Canadian Troops Leave For Korea: Seattle, Wash., April 19 (CP) -- Canada's soldiers were outward bound tonight for Korea and the war against Communism.

The send-off for the first contingent of the 6,000-man United Nations Brigade was quiet--almost like a peacetime cruise.

Only Brig. John Rockingham's 37-word order-of-the-day carried the harsh hint of what was to come. Tersely, the commander's order read:

"To all ranks: We leave to join a great battle, bearing in each of us the honour and dignity of Canada.

"In training you have been tough and resourceful. In war, you must be better. Good luck."

Lt.-Gen. Guy Simonds, Chief of the General Staff, said in a signal from Ottawa: "The thoughts of the people of Canada will be with you throughout your great venture, and on behalf of those who remain behind, I wish you all Godspeed and a safe return."

Except for that and 15 wives who were able to see their men, that was the only touch of home. It was a lonely departure for battle.

Hundreds of men lined both decks of the transport just before the lines were cast off. An American band played "The Maple Leaf Forever."

Vast North Aerial Bombing Range To Cost \$14,000,000: Ottawa, April 19 (CP) -- A vast, new aerial bombing range, to be established across Canada's hinterland, will eventually become a testing ground for guided missile weapons of war.

This was learned today as the Minister of National Defence, Mr. Claxton, announced completion of arrangements with Alberta and Saskatchewan for establishment of the big R.C.A.F. development in their northern areas. It will cover thousands of square miles of territory and cost an estimated \$14,000,000.

The Air Force said the huge area was needed for training with modern jet planes with their long range rocket and cannon armament. It indicated the new range will fit into Canada's scheme of things as the principal "school" for airmen of her North Atlantic Allies.

But a spokesman in close touch with Canada's scientific research said it was probable guided missiles would be tested there within the next few years, "perhaps sooner." He indicated this was in the long range defence plan.

Canada is beginning in experiments in guided missiles, long studied in the United States and by Britain at the big Woomera range in Australia. She recently assembled a scientific guided-missiles staff at Valcartier, and though no details of the work have been made public it is known to be not yet beyond the laboratory stage.

Eventually the Valcartier research, being carried on in co-operation with Britain and the U.S., will produce weapons which will have to be tested. They will be of the shorter range type, rather than long-range rockets said to be the aim of research in Australia.

Thus, the spokesman said, the new northern prairie range with its possibilities of almost indefinite expansion in a northward direction, would be ideal for carrying the Valcartier research into the testing stage.

The new range will be roughly 100 miles northeast of Edmonton and centred on Primrose Lake. It will stretch 115 miles from east to west and 40 miles from north to south.

(over)

The Air Force said that in addition to being used in the training of pilots flying high-speed jet aircraft, the range also will be valuable in testing "various forms of air weapons, including particularly air-to-air rockets"--the firing of rockets by one plane at an airborne target towed by another.

Canadian Imports Highest Ever: Ottawa, April 19 (CP) -- Canada, in the first two months of 1951, went on the biggest foreign spending spree in her history.

Her imports of \$601,400,000 in January and February were \$389,000,000 higher than the \$212,000,000 in the same period last year and the highest ever, the Bureau of Statistics reported today.

Exports, too, were riding high, but shipments valued at \$525,600,000 were running lower than imports, making for a \$75,700,000 trade deficit for the two months.

Trade officials said it was too early to tell whether this deficit is shaping up into a long-term pattern. At the moment, it was not considered serious. Canada probably would regain her traditional surplus of exports over imports as the year progressed.

Total trade for the two months came to \$1,127,000,000, a heavy gain over last year's \$837,400,000.

As usual, Canada did most of her shopping in the United States, running up an import bill of \$432,000,000, again higher than last year's \$297,600,000.

Single Transferable Vote Debated: Ottawa, April 19 (CP) -- Two Opposition members urged today in the Commons that the single transferable vote system be used in federal elections to assure representation of the majority of voters.

J.A. Ross (PC -- Souris) said that 121 of the members in the 262-seat Commons were elected with minority votes. They defeated their closest opponent, but they did not have an over-all majority.

The Government, he said, which won close to 190 seats in the 1949 general election had received less than 50 per cent of the vote.

Robert Fair (SC -- Battle River) also urged adoption of the single transferable vote. The system is used in provincial elections by both Manitoba and Alberta.

International Fisheries Commission: Ottawa, April 19 (CP) -- Canada has been selected as temporary headquarters of the International Commission for the Northeast Atlantic Fisheries and a Canadian has been appointed Acting Executive Secretary, Stewart Bates, Deputy Minister of Fisheries, announced today. He is Dr. W. R. Martin.

Toronto Defeats Canadiens Fourth Straight: Montreal, April 20 (Gazette) -- For the fourth straight time Canadiens and the Toronto Maple Leafs battled into overtime in their best-of-seven Stanley Cup final series at the Forum last night. Then Harry Watson won it for the Leafs with a goal after five minutes and 15 seconds of extra-curricular play and sent the 14,452 fans home in a chastened mood. This fourth consecutive overtime is a new record for playoff hockey, eclipsing the three straight the Toronto Leafs and the Boston Bruins played in 1933. The Leafs have now all but wrapped up the Stanley Cup. They are leading in games, three to one, and the next game will be played on their home ice.

Across Canada: The Minister of Defence Production, Mr. Howe, said yesterday the Government does not intend to control the allocation of newsprint in Canada....Hon. C.E. Ferland, 59-year-old Liberal Senator from Quebec, resigned from the Upper House yesterday and immediately was named a judge of the Quebec Superior Court at Montreal....The Prime Minister, Mr. St. Laurent, promised yesterday to look into a reported statement by John Fisher, CBC commentator, that immigrants from Europe were being treated like cattle.

file

GOVERNMENT

OF CANADA

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Monday, April 23, 1951.

Canada's UN Brigade Sails: Seattle, Washington, April 22 (CP) -- Canada's United Nations' brigade, a force of 6,000 fighting men, tonight was bound for Korea and the battlefields.

Three ships, one a 30,000-ton luxury transport of the U.S. Army Command, carried the men.

They sailed from the Seattle port of embarkation, coming from their training centre at nearby Fort Lewis in a fleet of buses.

Brig. John Rockingham, who chatted with his men as they boarded the transports, will be in Korea to greet them after their long sea voyage. He will fly to Korea early this week. He made a farewell visit to his home in Vancouver during the week-end.

The First Contingent sailed from here a few days ago. Two more followed with the remainder of the force.

All three sailed under military secrecy which prohibited mention of exact time of departure and the vessels' names.

The one big transport, built to carry dependants of American soldiers in the Second World War, was the last word in sea travel style.

There is a post exchange, an elevator in the main rotunda, a big, bright cafeteria for the troops, and promenade and sun decks for all ranks. There are spacious cabins--with real beds--for officers and senior N.C.O.s, and comfortable troop-decks for the men.

Brig. Rockingham was extremely pleased with the accommodation for his brigade.

"After seeing this ship maybe I should go by sea," he told the men after an inspection of the big transport.

A top American officer had high praise for the Canadians. As they marched aboard the transports, in full kit, he remarked:

"They are the best looking troops to go through this port."

Supply Canada-U.S. Arctic Stations: Supply operations into joint Canadian-U.S. weather stations in the far northern Arctic archipelago have been completed, it was simultaneously announced on April 21 in Ottawa and Washington. Four transport aircraft, representing two each from the RCAF and USAF, have carried out the supply flights, and now are returning to their home bases. Similar operations have taken place each spring for the last several years.

These Arctic weather stations are jointly operated by the meteorological services of the Department of Transport and the United States weather bureau. They are manned by equal numbers of personnel from each Government. Personnel are changed approximately once a year, at either the spring or fall airlift. In addition to carrying weather station personnel in and out of these northern outposts, the transport planes carry food, equipment and mail.

The aircraft operated out of Resolute Bay on Cornwallis Island, and flew hundreds of tons of freight from there to the weather stations.

The weather reporting programme from these Arctic stations includes surface observations several times daily as well as upper air conditions to heights of 60,000 or 70,000 feet.

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Fall Session Speculation: Ottawa, April 22 (CP) -- The Government, with the current session of Parliament barely half over, is understood to be considering calling another sitting next fall.

The word in the parliamentary corridors is that the fall session, should the Government decide one is necessary, would deal with legislation which it feels it won't have whipped into shape in time for the present session.))

Some of this likely would be legislation to implement recommendations of the Royal Commission which made a two-year inquiry into the country's transportation system. Its report was tabled a month ago and the Government already has indicated it intends to accept some of the recommendations.

Also among the late-comers may be the constitutional amendments necessary for the launching of a contributory old age pensions scheme.

Hockey Finals: Toronto Maple Leafs are the new Stanley Cup champions. They came from behind in Toronto Saturday night to beat Canadiens, 3-2, after two minutes and 53 seconds of overtime play to wind up the best-of-seven series, four games to one. A goal by Bill Barilko, Toronto defenceman, broke up what was described as a grim struggle....Sydney Millionaires edged Valleyfield Braves 3-2 in Sydney, N.S., Saturday night and left for Montreal with a one-game lead in their best-of-seven semi-final hockey series for the Alexander Cup....Quebec Citadelles Saturday night in Quebec came from behind twice to defeat Barrie Flyers 4-2 and tie their Eastern Canada Memorial Cup final 2-2....Winnipeg Monarchs scored two unanswered goals in the third period at Winnipeg Saturday to defeat Regina Pats 5-2 and take a two-game lead in their Western Canada junior hockey finals.

Across Canada: In an address to the Reform Club of Montreal, the Prime Minister, Mr. St. Laurent, said at the week-end his party looks on national unity as the most important consideration in government. In fact, "infringement of the autonomy of a province constitutes a threat to national unity. . .".... Entertainer Maurice Chevalier likely will be allowed to enter Canada if he meets normal admissibility requirements, it was reported from Ottawa.... Canada's spectacular growth from a colony to a great trading nation will be depicted in four stamps to be issued next September.

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Tuesday, April 24, 1951.

Mr. St. Laurent On National, International Harmony: Montreal, April 24 (Gazette) --

Provincial autonomy within the framework of the constitution is a stepping-stone to harmony in the country and if the qualities of tolerance and understanding exemplified by Canadians were extended to the international level they would be a force for lasting peace in the world, the Prime Minister, Mr. St. Laurent, said here yesterday.

Addressing the Montreal Canadian Club for the first time in four years, the Prime Minister developed the point that if the pattern of compromise exemplified by Canadians was followed by nations in their external affairs there would be much greater hope for peace.

It would be fruitful in the international field as it has been in Canada, he said, "to emphasize common interests rather than differences between racial groups."

"It is my firm conviction that the unity of our nation is also strengthened by the preservation of genuine autonomy in the provinces," he said. "Provincial autonomy within the constitutional limits assigned to the provinces is not an obstacle to national unity but a stepping stone to harmony and thereby to unity amongst all Canadians...."

"I am equally convinced that the practice of the qualities of tolerance and mutual respect without which we cannot have unity and harmony makes ordinary Canadians better people than if we did not have to strive to maintain our national unity. If the nations of the world are ever to live in harmony, if the world is ever to have enduring peace, there must be established among nations the kind of understanding and tolerance we have developed within Canada. The qualities that have made Canada a nation are, in fact, a priceless possession."

\$64,000,000 Annual Freight Increases Sought: Ottawa, April 23 (CP) -- A new departure for Canada in rail freight rates--ceilings to limit increases on basic commodities--was proposed by the railways today in asking a new \$64,000,000-a-year rate increase.

They called on the Board of Transport Commissioners for either a general 14-per-cent increase or one of 15-per-cent with its impact on several primary products held down by ceilings.

The proposed increases -- aimed chiefly at meeting the cost of a 40-hour week starting June 1--would not be applied fully to livestock, lumber, pulpwood, fuelwood, apples, sand, gravel and stone.

Partial exemption of these goods is in line with a recommendation of the Royal Commission on Transportation, whose report was tabled in Parliament last month. It would be the first implementation of any section of the report.

Western and Maritime Governments have been urging for some years that basic commodities should not absorb the full effect of freight-rate increases, and the railways' new plan goes part of the way in meeting their claims.

At a rough calculation, the railways scheme would result in an annual saving to shippers of these products of between \$4,000,000 and \$5,000,000 a year.

T.C.A. Considers Use Of Jets: Ottawa, April 23 (CP) -- Trans-Canada Air Lines hasn't made up its mind about conversion to jet planes, President Gordon McGregor today told the House of Commons Railway Committee.

(over)

Mr. McGregor indicated T.C.A. will be switching to some type of jet eventually, but said not enough information is available yet to enable it to make a decision on when and how to convert.

Under questioning in the committee's annual examination of T.C.A.'s operations, he said the company is anxious to choose "something that is not going to be obsolescent in a few years." It hopes to continue with its existing fleet, plus a few additions, "until we can make an intelligent decision."

Present indications; he said, are that the straight jet may be the plane for long-range, non-stop flights while the turbo-prop engine -- which operates a propeller from the jet blast -- may be best for short-range work.

In any case, he said, by end of this year considerable data should be available on commercial prospects for both types.

W.H.O. Delegation: Dr. E.A. McCusker, M.P. for Regina and Parliamentary Assistant to the Minister of National Health and Welfare, will head the Canadian Delegation to the Fourth Assembly of the World Health Organization, the Minister of National Health and Welfare, Mr. Martin, announced on April 23. The alternate delegates are Dr. Pierre Gauthier, M.P. for Portneuf, and Dr. F.D. Mott, Deputy Minister of Public Health for Saskatchewan.

Advisors will be Dr. J.B. Bundock, a member of the Department of National Health and Welfare's medical staff at The Hague, and a representative of the Department of External Affairs.

The meetings of the Assembly, governing body of the W.H.O., will be held in Geneva, Switzerland, beginning May 7.

Department Of Defence Production: Ottawa, April 23 (CP) -- Nearly a score of executives have been recruited from Canadian industry to fill top positions in the Government's new Department of Defence Production, but only two are getting paid by the Government.

A Parliamentary return showed today that C.R. Snell of the Canadian National Railways, Winnipeg, who has become Deputy Co-ordinator of the General Purchasing branch of the new Department, is getting \$12,000. F.V.C. Hewett, Toronto Consulting Mining Engineer, gets a \$6,000 retaining fee.

All the others are \$1-a-year-men.

Those recruited from the civil service are paid at Civil Service salary rates.

First Alberta Crude Oil To East: Edmonton, April 23 (CP) -- Interprovincial Pipe Line Company today reported that the first five oil tankers bearing Alberta crude oil to Eastern Canada left Superior, Wis., at the week-end.

The tankers, loaded Saturday and Sunday, left for refineries at Sarnia, Ontario, with 209,048 barrels of oil. A 1,150-mile pipe line carried the oil from Edmonton to Superior.

The ships were the Makaweli, first ship loaded, Cornwall, Sarnia, Windsor and the new giant Imperial Leduc, which alone took on a cargo of 97,356 barrels.

Across Canada: Surveys have been completed for the site of a proposed new airport in the Halifax area, President Gordon McGregor of Trans-Canada Air Lines told the Commons Railway Committee yesterday....Number of persons seeking jobs in Canada dropped 10,300 during two weeks as the seasonal increase in employment continued, the Labour Department reported yesterday....The Canadian Government's 1951-52 Budget was described yesterday as "tough but realistic." James Sinclair, Parliamentary Assistant to the Minister of Finance, Mr. Abbott, told the House of Commons that the Budget had spread the taxation burden fairly among all sections of the community.



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Vol. 2, No. 80

Wednesday, April 25, 1951.

Report Plans For Third Brigade: Ottawa, April 24 (CP) -- The Government, apparently accepting the fact the Army's Special Force is going to be tied up in Korea, is believed about ready to announce that a new army brigade will be established to carry Canada's colours to Europe as quickly as possible. It would be the Army's third brigade and thus give Canada the equivalent of a division plus reinforcements.

The Korean War itself, now locked in one of its most violent phases, has virtually eliminated Ottawa's long-standing hopes that the 10,000-man Special Force would be available to go to Europe fairly soon. The force's core, the 25th Brigade, now is en route to Korea.

For some weeks Cabinet has been studying Army manpower in the light of the Korean situation, and of Canada's commitment to contribute a brigade to Gen. Eisenhower's Atlantic Pact Army in Western Europe.

The upshot is expected to be an announcement by the Minister of National Defence, Mr. Claxton, that it has been decided to proceed with the creation of a new formation earmarked for service in Europe. The statement is likely to come during the debate in the House of Commons on Defence Department estimates.

It would mean that the long-range plans for Army formations would be put well ahead of schedule by the force of circumstances. There have been plans for a third brigade, but it wasn't supposed to be formed for another year or two.

Dollar Crisis Eased, Reports Mr. Towers: Ottawa, April 24 (CP) -- Graham E. Towers, Chairman of the Foreign Exchange Control Board, said today that while it appears the world shortage of dollars has been "greatly alleviated" it would be "rash" to conclude that the dollar problem has been solved.

In his 1950 report to the Minister of Finance, Mr. Abbott, on the Board's operations, Mr. Towers said the improvement in the situation was partly due to increased imports by Canada and United States from non-dollar countries.

He said that in 1947--two years after the end of the Second World War--the non-dollar countries had a deficit of \$11,600,000,000 in trade and financial relations with United States and Canada. By the second half of 1950 the deficit had virtually disappeared.

Mr. Towers said:

"Throughout 1950 the Government of the United States continued to provide grants and loans to non-dollar countries and there were abnormally large outflows of funds of a capital nature from the United States subsequent to the currency devaluations of September, 1949.

"As a result, the gold and United States dollar holdings of all countries other than the United States and Canada rose by about \$4,000,000,000 in the 15 months to the end of 1950. The sterling area alone added \$1,900,000,000 to its central gold and dollar reserve in this period.

"It would be rash to conclude from these figures that the dollar problem has been solved."

International Balance Of Payments Deficit: Ottawa, April 24 (CP) -- A deficit of \$316,000,000 -- first since the early 1930s -- showed up in Canada's international balance of payments for 1950, the Bureau of Statistics reported today.

High spending for foreign goods and services, lower sales to the sterling area and cut-backs in tourist income were among the factors which caused this sudden deterioration in balances, the Bureau said.

Broader than the merchandise balance of trade, it includes a comparison between the value of the goods she sells to other countries and the value of the goods she buys, the amount of tourist dollars left behind by foreign visitors with those spent by Canadians in other countries. It also includes a comparison of the dividends Canadians earn from investments abroad, with those which flow out of Canada each year.

The deficit, totalling eight per cent of her unprecedented gross international trade valued at \$8,800,000,000, compares with a surplus of \$187,000,000 in 1949 and \$452,000,000 in 1948.

Canada Passport Given "James Hay": Ottawa, April 24 (CP) -- A former top United States Communist received a passport from Canada in 1927 under a fictitious name, the Department of External Affairs said today.

It was commenting on statements made yesterday in Washington by Benjamin Gitlow, top U.S. Communist leader from 1919 to 1929.

He told the U.S. Subversive Activities Control Board he obtained a passport through a Montreal export-import house and used it to visit Moscow several times. He said it had been granted to him under the name of "James Hay".

Today, after an all-day search, the Department dug up documents which showed that a passport had been granted to one "James Hay of Montreal" in 1927 and it was good for visiting Britain, France and Germany.

But the application for the passport had long been destroyed, the Department said. It could not establish the conditions under which the document was granted, nor the background of the applicant.

Gitlow used the passport as an illustration in his book "I Confess" published in New York 11 years ago.

Commenting on Gitlow's statement, the Prime Minister, Mr. St. Laurent, said in the House of Commons that Canada has tightened up passport regulations in the last four or five years and he now hopes that all loopholes have been closed.

Canada, U.S. To Be Invited: Paris, April 24 (N.Y.T.) -- The United States Congress and the Canadian Parliament would be invited to send representatives to the second part of the Council of Europe's sessions in Strasbourg according to a resolution adopted today by the Consultative Assembly's general committee there.

The aim of having U.S. and Canadian representatives at the sessions would be to establish liaison with the North American allies and obtain their views upon the problems brought before the Council.

Canada To Participate In U.S. Control Plan: Ottawa, April 24 (CP) -- The Defence Production Department today announced that Canada will participate in the controlled materials plan to be launched in the United States next July 1.

This will mean Canada will be able to have her own defence needs considered in the over-all priority system to be clamped on essential goods in the U.S.

Across Canada: The first shipment of crude oil from Alberta to Ontario flowed into storage tanks in Sarnia, Ontario yesterday, breaking the distance barrier which has kept Alberta oil within the Prairies because of transportation costs. Premier Frost participated in a dockside ceremony....Canada ties up proportionately less of her military manpower in non-combat jobs than either the United States or United Kingdom, a Commons committee was told yesterday....The Board of Transport Commissioners yesterday set June 11 for the opening of hearings on the railways' latest application for a freight rate increase.



DAILY AIRMAIL BULLETIN

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OTTAWA - CANADA

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Vol. 2, No. 81

Thursday, April 26, 1951.

(In connection with the following it is important to note that the writer, Bill Boss, C.P. correspondent, may not at the moment mention particular troops.)

Outflanked, Encircled, U.N. Troops Hold In Centre: West Central Sector, Korea, April 25 (CP) -- United Nations mountain warriors won their spurs today, holding their front and refusing to budge even though outflanked and encircled.

It was a knock-down, drag-out battle with wave upon wave upon wave of Chinese Communists who did everything but drive them from their positions.

These United Nations troops are on the West Central sector northeast of Seoul. Look at any up-to-date battle map and the thick burr of resistance to the Communist onslaught is in the centre.

Cut off, encircled, these United Nations troops fought on and by late morning today had cleared the enemy from their rear, had beaten him off their flanks and held him on their front.

The Chinese employed all their familiar battle procedures in the attack--whistles, bugles, a banzai chorus, concerted action on the word of command and massed assaults following one another in swift succession.

This was familiar only by description for these United Nations troops who, until now, had fought mainly an advancing war against token resistance. Now it was grim reality.

But they held. While others on the flanks were overwhelmed by sheer weight of numbers, they stayed steady as rocks.

In massed hundreds, the enemy assaulted their hill frontally, then from the rear. But the troops held.

Throughout the remainder of the day they exchanged fire with the enemy whenever the Chinese showed themselves in front of the thick curtain of smoke they maintained to screen their reorganization from United Nations observation. Undoubtedly, the enemy was building up for another attack.

The United Nations troops were holding hills between 2,500 and 3,000 feet in height. The attack materialized in force at 10 p.m. Tuesday.

U.S. Patton Tanks For Canadians: Ottawa, April 25 (CP) -- American built Patton tanks manned by Canadian crews are expected to be an armored shield for Canada's 25th Brigade when it goes into action in Korea, it was learned today.

An Armored Corps squadron is en route to Korea by sea as part of the brigade and is expected to train with the Pattons--45-ton medium tanks--in Korea before taking them into action. Commander is Maj. J.W. Quinn of Saskatoon and Rosetown, Sask.

The squadron trained for months on so-called M 10 tank destroyers or self-propelled anti-tank guns at Fort Lewis, Wash. These are much like tanks--they are guns mounted on tank chassis--and the changeover is not expected to raise much of a problem, particularly since many of the men are Permanent Force soldiers who have long worked with Sherman tanks in Canada.

The Patton tanks will be provided by the Americans and will be the first of that type to be used by Canadians in action. In the last war the American Sherman became Canada's basic tank.

Sulphur Controlled: Ottawa, April 25 (CP) -- The Government, which already has opened the way for control of newsprint, today was empowered to control sulphur, chemical needed in newsprint production and in scarce supply.

(over)

Sulphur was in a long list of chemicals declared "essential materials" by the Defence Production Department. It was the Government's first step to regulate the chemical industry for defence purposes.

Though the world's greatest newsprint producer, Canada produces no sulphur. Imports, about 400,000,000 pounds a year, come from the United States, which finds herself with a world demand far outstretching supplies.)

Mr. Acheson's Comment: Washington, April 25 (N.Y.T.) -- Secretary of State Acheson expressed surprise today that the foreign policy of Canada had been described as "the echo of someone else's voice."

Asked at his news conference about a recent remark by the Secretary of State for External Affairs, Mr. Pearson, to the effect that Canada was not content to be such an "echo", presumably of the United States, Mr. Acheson said he had never regarded it as such.

He told his questioner he had always thought that Canada had a very clear idea of its own foreign policy. That policy, he went on, has been carried out most forcibly and ably by Mr. Pearson, for whom Mr. Acheson said he had the greatest respect.

Mr. Conant On Waterway Project: London, Ontario, April 25 (CP) -- A former Ontario Premier today urged a showdown with the United States on the long-hamstrung St. Lawrence waterway project -- and he suggested it be on an "or else" basis.

Gordon D. Conant, stressing U.S. dependence on Canadian newsprint, iron, ore, nickel and defence co-operation, told the Canadian Club:

"I think we have got to do some horse-trading with Uncle Sam."

The time for "gentle, persuasive and diplomatic language," is past, he said.

More Newsprint For U.S.: New York, April 25 (CP) -- R.M. Fowler, President of Newsprint Association of Canada, today told U.S. publishers they probably will receive 6,000,000 tons of newsprint this year from all sources.

Addressing American Newspaper Publishers' Association, he said:

"That will be 85,000 tons more than you received in 1950, and about 65,000 tons more than you consumed in 1950. In the last war year, 1945, when rationing was still in force, you consumed 3,480,000 tons, so you will be over 2,500,000 tons better off in 1951 than you were during the last full year of Government restrictions. That is a 72 per cent increase in your supply in six years."

Across Canada: The Minister of National Health and Welfare, Mr. Martin, will lead a Canadian Delegation to Washington this weekend to discuss civil defence matters. He is expected to discuss measures to get the recently signed Canadian-American civil defence agreement going....The Government does not intend to reverse the ruling that members of Canada's Special Force in Korea must pay income tax, a Government spokesman said last night....Considerable service interest has been aroused by the growing probability that the RCAF will equip its new maritime squadrons with twin-engined Lockheed P2V-5 Neptune patrol bombers. Procurement officers from Canada, Britain, Australia, New Zealand, South Africa and The Netherlands have been studying the aircraft since it first went into service with the U.S. Navy in 1945, the Toronto Globe and Mail reports.



File

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Vol. 2, No. 82

Friday, April 27, 1951.

Mr. Pearson On Manchurian Air Bases: Ottawa, April 26 (CP) -- United Nations aircraft might have to strike at Manchurian air bases before there has been consultation among the U.N. powers with forces in Korea, the Secretary of State for External Affairs, Mr. Pearson, said today.

He foresaw that possibility in telling the House of Commons that Canada wants to be consulted before U.N. attacks on Manchurian air bases but that the Government recognizes there might be exceptional circumstances where the need for swift action rules out consultation.

Mr. Pearson said Canada has not yet been asked to concur "in any proposal to authorize U.N. retaliation on enemy bases outside Korea, possibly for the very good reason that there has been no massive enemy air bombing from Manchuria."

He was replying to M.J. Coldwell, C.C.F. Leader, who asked about a news story that the United States has told U.N. Korean Allies she proposes to attack Manchurian air bases if they are used to launch large-scale assaults on the U.N. forces and bases in Korea.

The Minister later told Gordon Graydon (PC, Peel) that representatives of the U.N. countries are in almost daily consultation in Washington and that they are "on a level high enough to make it possible to get a decision almost immediately in respect of these matters."

Mr. Pearson said: "Some five months ago the Government informed the United States Government, in response to an inquiry from that Government -- they brought the matter up -- that, though a strong case could be made under international law that the U.N. commander-in-chief had the right to retaliate against any air attacks launched from Manchuria, we considered it important, as did other governments, that no military operations take place outside Korean borders without specific authority from the U.N."

"Since that time various aspects of the Korean operations have been the subject of discussions in Washington between representatives of the countries having forces in Korea.

"So far, however, the Canadian Government has received no request for concurrence in any proposal to authorize U.N. retaliation upon enemy air bases outside Korea, possibly for the very good reason that there has been no massive enemy air bombing from Manchuria.

"If there is such air intervention, for the consequences of which the Chinese Communists would have to bear full responsibility, it is our view that those countries with forces in Korea, and participating in military operations there, should be consulted in regard to any retaliatory action which may be required to meet it.

"However, it is of course possible to visualize a situation where immediate retaliatory action, without consultation, might be unavoidable in pursuing enemy bombers back to the Manchurian air base from which they came. The decision on the spot to take such immediate retaliatory action would, presumably, be based on overriding considerations of military security.

"In any discussions regarding more general retaliatory action against Manchurian air bases, the decision to authorize such action would, as we see it, have to balance very carefully local military considerations against the risk of precipitating a further extension of the war and the effect of such an extension on the security of the United Nations forces in Korea, and the accomplishment of United Nations aims there."

(over)

Budget Discussions: Ottawa, April 26 (CP) -- The C.C.F. Party made an unsuccessful attempt today to have a proposed increase in the federal general sales tax replaced by an additional tax on liquor.

The Commons voted 75 to 37 against the suggestion, made by Stanley Knowles (C.C.F.--Winnipeg North Centre) as members knuckled down to detailed study of the tax changes proposed in the 1951-52 budget.

The C.C.F. move, supported by the Progressive Conservative, and Social Credit parties and by John Sinnott (L--Springfield), was part of an opposition drive to get the Government to withdraw an increase in the general sales tax. The budget boosted the tax to 10 per cent from eight per cent.

At the night sitting, James Sinclair, Parliamentary Assistant to the Minister of Finance, Mr. Abbott, said the liquor tax would have to be increased by 300 per cent to make up for the loss of revenue from the general sales tax. The liquor tax now amounted to \$12 a gallon. It would have to be increased to \$36 a gallon.

Defence Spending Studied In Committee: Ottawa, April 26 (CP) -- Opposition members pressed today for facts and figures about Canada's military strength at the time the Korean war started.

They did so after C.M. Drury, Deputy Defence Minister, said Canada had units of all three forces capable of fighting then, but he couldn't give details offhand.

Mr. Drury made the statement to the House of Commons Public Accounts Committee in its study of defence spending in the fiscal year ended March 31, 1950.

Liberals Win In P.E.I. Election: Charlottetown, April 27 (CP) -- Premier J. Walter Jones and his Liberal Government returned to power in Prince Edward Island for the fifth consecutive time yesterday, gaining one seat from the Progressive Conservative Opposition.

With all ridings heard from, Liberals had 25 seats against five for the Conservatives. All five CCF candidates lost their \$200 deposits.

Newsprint: Ottawa, April 26 (CP) -- The Minister of Defence Production, Mr. Howe, said today Canada's newsprint controller was not talking Government policy when he said any United States price ceiling on Canadian newsprint would result in some loss in American supplies from this country.

Across Canada: The University of Toronto will increase student fees 20 per cent in the coming fall term it was reported yesterday. Increased costs, particularly salary increases to professors, was given as the reason for the boost....The Air Force is planning erection of a \$7,000,000 central supply depot at Downsview, just north of Toronto. It will be the biggest of its kind in Canada, and likely will be completed in a year....Wing Cmdr. J.K.F. MacDonald, 34, of Antigonish, N.S., will take over command of Canada's trans-Pacific airlift squadron in June, it was learned yesterday....The British Commonwealth may prove to be the salvation of the world, Sir Benegal Rau, permanent Indian representative to the United Nations, told the Empire Club of Canada in Toronto yesterday....About 1,000 new Dutch emigrants left yesterday for Canada on the Italian steamship Castelbianco, chartered for the trip by The Netherlands Government, it was reported from Rotterdam.



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Vol. 2, No. 83

Monday, April 30, 1951.

Canadians In Korea: On the Korean Front, April 30 (Reuters) -- The 27th Commonwealth Brigade's action last week in plugging a 10-mile-wide gap in United Nations lines north of Kapyong was described today by U.S. Maj.-Gen. William Hoge as "superb."

Hoge, commander of the U.S. 9th Corps, recounted during a flying visit to the front the heroic story of the brigade--composed chiefly of Canadian, Australian and British troops.

He said the brigade fought against "tremendous odds and did not budge an inch."

It was rushed into the line to fill a gap left in the path of the advancing Chinese by the collapse of an entire South Korean division. It held its ground against high casualties, inflicting tremendous losses on the Chinese, and slowing their advance timetable by an estimated 48 hours.

Not until orders arrived from command did the Commonwealth men pull out.

Australians and Canadians who bore the brunt of the onslaught had, in Hoge's opinion, killed as many Chinese "as the combined strength of two Commonwealth battalions."

Mr. Pearson On Canada-U.S. Friendship: Ottawa, April 27 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said today that there will be disagreements between the U.S. and Canada, but he is convinced the friendship between the two countries will "stand the challenge of the trials and turmoil of our time."

But he warned that "firm and sure though this friendship between our two countries is, it should not, however, be taken for granted.

"Friendships between countries, like friendships between individuals, must be kept in repair."

The Minister, in an address to a luncheon meeting of the Ottawa Kiwanis Club, also issued a new call for U.S. action on the St. Lawrence seaway project.

Canada-U.S. Map Defence Plans: Washington, April 30 (AP) -- Canada and the United States Saturday began mapping detailed civil defence plans to help each other "as if there were no border at all" in case border cities or towns are attacked.

A joint United States-Canadian Civil Defence Committee met here in its first formal session.

The idea is to pool resources so that if any enemy attacks border points, each country can help the other without being hampered by red tape.

Millard F. Caldwell, federal civil defence administrator and head of the U.S. section, told a reporter after Saturday's meeting: "We are seeking an easy interchange of people and equipment so there will be no obstacles in the way of mutual assistance."

He added there is complete agreement between the two countries.

Canada's Health and Welfare Minister, Paul Martin, and chief of the Canadian section, said that the "spirit of our discussions is that there be no border at all for civil defence purposes.

Mr. Saunders On St. Lawrence Development: Toronto, April 27 (CP) -- The federal Government has been asked to advise the United States that Canada is ready to go ahead alone, if necessary, with the St. Lawrence River power development.

Robert H. Saunders, Ontario Hydro Chairman, said today he has made the request in a telephone conversation with the Minister of Transport, Mr. Chevrier.

(over)

The Hydro Chairman, back from a trip to the U.S. and Canadian capitals, said he had been met in Washington with the charge that Canada was bluffing when Government spokesman talked of this country undertaking the seaway and power project alone.

His answer to this, he said, was "I have never known the Canadian Government to bluff, and it is not bluffing on this."

700 Miles In One Hour, Five Minutes: Toronto, April 27 (CP) -- A Canadian-built jet-propelled fighter arrived at Malton Airport today, one hour and five minutes after taking off from Minneapolis, 700 miles west of here.

The fighter, an Orenda-powered Sabre, was piloted by Lieut. James Nash of Sioux City, Iowa, a member of the United States Army Air Force.

Aluminum Agreement: Montreal, April 30 (Gazette) -- Officials of the Aluminum Company of Canada during the week-end announced terms of an agreement with the British Government to increase shipments of Canadian aluminum to Britain between 1952 and 1955.

Under the new arrangements, the British Ministry of Supply will advance to the company \$40,000,000 against unsecured interest-bearing notes maturing 20 years from January 1, 1954.

In return the Ministry will have first call on an additional 50,000 metric tons of annual production.

Seek U.S. Defence Orders, Report: Ottawa, April 27 (CP) -- Canada will launch a drive to get more United States defence orders as a means of overcoming a worrisome trade deficit, trade officials said today.

The deficit, balance of imports over exports, has climbed to almost \$125,000,000 for the first three months of 1951, the highest in history.

Experts, deeply concerned over this trade pattern, said one reason for it is that Canada is not getting as much defence business from the U.S. as had been expected.

Week-end Hockey Playoffs: Valleyfield Braves trounced Sydney Millionaires 7-1, at Montreal to move into the Alexander Cup final against Toronto St. Michaels....Winnipeg Monarchs coasted to an 8-4 win over Regina Pats Saturday night at Winnipeg to win the Western Canada junior hockey title....Barrie Flyers defeated Quebec's favoured Citadels, 8-3, Saturday night in Toronto to take the Eastern Canadian Junior hockey title....Fort Frances Canadians defeated Owen Sound Mercurys, 6-4 in Owen Sound to square their best-of-seven Allan Cup finals at one game apiece.

Across Canada: The Government, on April 27, moved to stabilize butter prices for the next two years by fixing a floor or buying price of 58 cents a pound, an increase of five cents over the 52-cent price in 1950....The British Government is going to buy about 40,000,000 pounds of Canadian cheese direct from the Canadian producers, the Globe and Mail reported from Ottawa.



Free

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Vol. 2, No. 84

Tuesday, May 1, 1951.

Mr. Abbott On Inflation: Ottawa, April 30 (CP) -- The Minister of Finance, Mr. Abbott, said tonight one of the greatest reasons for inflation is that "every highly-organized pressure group" in the country is trying to make sure it will not be affected by high prices.

"If every time prices go up, highly-organized groups seek higher wages or higher prices they are simply adding fuel to the flames," said Mr. Abbott in the House of Commons.

Possibly some of the highly-organized groups would be able to maintain their positions despite rising prices but they would do so at the expense of pensioners and other unorganized groups.

He stepped briefly into a cost-of-living debate after Rev. E.G. Hansell (SC, MacLeod) asked what cure the Government had for inflation.

"The fundamental cure is for everyone to work harder and longer if we are to maintain our standard of living," said Mr. Abbott.

When a large defence programme was super-imposed on a civilian programme, then either defence or civilian needs would suffer unless there was increased production.

Mr. Abbott said that in his Budget Speech and on other occasions he had outlined the reasons for inflation and the steps taken by the Government to combat it. He was not going to repeat those statements.

It was a mistake to think he or any Government alone could defeat world-wide inflation.

Newsprint Probe If Warranted: Ottawa, April 30 (CP) -- The Canadian Government's action in declaring newsprint an essential material will not prevent a combines investigation into the industry if such an inquiry is warranted.

That was the answer given in the Commons today by the Minister of Justice, Mr. Garson to Stanley Knowles (CCF-Winnipeg North Centre).

Mr. Garson said if there was reason for an inquiry into the newsprint industry it could be undertaken by the Commissioner of Combines Investigation.

Percy Wright (CCF-Melfort) said that as long as the present Government is in power there never will be an investigation of a major industry in the country. The investigations would be limited to small companies whose prices affected only a few people.

The oil and gas industry had never been investigated. But when the price of products increased there was a uniform increase right across the country by all companies. The tobacco industry never was investigated.

"There never will be a major industry investigated as long as this Government is in power," said Mr. Wright.

Britain To Buy Canadian Cheese: Ottawa, April 30 (CP) -- Britain has decided to buy up all of Canada's surplus cheddar cheese this year at a price of approximately 30 cents a pound, informed quarters disclosed today.

This is an increase of five cents a pound over last year's 25. However, in 1950 the federal Government granted a three-cent-a-pound subsidy to producers shipping to Britain. This and all other food subsidies on food to Britain have been brought to a halt.

A contract with Ontario producers on price and quantities already has been drawn up. Negotiations with Quebec producers likely will start within the next few weeks. The two Provinces represent the main cheese-producing areas in Canada.

(over)

Informants estimated that Canada likely will supply Britain with between 20,000,000 and 40,000,000 pounds of cheddar this year.

Mr. St. Laurent On Old Age Pensions: Ottawa, April 30 (CP) -- The federal Government is not going to wait for the Provinces to agree on a provincial indirect sales tax before going ahead with plans for a contributory old-age pension programme.

The Government's intentions were disclosed today in the Commons by the Prime Minister, Mr. St. Laurent.

He said it is intended to introduce separately a constitutional amendment authorizing the federal Government to inaugurate the contributory pension - programme which will provide pensions of \$40 a month to all 70 and over regardless of means.

Naval Training Programme: Ottawa, April 30 (CP) -- The possibility of a Canadian naval training programme similar to the Commonwealth air training plan of the Second World War was foreseen today by Britain's Third Sea Lord, Vice-Admiral Sir Michael M. Denny.

Vice-Admiral Denny, in charge of construction, equipment and repair and armament of Royal Navy ships, said Britain now is training Canadian naval aviation observers. But rather than an increase in this sphere, he believed Britain would rather see more Royal Navy trainees -- particularly officers -- schooled in Canadian establishments.

He mentioned Canada's big part in the Commonwealth air training plan to illustrate what could be done.

Unions Blame Russian Dictators: Ottawa, April 30 (CP) -- Russian dictators were blamed for lowering living standards of other countries in a May Day statement issued tonight by the International Confederation of Free Trade Unions.

The statement, marking the traditional May Day 1 labour holiday of many countries, was made public here by the Canadian Congress of Labour.

The I.C.F.T.U., which has 53,000,000 members in 60 countries, said the hopes and achievements of labour are "imperilled by the ever-present danger of war."

Commissioner Wood Retiring: Ottawa, April 30 (CP) -- Canada's federal police force is getting a new chief.

Commissioner S.T. Wood, 61, head of the R.C.M.P. since 1938, will be succeeded tomorrow by Assistant Commissioner L.H. Nicholson, 46, native of New Brunswick.

The Minister of Justice, Mr. Garson, announced the shift of command to the Commons today, with other changes.

Hockey Playoffs: Owen Sound Mercurys moved into a 2-1 lead in Allan Cup playoff finals, when they downed Fort Frances Canadians 4-2 last night at Owen Sound.

Across Canada: The last Canadians will move out of Fort Lewis, Washington, within the next two weeks and head for Wainwright, Alta., the Army said today. They will train as replacements for Korea....The Prime Minister and Mrs. St. Laurent will formally take up residence today at the official home for Prime Ministers, 24 Sussex Street....Premier Frost of Ontario said yesterday that he will call a special session of the Ontario Legislature to implement federal legislation which he is confident will be enacted granting universal old-age pensions at 70 and at 65 with a means test....Funeral services were held yesterday at St. Paul's Anglican Church, Toronto, for Canon H.J. Cody who died Friday.

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Free

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Vol. 2, No. 85

Wednesday, May 2, 1951.

Canadians To Join Commonwealth Division: Ottawa, May 1 (CP) -- Canada's 25th Brigade is going into action in Korea as part of the first Commonwealth division in history. The new formation will be called the 1st (Commonwealth) Division, United Nations Forces.

The announcement was made in Commonwealth capitals today, bringing to a climax a development that has been the subject of official negotiation and unofficial conjecture for months.

Canada's Brigade, with between 6,000 and 7,000 troops under its command, will contribute about one-third of the Division's manpower. Canadian officers and other ranks, including at least one lieutenant-colonel, will be posted to divisional headquarters.

A Briton, Maj.-Gen. A.J.H. Cassels, formerly with Scotland's Seaforth Highlanders, will command the formation. Under him will be Britons, Canadians, Australians, New Zealanders and Indians.

In addition to the Canadian brigade, the Division will include: the United Kingdom's 28th and 29th Brigades; the 3rd Battalion of the Royal Australian Regiment; the 16th New Zealand Field (Artillery) Regiment; the 60th Indian Field Ambulance Unit.

Bulk of the Canadian Brigade is crossing the Pacific by ship and should be ready for action about a month from now. An all-arms formation, it includes tanks, artillery, engineers, signals, medical and other units to support the three infantry battalions--the 2nd battalions of the Royal 22nd and Royal Canadian Regiments and of the Princess Patricia's Canadian Light Infantry. The Patricias have been in Korea for months.

Canada-U.S. Reach Agreement On Bases: Ottawa, May 1 (CP) -- The federal Government intends to place before Parliament legislative measures to help Canada discharge obligations under the Atlantic Pact, including bills to extend anti-espionage and anti-sabotage laws to protect Allied forces serving here.

The Prime Minister, Mr. St. Laurent, made this disclosure in announcing that Canada and the United States have reached "a reasonable compromise in an admittedly unprecedented situation" -- the modifying of a 99-year lease held by the U.S. on four military bases in Newfoundland since 1941 when the island was a colony. Full military control remains with the U.S. but certain civilian privileges are to be altered.

Mr. St. Laurent told the Commons the new agreement -- under discussion for about two years and soon to be consummated by an exchange of notes -- "meets most of the specific requests the Canadian Government originally put forward."

His praise for the co-operation shown by U.S. authorities when, legally, they didn't have to modify the lease in any way, brought from George Drew, Progressive Conservative Leader, the observation that this would reassure those Canadians who were beginning to feel the two countries no longer could co-operate in the old friendly way.

Arms Standardization: Ottawa, May 1 (CP) -- A House of Commons defence-spending inquiry was told today the Anglo-Canadian-American drive for arms standardization has reached agreement on a single weapon--a three-inch U.S. naval anti-aircraft gun.

But C.M. Drury, Deputy Defence Minister, said the real stress in standardization -- now broadened into an Atlantic Pact drive -- is on weapons under development rather than those in use. And, he said, security provisions prevented him from saying what is going on.

(over)

His statements came after Opposition members in the Public Accounts Committee charged that Canada's decision to accept U.S. weapons for the Army means that this country will be adopting at least one and possibly more U.S. weapons which cost a lot more than comparative British weapons.

The meeting also heard Mr. Drury say that acceptance of U.S. arms means it would be "very difficult" to integrate Canadian Army formations with British formations in a new war as was done in two world wars. He was cut off before he could answer a suggestion that he was assuming the Canadians will fight under U.S. command in a new war....

Seaway Discussions: Ottawa, May 1 (Globe) -- Visit of Premier Leslie Frost to Ottawa today, accompanied by Hydro Chairman Robert Saunders, may herald announcement of an early move by Canada for a start on the St. Lawrence seaway, with or without American participation.

Premier Frost and Mr. Saunders were in conference with the Prime Minister, Mr. St. Laurent, for a short time this afternoon, obviously not long enough for any detailed negotiation, but quite long enough for an exchange of views. No comments were available from either side after the talk, but it seemed obvious that there was complete agreement on the federal and provincial approach to the seaway problem.

\$500,000 For UN Children's Fund: (Press Release No. 20, May 1) -- The Department of External Affairs announced on May 1 that the Government would shortly seek the approval of Parliament for a Canadian contribution to the work of the United Nations International Children's Emergency Fund. The proposed contribution would be in the amount of \$500,000 of which a maximum of \$210,000 is to be set aside for the purchase of Labrador salted cod-fish which is under Government price guarantee.

Hockey Finals: Valleyfield Braves advanced one step further in their Alexander Cup hunt last night by trouncing Toronto St. Michael's 4-1 in the opening game of the best-of-seven Canadian Senior hockey championship series at Montreal.

Across Canada: Burrard Dry Dock Co. Ltd., of Vancouver yesterday bought plant and facilities of Pacific Drydock of North Vancouver, to become largest steel shipyard in Canada....Federal loans amounting to \$7,975,000 for improving the efficiency of Maritime coal mines were granted by the Government in the year ended March 31, it was reported to the House of Commons yesterday....Canada's 25th Infantry Brigade Replacement Group--1,000 strong--will arrive at Wainwright Military Camp 135 miles east of Edmonton, Alberta, May 8 from Fort Lewis, Washington.



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file

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Vol. 2, No. 86

Thursday, May 3, 1951.

Mr. Pearson On World Crisis: Renfrew, May 3 (Citizen) -- The Secretary of State for External Affairs, Mr. Pearson, charged last night that the Communists had become ardent champions of open diplomacy at Lake Success believing that by injecting issues into the free discussion they would confuse and divide the free world.

"They have, unfortunately, some reason to be happy over the results already achieved by these tactics," he admitted.

Addressing a Rotary gathering of 300 Ottawa Valley residents in the Renfrew Recreation Centre, Mr. Pearson called for continued support of the United Nations, despite its imperfections.

"It is the one instrument we have available with which to work towards a world order based on justice and human brotherhood," he contended.

Mr. Pearson gave stern warning, however, of the danger in the international field that "is nothing less than World War Three with consequences which will affect not so much our survival as individuals but the survival of our society and our civilization."

Rail Strike Issue In Commons: Ottawa, May 3 (CP) -- The CCF party tried unsuccessfully to force the Government to reconsider the controversial railway strike settlement of last September.

Though supported by other opposition groups, it saw the House of Commons vote 134 to 59 against a CCF-sponsored motion which would have required the Government to consider the advisability of taking such a step.

Specifically, the motion sought to revise the railway strike award to grant to approximately 9,000 hotel and water transport workers the same settlement terms given 125,000 railway workers generally by Mr. Justice R.L. Kellock, the government-appointed arbitrator.

25th Brigade Group: Ottawa, May 3 (CP) -- Canada's 25th brigade group will transfer some units to the direct command of the Briton who will lead the new Commonwealth division in Korea.

This was reported yesterday in the wake of announcement that a Canadian--Lt.-Col. Ernest D. (Dick) Danby, 35, DSO, a native of New Westminster, B.C.--will receive the top staff job at divisional headquarters.

As General Staff Officer, grade one--the so-called G1--Colonel Danby will be the main battle adviser to Maj.-Gen. A.J.H. Cassels, CB, CBE, DSO, named to command the first Commonwealth Division in history.

It is expected, too, that the "group" part of the 25th brigade will vanish and reappear as units under the direct command of General Cassels....

Federal Aid For Reforestation: Ottawa, May 3 (CP) -- Long-term federal aid for building Canada's forest resources was announced yesterday in the House of Commons.

The Minister of Resources and Development, Mr. Winters, made public a programme of treasury contributions towards the cost of provincial Government forest inventories and reforestation of crown lands. The expected federal cost is around \$1,000,000 a year.

The Government will share on a 50-50 basis the cost of the inventories, expected to take about five years, and will pay 25 per cent of the cost of "reasonable" programmes of reforesting crown lands provided the provincial expenditure each year is not less than the average spending of the last three years.

(over)

Plan More Information On Stocks: Ottawa, May 3 (Citizen) -- More exchange of information about shady stock promotions is expected between Canadian and U.S. securities commissions as a means of checking up on backers.

This is expected to be the chief outcome of meetings the past two days between Canadian Government officials and officials of the United States Securities Exchange Commission here.

Immigrants For Canada: Halifax, May 3 (CP) -- Maintaining the steady influx of immigrants to Canada through this port, 20 liners will arrive here before the end of the month. In March, 18 ships brought some 10,000 persons and in April 17 liners brought nearly 8,000. Number of passengers expected to arrive here in May exceeds 10,000.

N.F.B.'s "Family Circles" Chosen: New York, May 3 (CP) -- The National Film Board's "Family Circles" has been chosen among the 10 outstanding films of 1950 by audio-visual education leaders, Scholastic Teacher announced yesterday.

The 16-millimeter film was shown at the Educational Film Festival at Columbia University yesterday.

Hockey Playoffs: Toronto St. Michael's downed Valleyfield Braves 4-1 in Toronto to deadlock their Alexander Cup hockey finals at one victory apiece....The Fort Frances Canadians squared the best-of-seven Allan Cup finals at Owen Sound when they dumped the Owen Sound Mercurys 4-2 in the fourth game.... Barrie Flyers outclassed Winnipeg Monarchs at Winnipeg for a 5-1 win in the first game of the best-of-seven Memorial Cup final.

Across Canada: The Quebec Cabinet yesterday approved a set of 27 regulations supplementing and modifying details of the Province's rent control law which came into effect at the start of the week....An open season on moose, for Ontario residents only, and north of the northernmost trans-continental railroad, may be permitted this year, Lands Minister Scott said yesterday....R.M. Fowler, President of the Canadian Pulp and Paper Association, in a statement in Montreal last night said "our pulpwood harvest east of the Rockies during the year ending May 31 will total more than 12,000,000 cords, a record high and some nine per cent higher than the previous peak in 1947-48."....The people of Newfoundland now favour confederation much more than they did two years ago, Secretary of State Gordon Bradley said last night in Ottawa....The Prime Minister, Mr. St. Laurent, told the House of Commons yesterday that the Government will move Monday to have the expenditure estimates of the External Affairs Department referred to a special committee. The motion will open the way for a debate on external affairs....The Quebec Government has reached agreement with the federal authorities on a constitutional proposal covering a system of old age pensions at 65, it was reported by Canadian Press from Quebec.



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Vol. 2, No. 87

Friday, May 4, 1951.

25th Brigade Now In Korea: A South Korean Port, May 3 (CP) -- The first contingent of the Canadian 25th Brigade arrived in Korea tonight. Brig. J.M. Rockingham announced his troops will go into action as soon as possible.

Rockingham, who flew to Korea after seeing the 6,000-man force off when it sailed from Seattle two weeks ago, boarded the first trooper and welcomed the men. The Brigade sailed in three ships, several days apart.

He said the Brigade will go into action as an independent unit before the Commonwealth Division comes into being. It was announced two days ago that the Brigade--including the Princess Patricia's Canadian Light Infantry who have been in action in Korea since February--will join a division made up of British, Australian and New Zealand troops.

Rockingham said Lt.-Gen. James Van Fleet, Eighth Army Commander, has asked that the Canadians be ready to go to the front as soon as possible after arriving.

"I promised Gen. Van Fleet we would be ready," Rockingham told a press conference. "The way we have been working and with the co-operation we have been receiving from Eighth Army and logistical officers, there is no doubt about it."

The Canadian Brigadier from Vancouver described the 25th Brigade as in "pretty good shape. In all my life I've never seen troops as willing and anxious to do jobs as these fellows. We will leave for the front soon."

Call To Man New Brigade Heralded: Ottawa, May 3 (CP) -- The Government is expected to appeal soon for thousands of recruits for a new brigade or its equivalent for service in Europe. The formation is likely to reflect Canada's trend into the United States military orbit in a number of ways.

This was learned today as the 25th Brigade began arriving in battle-torn Korea. Announcement of plans to back Canada's commitments for Gen. Eisenhower's Atlantic Pact army is expected shortly, possibly tomorrow night.

It will be made in the Commons by the Minister of National Defence, Mr. Claxton, as one of several important defence statements to be made within the next five or six days.

The new formation is to be armed primarily with American weapons and fitted into American command overseas. In that and in other ways it will be a departure from the Canadian tradition of forming units on British lines, arming them with British arms, fighting them under British command.

It will mean that peacetime Canada will have the equivalent of a division of some 18,000 ground troops under arms plus reinforcements. There will be one brigade--the 25th--in Korea. There will be another brigade--the airborne Regular Force Brigade--in Canada for home defence. There will be a third preparing to go to Europe, probably mainly at the big Petawawa army base. There are three brigades in a division.

Report U.S. Gun Order Doubled: Ottawa, May 3 (CP) -- Informed quarters disclosed today that the United States has expressed confidence in Canada's gun-making ability and has doubled its order for three-inch naval guns to \$20,000,000 from \$10,000,000. The order is expected to be expanded again in the months ahead.

(over)

This latest increase brings to about \$35,000,000 total American defence orders placed in Canada in the last 12 months. Canada, on the other hand, has placed about \$125,000,000 worth of defence orders in the U.S.

The drive is on to get more American orders, to add steam to Canada's defence production and to help offset a deficit in international trade which has run to \$125,000,000 in the first three months of 1951.

The new order for guns, like the original one, will be filled by Sorel Industries Limited, Quebec, now Canada's main gun-producing centre.

That plant now is expanding and negotiations are being completed whereby Sorel can take over the Government's \$50,000,000 arsenals plant at Longueuil, Quebec, on a rental basis.

Hog Embargo To U.S. Lifted: Ottawa, May 3 (CP) -- An 11-year embargo against the shipment of Canadian live hogs to the United States ended today. And with it ended the likelihood that Canada will be selling bacon to Britain this year.

The decision to end the ban was announced in the House of Commons by the Minister of Agriculture, Mr. Gardiner. Permits for such shipments will be issued by the Government freely.

Sale of live hogs to the U.S. was banned in 1940 to channel all available bacon into the United Kingdom market. The ban was continued all through the war years and during the postwar period--as long as Anglo-Canadian bacon contracts were in force.

This year, the Government decided against taking up a U.K. offer to buy Canadian top-quality bacon at 29 cents a pound--Britain's 1950 price. In previous years, it subsidized food shipments to Britain. This year, the Government decided against continuing the practice.

Budget Discussions: Ottawa, May 3 (CP) -- The Commons voted 59 to 39 tonight in favour of budgetary increases in the sales and excise taxes after three Opposition attempts to bring about their repeal.

The standing vote, taken in Committee of Ways and Means, endorsed a resolution preliminary to the main bill to give the taxes the force of law.

It included all of the commodity tax changes, including two under heavy Opposition fire--the new 15-per-cent excise tax on stoves, washing machines and refrigerators and the 25-per-cent increase in the general sales tax, lifting it to 10 per cent from eight per cent.

Across Canada: The House of Commons was told yesterday that the official cost-of living index reached a record 181.8 at April 2, up 2.1 points from the previous high of 179.7 a month earlier....Nowhere in Canada is there greater opportunity for capital investment than in Quebec Province, Premier Maurice Duplessis said in Montreal last night. Addressing the annual meeting of the Dominion Mortgage and Investment Association composed of representatives of loan, life insurance and trust companies throughout Canada, Premier Duplessis maintained that Quebec's investment potential at present was great "as the human mind can figure"....A howl by owners of coin-operated vending machines has put future production of Canada's new steel five-cent piece in jeopardy. An official at the Royal Canadian Mint yesterday said there was a "serious doubt" whether the new coin will ever see the light of day....Mrs. Robert J. Manion, wife of the late Hon. Robert J. Manion, member of three federal Cabinets and one-time Conservative Leader, died in Ottawa last night.



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Monday, May 7, 1951.

Raise 7,000 Men For Europe: Ottawa, May 4 (CP) -- The Minister of National Defence, Mr. Claxton, announced tonight that Canada will mobilize a new infantry brigade group for Europe by a unique system of calling on 42 reserve force units to raise the 7,000 or more men. Recruiting will start Monday, Mr. Claxton told the House of Commons, for the 27th infantry brigade group, with the core of it to come from companies raised by 15 reserve force infantry regiments from coast to coast.

Those regiments each will recruit one, then later another company to be molded into three composite regular force battalions as the striking edge of the brigade.

Five Highland regiments will raise the companies for a composite Highland battalion. Five Fusilier regiments will raise the companies for a composite Fusilier battalion. Five other regiments will raise the companies for a third composite battalion.

The same method will be followed in raising composite supporting units for artillery, medicals, tanks and other arms. The men will carry the names and badges of their reserve force units into the new composite units of the regular army.

Mr. Claxton said this about the futures of the new force:

"The present plan is that the new brigade group would be available to become a Canadian Army component of the European integrated force commanded by Gen. Eisenhower.

"Since the top priority of the Canadian Army overseas is the support of our brigade--the 25th brigade--in Korea, no date can be fixed at present for the dispatch of a brigade group to Europe.

"That decision will depend on circumstances as they develop, including the course of events in the Korean campaign, the speed with which the required troops are raised and trained, as well as developments in the North Atlantic Treaty organization."

This was an indication that part or all of the new 27th brigade group might yet have to go to Korea if that continues to be a long and bloody war.

The men will enlist for three years--the normal regular army period--and will have the option of returning to civilian life after a set spell of service overseas--a year for married men, two years for single men.

The system for mobilizing the new force--it will give Canada three brigades, the equivalent of a division--is entirely new. It has a rough parallel in the system of mobilizing the reserve regiments in wartime, but never has there been tried an experiment raising subunits of those reserve regiments and molding them into composite regular force units.

Thus the composite Highland battalion will have men wearing the badges of five reserve force Highland regiments. Other units will be the same.

Report Canada Ready To Act On Seaway Alone: Ottawa, May 4 (Globe and Mail) --

While officially Ottawa still persists in expressing hope for Congress ratification of the St. Lawrence seaway this session there is no money being wagered on the prospect. In fact there is a good deal of speculation that the air may be cleared by a committee decision in the House of representatives against the seaway in the near future.

Until that decision is taken one way or the other no further announcement is likely here but the Government is letting it be known that Congress is having its last chance and that there will be no question of waiting for another session before proceeding with the all-Canadian canal.

It will be at least two or three weeks before the vote in the U.S. House public works committee. If that vote is unfavourable it is understood that Ottawa will proceed immediately. A favourable vote would probably mean that the hopeful front would be kept up here a while longer but would not necessarily mean delay until the end of the Congress session.

Agreement On Pensions Principle: Ottawa, May 4 (CP) -- Canadians 70 and over, regardless of means, appear assured of a federal Government pension of \$40 a month by early 1952.

A major obstacle to an old-age pensions programme, financed out of public contributions, was hurdled today when agreement was reached with all 10 Provinces on the necessary constitutional amendment.

The Prime Minister, Mr. St. Laurent, announced in the House of Commons that after months of negotiations the Provinces agreed by 11:30 a.m. EDT today to the wording of an amendment to the British North America Act, Canada's constitution. The Commons will be asked Monday and the Senate Tuesday to pass an address to the United Kingdom Parliament requesting the amendment.

Dr. Keenleyside's Address: "If the fate of mankind is being determined in a race between education and catastrophe, as H.G. Wells once put it, then catastrophe is far in the lead." That was the warning brought home to Ottawa on Friday night by Dr. Hugh Keenleyside, the distinguished Canadian public servant who has become the first Director-General of the United Nations Technical Assistance Administration. To the large audience that welcomed his visit at a meeting sponsored by the United Nations Association, Dr. Keenleyside gave his view of what must be done. He believes the peoples of the free world can save themselves if they realize in time both their peril and the steps necessary to avert disaster.... (Ottawa Citizen)

First NATO Flyers: Summerside, P.E.I., May 4 (Montreal Gazette) -- Canada's original contribution to the training of North Atlantic Treaty Organization Aviation Cadets produced its first positive result today when 17 young men from Belgium, Italy and Norway received their air navigators wings from the R.C.A.F. Flying School, six miles from this town.

They are the first cadets under the NATO plan to graduate under Canada's post-war version of the British Commonwealth Air Training Plan. Aircrew from five continental NATO nations -- Norway, France, The Netherlands, Belgium and Italy -- have been in training at R.C.A.F. centres since early last autumn. All five nations will be represented at a wings parade for pilots in two weeks at Centralia, Ontario.

Across Canada: An explosion at the sprawling Polymer synthetic rubber and chemical plant rocked Sarnia, Ontario, about 10:40 p.m. Sunday night. Fire followed the blast which was heard over a wide area of Western Ontario. It was reported under control at 11:30 p.m....A general strike by organized labour against increasing prices was suggested by Charles H. Millard, Canadian Director of the United Steelworkers of America (C.C.L.-C.I.O.)....Theatre owners will take action to have Quebec city's new amusement tax declared illegal, it was reliably learned, the Canadian Press reported....Barrie Flyers were hard pressed Saturday to defeat Winnipeg Monarchs 4-3 for their third straight victory in the best-of-seven Memorial Cup finals. Fourth game is at Winnipeg Monday night.



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Tuesday, May 8, 1951.

Mr. Pearson On Korea: Ottawa, May 7 (CP) -- The Canadian Government is still opposed to the bombing and blockading of China, and the use of Chinese Nationalist forces now on Formosa against the Chinese Communists.

Launching an External Affairs debate in the House of Commons, the Secretary of State for External Affairs, Mr. Pearson, said these measures could serve to extend the Korean War.

Mr. Pearson, in a review of highlights of Canadian policy abroad, advanced these other points:

1. There is no hope of a settlement in Korea until the present Chinese attack is broken. It is hoped that attack will be broken, and with heavy losses to the enemy.

2. Formosa should be "neutralized" while the fighting is going on in Korea, and certainly should not be handed over to a Chinese Government fighting the United Nations. Its future could be discussed after the fighting.

3. There can be no question of recognizing the Chinese Communist Government diplomatically while it defies the U.N.

4. The Chinese Communist Government should not be included in current discussions for a Japanese peace treaty. Discussions of who will sign for China should be left until after the Korean War.

While he made no reference to the controversy in the United States over Gen. MacArthur's proposals for bombing China, Mr. Pearson declared that authorizing the U.N. Commander in Korea to bomb China would be "one way by which the conflict could be spread."

It was possible to visualize a situation where immediate action in the field might be unavoidable in the event of an enemy bombing attack. But the Canadian view was that bombing and blockading of China should be avoided if at all possible.

"Such action," he said, "would involve grave risk of extending the fighting, without, as we see it, any corresponding assurance that such extension would end the war."

Conditions in China, he said, "would not seem to give much hope for any such decisive result from such limited action." It might develop into an unlimited action, which would give "great satisfaction" to the Kremlin.

Mr. Pearson said that the policy now being followed in Korea might complicate the U.N. Commander's problems. But he added that, in the opinion of many, these problems would be "immensely more complicated if the fighting were extended to China."

Before taking any new decision that would extend the war, the Minister said, the U.N. countries should be reasonably sure of compensating military and political advantages.

"We should be playing for the highest stakes in history," he warned.

As to the question of helping Chiang Kai-shek's Formosan Army to return to the Chinese mainland, Mr. Pearson said, it should be remembered that force already had been driven from China.

"Is there any reason to believe," he asked, "that these Chinese Nationalist forces . . . would have greater success in China than they had previously, unless they were supported by troops and equipment from other countries which could ill be spared for such a hazardous venture, with all its possible long-drawn-out consequences?"

(over)

White Paper On Defence: Ottawa, May 7 (CP) -- The Government reported today that Canada's defence industry is as ready now to produce for war as it was two years after the last war began and said it has "a far greater potential capacity."

An official white paper on defence reported, too, that the R.C.A.F. is trying to whip its reserve or part-time units into shape to fight almost immediately if war should come.

Further, the white paper told the House of Commons, the forces are set to team up with police to crush sabotage on or before the outbreak of actual war and the Reserve Army -- augmented by war veterans -- would have a part in the effort even while it mobilized to fight.

The control of sabotage, said the document, shouldn't take long.

The white paper, a 30-page summary of the military situation and Canada's steps to meet it, was tabled in the House of Commons by Ralph Campney, Parliamentary Assistant to the Minister of National Defence, Mr. Claxton. It brings members up to date on Canada's three-year, \$5,000,000,000, 40-squadron-air force, 100-ship Navy defence programme on the eve of a two-day Commons defence debate.

Some of the highlights:

1. Canada has arranged to get an unspecified number of 90 mm. anti-aircraft guns from the United States and is going to ship to European allies more than 400 3.7 inch heavy ack-ack guns as part of the switch of British-type arms to that continent. This will be in addition to equipment for three European divisions already committed as well as 24 guns for a Luxembourg artillery regiment.

2. Canada's actual defence spending this fiscal year is expected to hit \$1,879,000,000, including Defence Department and associated spending. Actual Defence Department estimates are \$279,000,000 less than that.

3. Canada will devote 11.67 per cent of the national income to defence this year.

4. Defence production has already started to turn out two types of jet fighters on an assembly-line basis and a major ship-building programme will start paying off in new ships this year.

5. The country's "readiness for full mobilization" is being stepped up materially. The Air Force Reserve units in particular are being prepared to take on a fighting role almost immediately if war comes.

6. During the next generation Canada must be prepared to meet either general war or the continuation of current defence efforts.

7. The regular forces have increased their manpower 45 per cent in the last year and have been growing by an average of 2,200 new men a month in the present calendar year. They totalled 68,427 men at the end of March. The reserves have 52,994 men or 44 per cent more than three years ago.

8. The Defence Research Board is doing work of "first-rate importance" in chemical and bacterial or biological warfare and will be stepping up activities in guided missiles, electronics, medical research, aeronautics and the exchange of scientific information with allies....

Mr. Graydon On Seaway: Ottawa, May 7 (CP) -- Gordon Graydon, External Affairs spokesman for the Progressive Conservative Party, proposed in the Commons today that Canada put more heat on the United States to get action on joint development of the St. Lawrence seaway.

Across Canada: Trade officials said yesterday that the steel situation in Canada is gradually moving towards stabilization....Representatives of the Canadian and United States Governments yesterday began drafting an agreement to unify and improve safety radio measures for use on ships operating in the Great Lakes....The Army's switch to American weapons won't mean any major changes in organization and it won't touch tradition at all, the Defence Department maintained yesterday.



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Wednesday, May 9, 1951.

Tariff Agreements With 16 Nations: Ottawa, May 8 (CP) -- Canada has signed new long term tariff trimming agreements with the United States and 15 other countries aimed at benefiting Canadian manufacturing, fishing and farming industries.

The concessions, embracing a wide range of commodities, conclude seven months of negotiation among 34 countries at Torquay, Eng. They were announced tonight by the Department of External Affairs and explained in the Commons by the Minister of Trade and Commerce, Mr. Howe, and the Minister of Finance, Mr. Abbott.

The full effect may not be felt immediately but officials said it is hoped that during normal peacetime trade Canada can look forward to more competitive markets for Canadian products, including Douglas fir plywood and aluminum.

The main concessions were obtained from the United States which lowered tariffs on 400 items of interest to Canada, including lead, zinc, birch, plywood, cheddar cheese, canned salmon and pulpboard.

In turn, Canada lowered tariffs to the U.S. and other countries on many things, including Turkish tobacco, motor vehicle parts, rubber tires, confectionery, grapefruit juice, machinery, household furniture and some electrical appliances.

Mr. Abbott said some concessions may work, in "these times of inflation and high prices, to help ease the burden for the Canadian consumer."

Mr. Howe said the agreements "will add strength to Canada's commercial position." During the current emergency Canada has no worries about selling goods in other countries, but she must look ahead to the long-term need for markets.

The new agreements represent Canada's third successful attempt to lower tariffs in the postwar period. They are binding for three years. Many of the countries including Canada, the U.S. and France are expected to bring their reductions into effect June 6. The remainder are expected to be in force by next November 20.

Canada, a dominant factor in world trade negotiations, was the first country to sign the agreement. This was done yesterday at New York by John W. Holmes, Canada's Acting Permanent Delegate to the United Nations.

Besides the U.S., agreements were made with Austria, West Germany, Korea, Peru, the Philippines, Turkey, France, Italy, Sweden, Norway, Denmark, the Dominican Republic, Haiti, Indonesia and India.

"For Canada," said Mr. Howe, "these negotiations have been a marked success. . .As a result of Torquay, producers and manufacturers in many of our export industries across the country will benefit from improved access to foreign markets."

For example, under the new agreements, the U.S. will reduce its tariff on aluminum from Canada to $1\frac{1}{2}$ cents a pound from two cents. Lead, formerly $2\frac{1}{8}$ cents a pound, will be lowered to $1\frac{1}{16}$ cents. Cheddar cheese, formerly $3\frac{1}{2}$ cents a pound and not less than $17\frac{1}{2}$ per cent, will be reduced to three cents a pound, but not less than 15 per cent.

Canned salmon is reduced to 15 per cent from 25. The rate on Douglas fir plywood is cut by half to 20 per cent from 40.

Besides these, the U.S. granted a number of other concessions to Canada and other countries....

(over)

Commonwealth Preferences: Ottawa, May 8 (CP) -- Canada has not abandoned Commonwealth tariff preferences, the Minister of Finance, Mr. Abbott, said tonight.

He was explaining to the Commons why Canada reduced and modified some of these long-standing preferred duty rates in order to obtain new tariff concessions from other countries at Torquay.

The question of the British preference, it was understood, was one of the reasons why Britain and the United States -- the world's great trading nations -- did not reach new tariff agreements at the multilateral tariff-reducing conference.

Australia, New Zealand and South Africa are believed to have followed Britain's lead. Canada, however, decided to barter some of them away in return for tariff reductions from the U.S. and other countries....

Canadians Patrol Chinese Territory: West Central Sector, Korea, May 9 (CP) -- A Canadian patrol, carried on the backs of United States Patton tanks, ranged far into Chinese territory Tuesday, captured four prisoners and withdrew intact into their own lines.

The force was commanded by Capt. Wally Mills of Winnipeg, the officer who on the night of April 24, shredded the enemy who overran his position by calling three regiments of artillery and a battalion of mortars down upon it.

(For the first time since the Chinese spring offensive in Korea got under way late in April Bill Boss, Canadian Press correspondent with the Princess Patricia's, is permitted in the foregoing dispatch to identify the Canadians and to name individuals.)

Manpower Discussion: Ottawa, May 8 (CP) -- The official Opposition's military critic today accused the Government of under-estimating the manpower needs of the forces and of perpetuating a haphazard, hit-and-miss policy in seeking the men. He also charged that the Navy hasn't yet a single effective team of ships and planes to tackle its main job, fighting submarines.

Against those charges by Maj.-Gen. G.R. Pearkes, V.C., (PC-Nanaimo), the Minister of National Defence, Mr. Claxton, offered the buoyant prediction that the target of 115,000 servicemen by 1954 will be reached 18 months ahead of schedule and said the forces will take even more men than that.

Further, Mr. Claxton predicted that the drive to recruit a new brigade for Europe will succeed without difficulty and reported that more than 1,200 Canadians tried to enlist in it yesterday, the first day of recruiting. It needs between 5,500 and 6,500 plus replacements.

Premier Frost On St. Lawrence Development: Toronto, May 8 (CP) -- Premier Leslie Frost of Ontario said tonight that, if the Canadian Government decides to proceed on its own with the St. Lawrence Seaway, Ontario is prepared to enter into a joint scheme with New York State to develop the river's power.

Reports U.S. To Build Zinc Smelter In Quebec: Rouyn, Que., May 8 (Globe) -- The U.S. Government will probably advance the \$12 to \$18 million necessary to build a zinc smelter in Eastern Canada, such are that country's needs for zinc, both for defence and civilian needs, the Rouyn-Noranda Press says today.

Across Canada: Sales of Canadian products abroad jumped sharply in the first quarter of this year, the Bureau of Statistics reported. Domestic exports to all countries were \$809,200,000, up 25 per cent from the \$648,900,000 of the first three months of 1950....Senator Eugène Paquet, who represented the St. Lawrence River South Shore riding of L'Islet in the House of Commons between 1904 and 1917 when he resigned on the conscription issue, died in St. Romuald, Quebec, yesterday. He was 83....Barrie captured her first Canadian junior hockey title defeating Winnipeg Monarchs 9-5 to take their Memorial Cup final in four straight games.

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Vol. 2, No. 91

Thursday, May 10, 1951.

Mr. Claxton On Defence: Ottawa, May 9 (CP) -- The Minister of National Defence, Mr. Claxton, said today Canada regrets the "failure" to standardize Western arms and said the most discouraging factor is that the United States and United Kingdom can't even see eye to eye on arms they are adopting for the future.

He made that statement in the House of Commons in rising to reply to a siege of suggestions and accusations thrown at the Government in the course of two days of debate on a record \$1,600,000,000 defence budget for this fiscal year.

These were among his most important remarks, many of them replies to Maj.-Gen. G.R. Pearkes, V.C. (P.C.--Nanaimo), military critic for the official Opposition:

1. The Defence Department has been looking for five years for a huge area--100 miles by 30--large enough to train army formations as large as a brigade. It has its eye on one in the East but it is the hope that brigades ticketted for overseas won't have to do winter training in Canada because much of the time would be spent shovelling snow.
2. Original plans for production of military motor vehicle parts in Canada have had to be modified because the cost would be "fantastically high" per vehicle. Canada now would manufacture those she could turn out most economically and buy others from the U.S.
3. It will be late this autumn before the first of Canada's new anti-submarine escort vessels are launched and it will be a "considerable time" longer before they are at sea. Plans to produce them were announced more than a year ago.
4. The aircraft carrier Magnificent is not out of date, as charged by Gen. Pearkes, but "has three or four more years of useful life." Her aircraft were of types still being used by the U.S. or U.K. Canada can't afford to have a second aircraft carrier, one for the Pacific Coast as Gen. Pearkes urged.
5. The defence shipbuilding programme now involves 27 ships and "many more" contracts are coming.
6. The U.S. kept Canada's Special Force 25th Brigade at Fort Lewis, Wash., for \$20,000 a day or \$2.46 a man--cheaper than Canada could have done it herself. Further Canada would have had to spend millions to rehabilitate a camp to handle the training of the brigade now in Korea.
7. There is no evidence that men entering the Army should be in industry. Mobilization plans were worked out with the Department of Labour "and we feel the system is working out as well as possible." Wastage in the Army in the past year has not been abnormal.

(This was in answer to Gen. Pearkes' charge that manpower policies are haphazard.)

8. Canada's manpower needs have been planned several years ahead. The Government's Manpower Advisory Council was considering whether a more extensive survey of manpower should be made and if the Council so recommended the recommendation would probably be carried out.

9. Canada will be getting the most modern U.S. tanks--Pattons--among the equipment being sent here to replace the two divisions of British-type equipment sent to Europe.

Mr. Claxton spoke after a series of speeches by members of all three parties and answered a host of suggestions and charges thrown at him.

(over)

Mr. Graydon On St. Lawrence Development: Ottawa, May 8 (CP) -- Gordon Graydon (PC--Peel) said today the Canadian Government should announce "at once" it will go ahead alone with development of the St. Lawrence seaway.

Speaking in the House of Commons during a debate on defence, Mr. Graydon said it now appears unlikely the United States Congress will act this year on a treaty providing for joint development of the seaway.

He continued:

"Time is rapidly running out so far as planning for the needs of power for the production of war materials are concerned, to say nothing of the strategic necessity for this means of water transportation from the mines to the mills for the iron ore so urgently required for war purposes.

"Construction of the seaway alone was not our original plan but the Government has arrived at a point now where a new all-Canadian development should be announced at once.

"We have waited for years for the treaty to be ratified and implemented. No one in the United States or here could reasonably expect us to wait longer in this atmosphere of acute and compelling urgency. We should, in my opinion, go it alone."

Shipment Of U.S. Arms: Ottawa, May 9 (CP) -- The first large shipment of American arms for the Canadian Army is expected to reach this country within the next week or two. It will allow the Army to move ahead with the switch from British-type to U.S. arms and with the arming of the new 27th Brigade for Europe.

Canada is shipping British type arms to European Allies. Enough for one Netherlands and one Belgian division have already gone and Canada is committed to arming an Italian division.

Officials said today shipment of the arms for Italy is not contingent on arrival of the U.S. arms. However, future shipments to other countries will be made contingent on replacements arriving from the U.S.

It is expected that there will be enough U.S. arms sent here by July to arm a Canadian division, just about what Canada now has in being or is planning.

Enlistments Satisfactory: Montreal, May 10 (Gazette) -- Enrolment in Canada's new 27th Brigade group was satisfactory yesterday with 105 new applications listed in the Montreal area.

Quebec Command reported that enlistments yesterday were 58, bringing the Montreal total to 100 since Monday.

A total of 480 applications were filed locally by 5 p.m. Of the 380 not enrolled, most are in the process of enrolment. About 30 per cent have been rejected.

Country-wide total of enlistments reported yesterday was 509, while another 1,499 men were in the process of enrolment. The recruiting target is 5,500 to 6,000 men.

Officers of all units and of Quebec Command said that enrolments are moving smoothly.

Britain To Buy Ontario Cheese: Toronto, May 10 (Globe) -- The first direct contract between a Canadian producer organization and the British Food Ministry was announced last night. The Ontario Cheese Producers' Marketing Board revealed it had agreed to sell Britain at least 20,000,000 pounds of cheddar cheese at 30 cents per pound f.o.b. factory, plus two cents transportation to seaboard.

Across Canada: Monsieur P. Dupong, President of Luxembourg, has expressed his country's gratitude for Canada's recent contribution of 25-pounder field guns through the North Atlantic mutual aid programme.... A provincial budget forecasting a year of new and greater prosperity was brought down in the Newfoundland Legislature yesterday by Premier Smallwood, acting Finance Minister. No new taxation was announced.... The Supreme Court of Alberta yesterday ruled in a judgment that natural gas and petroleum are different products. The judgment is of importance in Alberta where unprecedented development of petroleum and natural gas is going on hand-in-hand.... Owen Sound Mercurys staged a sizzling third period finish last night to bring Owen Sound its first Allan Cup championship in history by defeating the Fort Frances Canadians 3-1.

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DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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Vol. 2, No. 92

Friday, May 11, 1951.

Mr. Claxton On Defence: Ottawa, May 10 (CP) -- Canada's drive to build a potent fighter force will be bounding ahead by the end of this year with the formation of one new fighter squadron monthly.

This was disclosed in the House of Commons today by the Minister of National Defence, Mr. Claxton, but he declined to say how many fighter squadrons now exist. The latest figure reported was four.

Mr. Claxton said production of two new types of jet planes will be hitting a pace at year's end that will permit a rapid acceleration of fighter strength. (A squadron uses about 25 planes and about 28 of the 40 regular and reserve R.C.A.F. squadrons now planned will be fighters.)

At the same time, Mr. Claxton said that purchase of bombers ranks second in priority, right behind fighters, in the R.C.A.F.'s expansion plans. In the peacetime past, the regular Air Force has skipped bombers but has a couple of reserve medium bomber squadrons.

The third day of the Commons big defence debate saw the Minister back on his feet replying to a flood of questions and accusations that have emerged from the Opposition benches....

Some of the highlights of the Minister's statements:

1. U.S. arms equipment for a Canadian division will start arriving within two weeks. Canada has sent British-type equipment for two divisions to Netherlands and Belgium and has committed a third to Italy.

2. The Army has been looking for an area of 100 square miles in the Maritimes so it can train large formations. So far it hasn't found one in five years.

3. The Army, closely watched by the other services, is trying out a revolutionary new attestation or enlistment form designed to be a self-contained file.

4. There is greater diversification of defence activity across Canada than in the case of any other government department. Nova Scotia has relatively much the largest concentration of defence activity and 14.3 per cent of the defence dollar is spent in the Maritimes.

5. His Department "considers it very much fairer to have all personnel pay income tax than that they should simply not pay income tax."

6. To charges that Canada, in her switch to U.S. arms, will be giving up some superior weapons, he replied that "the advice I have received is that the difference in these weapons is very little in fact." It may be quite possible, he said, to keep the Sten gun, the light, cheap sub-machine-gun used in the last war.

7. Canada's proportion of non-combat to combat troops is lower than any other country but mobilization has taught what may be a new principle -- that overhead goes up, not down, with the size of the force.

8. For security reasons, recruiting for the forces has been limited to Canadian or British subjects but this has now been extended to open the way for enlistment of men from any of the 11 other Atlantic Pact nations.

Mr. Drew On Arms Standardization: Ottawa, May 10 (CP) -- George Drew, Progressive Conservative Leader, said today that lack of United States and United Kingdom agreement on standardization of arms should be a cause for concern.

(over)

Speaking in the House of Commons during continued debate on the Government \$1,600,000,000 defence programme for 1951-52, Mr. Drew said that standardization of equipment could mean the difference between victory and defeat in an emergency.

Statements By Late Col. Ralston Debated: Ottawa, May 10 (CP) -- A charge that statements by Col. J.L. Ralston, former Defence Minister, caused the loss of thousands of Allied lives in the Second World War threw the House of Commons into bitter, running turmoil tonight.

It was made by Jean François Pouliot (L--Temiscouata)....It was attacked as vicious, nasty, unwarranted and nonsensical by Opposition members.

Two Opposition Party leaders and two Cabinet Ministers as well as members of parties in Opposition entered the fray as it gained momentum and ran more than 90 minutes off and on.

The provocation came from Mr. Pouliot's statement that, after Col. Ralston's resignation from the Cabinet in late 1944 on the conscription issue, he made statements about weaknesses in the Allied line on the Western Front which led to a major German attack. Col. Ralston died in 1949.

Tourist Spending: Ottawa, May 10 (CP) -- Leo Dolan, head of the Canadian Travel Bureau, told the Senate's Tourist Committee today that if Canada's per capita ratio of tourist spending in the U.S. was matched by Americans in Canada, this country would be financially set.

If that happened, he said, Canada could "take over the Marshall Plan, build the St. Lawrence seaway, the Chignecto Canal and any other projects". And the Bureau, through \$1,000,000 of advertising a year and other means, was trying to bring it about.

Canadians spent \$190,000,000 in the U.S. on tourism last year, more than any other people in the world. Canada's total tourist traffic last year was worth \$270,000,000 but because of heavy Canadian travel abroad, her credit balance was cut to \$53,000,000.

Recruiting Regulations Widened: Ottawa, May 10 (CP) -- Canada has widened recruiting regulations to allow men born in the 11 other Atlantic Pact countries to enlist in the Canadian armed forces, the Minister of National Defence, Mr. Claxton, disclosed today. The main result would be to open the way for enlistments by American citizens living here.

Previously for security reasons, only Canadian and British subjects were accepted, he said in the House of Commons. But on March 16, 1951, these provisions were amended to allow the entry of men from countries allied with Canada in the Atlantic Pact.

These include the United States, United Kingdom, France, Belgium, Holland, Luxembourg, Denmark, Norway, Iceland, Italy and Portugal.

Across Canada: Legislation for equalizing rail freight across Canada now is a virtual certainty for this session of Parliament, the Canadian Press reports from Ottawa....Ways and means of strengthening trade between Canada and the United Kingdom will be explored by leading businessmen from both countries at Toronto May 17-18, C. Gordon Cockshutt, Chairman of the Anglo-Canadian Trade Committee of the Canadian Chamber of Commerce, announced yesterday at Montreal....A suggestion that Canada possibly should start making atomic bombs was made in the Commons, last night by Capt. Rodney Adamson (PC--York West).

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Vol. 2, No. 93

Monday, May 14, 1951.

Planning For Civil Defence: Ottawa, May 11 (CP) -- The Canadian Government expects to spend on civil defence this fiscal year a total of \$4,200,000 -- a fraction of one per cent of the total planned for defence as a whole, \$1,879,000,000.

The Minister of National Health and Welfare, Mr. Martin gave the civil defence figure to the House of Commons in reply to an Opposition question. Earlier he told members there is no hiding place for Canadian communities if atomic war comes and that first priority in use of the country's resources in emergency must go to the armed forces.

Mr. Martin said that federal planning for civil defence -- care of the civil population--has reached an advanced stage, that some hundreds of key instructors have been trained and that local planning "is all important." Arrangements had been worked out with the provinces and the United States for spheres of responsibility.

He was promptly told by a medical doctor, Dr. W.G. Blair (P.C.--Lanark) that Canada's preparations exist on paper and that the country should be much further advanced in view of authoritative statements that war would bring a rain of atomic bombs on this continent.

Col. Stone On Korean Fighting: Edmonton, May 13 (CP) -- Lt.-Col. J.R. Stone, Commanding Officer of the 2nd Battalion, PPCLI, said today the concept of the Chinese as a "super soldier" is gone.

In a press conference at Western Command, Col. Stone gave reporters an outline of the Korean fighting on his part of the front, described Canadian troops as excellent, and reported doctors may know tomorrow what ails his 2-year-old daughter Moira.

He arrived by air Saturday to visit the tot, who had an eye removed Thursday.

"We never did meet any top-rate Chinese soldiers, in my opinion," Big Jim Stone told a questioner. "They have a certain lack of interest in living, but they're like everybody else. If you kill enough of them, after a while they quit coming."

Col. Stone said the better troops of earlier in the war had been succeeded by inferior men, presumably because the veterans of the Sino-Japanese war were banged up.

The Canadians--"magnificent troops"--had met nothing but Chinese in their battle experience.

"I'm not one to count bodies," Col. Stone said, "but I'd say there were 250 to 300 scattered around our area when the Chinese got tired of trying to come through us in that last heavy action. We held them for 36 hours."

To Buy U.S. Rifles: Ottawa, May 11 (CP) -- The Minister of National Defence, Mr. Claxton, said tonight that Canada plans to buy enough of the American 30-calibre Garand rifles to equip three divisions. Canada does not plan to attempt to produce the weapon unless it is accepted as a standard weapon by a number of Atlantic-pact countries.

He made the statement in the House of Commons after George Drew, Progressive Conservative leader, asked clarification of what had been said previously about acceptance of the American rifle.

(over)

Raise Housing Loan Rate: Ottawa, May 11 (CP) -- The average Canadian soon will pay more to build a home.

The Minister of Resources and Development, Mr. Winters, announced today in the House of Commons that the interest rate on loans obtained under the National Housing Act will be boosted from $4\frac{1}{2}$ to five per cent. The increase will become effective when Parliament passes legislation authorizing the boost.

Mr. Winters, who reports to Parliament for the Crown-owned Central Mortgage and Housing Corporation, said the increase will mean that borrowers will pay an additional 25 cents a month on each \$1,000 of loan. Officials of the corporation estimated that the increase will boost the cost of a \$6,000 home by about \$200.

The officials said the 25-cent-a-month figure was based on a blended payment of principle and interest spread over 240 equal monthly instalments. The 240 instalments would cover payments of loans repayable in 20 years. The figure was not reached by dividing $\frac{1}{2}$ per cent interest on \$1,000 by 12. This would give 41 $\frac{2}{3}$ cents.

Dr. Solandt On New Weapons: Montreal, May 12 (Gazette) -- The Canadian Government is developing new anti-tank weapons, guided missiles, flame throwers and submarine devices, Dr. O.M. Solandt, Chairman of the Defence Research Board, said here yesterday.

In an address to the annual meeting of the Engineering Institute of Canada in the Mount Royal Hotel, Dr. Solandt described some of the new projects being developed by the Board.

"We are developing a new anti-tank infantry weapon not unlike the American bazooka which we expect to be considerably more accurate," he said.

"An improved anti-tank shot for the 17 pounder and 17 millimetre guns has been successfully developed. This shot has improved the accuracy and penetration obtainable with these guns and has been accepted by both the U.S. and U.K."

"Work is proceeding on the design of a howitzer for mountain warfare. This is the first attempt at gun design that has ever been made in Canada."

"The Suffield Experimental Station in southern Alberta, in close co-operation with the Canadian Army, has recently completed the development of a greatly improved and simplified flame-thrower for infantry use. This development ... has been paralleled by a series of research projects designed to improve the properties and methods of flame-thrower control."

"In the field of naval research, the Board's two laboratories at Halifax and Esquimalt have been concentrating mainly on anti-submarine problems. Unfortunately most of their progress in these fields cannot be reported."

Across Canada: Thousands of eager Montrealers queued up Sunday afternoon on Laurier Pier to tour the 8,000-ton French training cruiser, Jeanne d'Arc, first warship in Montreal port this year....The Minister of Transport, Mr. Chevrier, told the House of Commons he hopes legislation for country-wide equalization of freight rates will be placed before Parliament at this session....Telegrapher Alfred John Atherton has been cleared of blame in the Canoe River train wreck in the Rockies of British Columbia which took 21 lives....Valleyfield, Quebec won the Alexander Cup and the Canadian major hockey title by defeating Toronto St. Michaels 4 to 1 in Toronto Saturday night.



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Vol. 2, No. 94

Tuesday, May 15, 1951.

China Communists Reject Peace Feelers: Ottawa, May 14 (CP) -- The Chinese Communists have given no indication that they are ready to negotiate a settlement in Korea, the Secretary of State for External Affairs, Mr. Pearson, said tonight. He was a member of the United Nations Cease-Fire Committee which unsuccessfully sought several months ago to arrange a settlement.

Mr. Pearson told the House of Commons that statements by the United Nations Good Offices Committee, a sequel to the Cease-Fire Committee, have been "rudely rebuffed" by the Chinese Communist Government.

"Feelers by individual countries have been no more successful," he said.

Reports from the representative of India in Peiping indicated that the Chinese are not ready to negotiate on any grounds that could conceivably be accepted by United Nations.

Mr. Pearson On Manchurian Bases: Ottawa, May 14 (CP) -- The Secretary of State for External Affairs, Mr. Pearson said tonight he does not believe that the bombing of Chinese bases in Manchuria, blockading of the Chinese mainland and the use of Chinese Nationalist forces would bring an end to the war in Korea.

He told the House of Commons that he believes United Nations would be "profoundly mistaken" to adopt such a policy.

Mr. Pearson made his statement in concluding a debate on Canada's foreign affairs.

He made no reference to Gen. Douglas MacArthur, but he said some in Canada and United States had advocated the bombing of Manchurian bases, the blockading of China and the use of Chinese Nationalist troops in Korea to end the war.

Such a move, he said, might lead to unlimited action and the entry of Russia directly into the conflict. It might lead directly to a Third World War.

Howard Green (PC--Vancouver-Quadra), who previously urged the bombing of the Manchurian bases, the blocking of China and the use of Nationalist troops in Korea, interjected:

"Are you asking Canadians in Korea to fight with one hand tied behind their backs?"

"No that is not our policy and it is not the policy of United Nations," replied Mr. Pearson.

It may be, he continued, that despite all efforts the conflict will extend, but if it does extend let the responsibility for it rest in other hands.

Mr. Green: "A policy of fear."

Mr. Pearson: "It is a policy of realism and peace."

Mr. Pearson On Canada-U.S. Relations: Ottawa, May 14 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said tonight he wants to see Canada stand on her own feet but march in step with her neighbours, especially the United States.

He made that statement after George Drew, Progressive Conservative Leader, told the House of Commons that if the Canadian Government can give any reasons for recent criticism of relations with United States it should "let us have them out in the open."

Mr. Drew, speaking in a foreign affairs debate, said Mr. Pearson and officials of his Department, in recent speeches outside Parliament, had set a "pattern" of criticism of Canada's relations with the United States.

Mr. Pearson said several Opposition members of the Commons had criticized a Toronto speech in which he had dealt with Canada's relations with the United States. He said Mr. Drew had stated that the speech had aroused concern as to whether Canada is dealing on a friendly and democratic basis with the United States.

(over)

"Our relations with the United States continue to be on a good and friendly basis," said Mr. Pearson.

Some critics in the United States had misunderstood his Toronto speech. Others had placed a wrong interpretation on what he had said. He read into Hansard--the official record -- some favourable editorial comments on the speech from both Canadian and United States newspapers....

Mr. Howe On Defence Production: Ottawa, May 14 (CP) -- The Minister of Defence Production, Mr. Howe, indicated tonight that, at the moment, Canada can expect no large defence orders either from the United States or Europe.

The United States, he said, has for many items sufficient plant capacity to more than take care of its own needs.

Europe lacks dollars.

And as for Canada's own long-term needs, "we are faced with the fact that many of our own requirements are small, relative to the outlay involved in their production."

Economic production, he told a joint dinner meeting of the Canadian Industrial Preparedness Association and the Society of Automotive Engineers, "can be achieved only if we produce as well for the United States or for our overseas Allies."

Barring an all-out shooting war, Mr. Howe added in a speech prepared for delivery, demand for Canadian-made defence equipment will not be as great as in the Second World War, "and we must think in terms of, say, vehicle production at the rate of about five a day rather than the hundreds a day we produced last time."

2,377 Men Recruited In First Week: Ottawa, May 14 (CP) -- The army isn't getting recruits for the new 27th Brigade as fast as it got them last Summer for the Special Force 25th Brigade, now in Korea, official figures showed today.

But one significant explanation may be the army's own "make-haste-slowly" policy based on the experience of enlisting the Special Force in haste and later having to discharge between 10 to 15 per cent of the men.

In the first week of recruiting last August, the Special Force got 3,027 men. In its first week of recruiting, ended Saturday, the new 27th Brigade got 2,377 or 650 fewer. It is earmarked primarily for Atlantic Pact service in Europe.

An army spokesman said today every effort is being made in the new campaign to take advantage of lessons learned in the campaign for the Special Force. The new brigade wants between 5,500 and 6,500 men and will need nearly as many more later for replacements.

Report U.S. Aircraft On Loan Here: Trenton, May 14 (Globe and Mail) -- Large numbers of U.S. Air Force training craft are arriving daily in Canada under a new lease-lend arrangement as yet unannounced by the Defence Department.

They will retain their blue star insignia and remain the property of the U.S. Government while training RCAF and North Atlantic Treaty pilots at schools throughout the country.

When aircraft plants at Montreal and Fort William are able to keep pace with the RCAF's rapid training expansion, the USAF equipment will be returned to its points of origin.

Across Canada: The Government has arranged dollar payment for the sale to Europe of about \$4,000,000 worth of Newfoundland salt cod from the 1951 catch, the Minister of Fisheries, Mr. Mayhew, announced in the House of Commons yesterday. The arrangement extends for another year a system of payment that has been in effect since Newfoundland entered Confederation in 1949.... The Commons gave first reading to a bill to extend for another three years provisions for business and professional loans to veterans.... More than 800 new Canadians from many European countries are scheduled to arrive at Montreal Friday morning on the Greek Line steamer, Columbia.... Carl C. Agar, 50, of Vancouver, a helicopter expert who has established an international reputation with his flying eggbeaters, has been awarded the McKee Trans-Canada Trophy as the man who did most to advance Canadian aviation in 1950.



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Vol. 2, No. 95

Wednesday, May 16, 1951.

Canada Buying "Secret" Arms: Ottawa, May 15 (CP) -- Canada is buying secret-list war material from the United States despite a U.S. law which prohibits sale of such material to foreign countries.

It is done, the Commons Public Accounts Committee was told today, by an arrangement with Washington under which the U.S. Government orders the materials in its own name and then turns them over to Canada.

C.M. Drury, Deputy Defence Minister, said the reason Canada doesn't deal directly with American manufacturers in placing millions of dollars worth of defence orders south of the border is that "a substantial portion" of what is bought is on the secret list.

U.S. law, he said, prohibits the sale of war materials on the secret list to foreign governments but Canada was getting what she wanted under the arrangement with Washington.

Mr. Drury told members one thing on the secret list in Canada is the sort of gun the R.C.A.F. is going to use to arm the F86E Sabre jet fighter, now starting to roll off the mass-production assembly lines at the Canadair plant in Montreal.

Air-Raid Sirens Tested In Ottawa: Ottawa, May 15 (CP) -- Two days of sudden eerie siren wailing in this Capital ended today as civil defence planners completed tests of equipment which may be used to warn Canada against the possible threat from the skies.

Officials expressed their satisfaction with both pieces of equipment tested, a two-horsepower American-type commercial siren and a five-horsepower dual-note British-type equipment. Both may be adopted. A final decision has not yet been made.

The weird, high-pitched and lonely sounds sent housewives scurrying to telephones, fearful that the threat of a Third World War which hung over the world finally had brought enemy bombers to this Capital.

Local newspapers were besieged by calls. So were police and fire department. Pedestrians in the streets craned their necks, searching the skies for the unseen intruders.

Canada-U.K. Trade Committee: (Press Release No. 22, May 15) -- The Department of External Affairs announced on May 15 that the Canada-United Kingdom Continuing Committee on Trade and Economic Affairs will meet in Ottawa beginning May 21, 1951.

The Canadian representatives will be: Mr. W.F. Bull, Deputy Minister of Trade and Commerce; Mr. J.G. Taggart, Deputy Minister of Agriculture; Mr. J.J. Deutsch, Director, International Economic Relations, Department of Finance; and Mr. A.F.W. Plumptre, Head of the Economic Division, Department of External Affairs.

The United Kingdom representatives at the meeting will be: Sir Alexander Clutterbuck, High Commissioner of the United Kingdom in Ottawa; Sir John Woods, Permanent Secretary, Board of Trade; Sir Frank Lee, Permanent Secretary, Ministry of Food, and Mr. R.W.B. Clarke, Under-Secretary, Treasury.

Recruiting For 27th Brigade: Ottawa, May 15 (CP) -- Another 271 men were enlisted for service in Canada's 27th Brigade yesterday, bringing to 2,648 the number so far enrolled in the Army's drive for recruits, primarily for service in Europe.

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In addition, another 715 men applied for enlistment yesterday, bringing to 5,643 the number of applications so far.

Of the 2,995 men still "in process," many will be enlisted, while an unreported number already have been rejected or have withdrawn their applications.

R.C.A.F. Borrowing Training Planes From U.S.: Ottawa, May 15 (CP) -- The Minister of National Defence, Mr. Claxton, said today Canada's production of Harvard trainers should be "well advanced towards the end of this year."

In the meantime, he told Maj.-Gen. G.R. Pearkes, V.C., (PC--Nanaimo) in the House of Commons, the R.C.A.F. is borrowing a number--reported to be 100--of Harvards from the United States.

The planes were being used in connection with "the very largely expanded air training plan" under which Canada hopes in time to be training 3,000 Canadian and Atlantic Pact fliers a year.

Senator Urges Examination Of "Reforms": Ottawa, May 15 (CP) -- A 66-year-old Nova Scotia Liberal Senator warned tonight that if the Upper Chamber doesn't carry through to final examination possible reforms, the Canadian public is going to be "extremely disappointed."

Senator Gordon Isnor, appointed to the Senate last year from the House of Commons, made the statement as he stepped into a reform debate that has been proceeding since February. It is on a resolution sponsored by Senator Wishart Robertson, Government Leader, for appointment of a special committee to study possible reforms.

Mr. Claxton On "Nation's Business": Ottawa, May 15 (CP) -- The Minister of National Defence, Mr. Claxton, said tonight that the present "uneasy half-war half-peace may go on for a generation."

"I hope it will if that is necessary to prevent an all-out war," he said. "That will be much better than having to win a war."

His statements were contained in a speech prepared for broadcast over a national network in the CBC series the "Nation's Business."

Across Canada: A dream of years--a complete library for the University of Alberta--was realized yesterday when Premier E.C. Manning officially opened the new \$2,000,000 Rutherford Library....Premier Frost of Ontario said at Toronto yesterday he will appoint a special committee to review the structure of municipal taxation and provincial grants....The House of Commons yesterday took preliminary steps to implement part of the will of Rt. Hon. W.L. Mackenzie King, Prime Minister of Canada for more than 20 years....Despite increased prices, sales of new motor vehicles in Canada hit a record during March....Ottawa's Uplands airport will have a runway close to five miles long--the second longest in the world--if present plans to develop it as a military airport are implemented, a Transport Department spokesman said yesterday.

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Vol. 2, No. 96

Thursday, May 17, 1951.

Tighten Instalment Buying Restrictions: Ottawa, May 16 (CP) -- The federal Government moved today to plug loopholes in restrictions on instalment buying.

James Sinclair, Parliamentary Assistant to the Minister of Finance, Mr. Abbott, piloted through the House of Commons a bill aimed at preventing consumers from circumventing consumer-credit regulations. The regulations were imposed last November and tightened in March.

Mr. Sinclair said some consumers were using charge accounts at department stores to evade the regulations. There also were cases where a plumbing firm, for instance, would install an electric water heater and give the purchaser unlimited time to pay. Another firm might install an electric refrigerator under similar conditions.

That, said Mr. Sinclair, was unfair to persons who purchased such equipment through regular channels. Under the new regulations, these purchasers must comply with credit restrictions applying to other goods.

International Wheat Agreement: Ottawa, May 16 (CP) -- The Minister of Trade and Commerce, Mr. Howe, said today Canada has no intention of withdrawing from the international wheat agreement.

The Minister gave this reply in the House of Commons to Opposition members who questioned him on whether Canada would take steps to have prices under the agreement boosted because of the rising world price of wheat.

He said the only action that could be taken by Canada--one of the three producer countries in the agreement--would be to denounce the pact signed two years ago.

"Canada has no intention or desire to do that," he said.

New Indian Act: Ottawa, May 16 (CP) -- The House of Commons today completed its detailed clause-by-clause study of the new Indian Act, which revises and brings up to date older Indian statutes, but deferred final adoption to a later sitting.

As the examination ended, John Diefenbaker (PC--Lake Centre) urged the Minister of Citizenship and Immigration, Mr. Harris, to guarantee by amendment that Indians would have the right to take court action against any regulation made under the Act.

Crude Petroleum Production Jumps 44 P.C.: Ottawa, May 16 (CP) -- Canadian production of crude petroleum increased approximately 44 per cent during February, amounting to 2,801,000 barrels from 1,946,000 in the corresponding month last year.

The Bureau of Statistics reported today that Alberta's output rose to 2,653,000 barrels from 1,847,000 in February, 1950. Redwater was the largest producer with an output of 1,251,200 barrels from 547,800. Leduc's production decreased slightly to 804,600 barrels from 846,000, and the Turner Valley was down to 260,100 barrels from 285,600.

N.R.C. Scholarships: For the academic year 1951-52, the number of applicants for National Research Council scholarships and the number as well as the value of scholarships granted reached an all-time high, the National Research Council announced on May 17.

(over)

Here is a comparison with last year's figures, which represent the previous record: 505 applications had to be reviewed, as against 453; the number of awards is 215 as against 197; and their total value is \$192,100 as against \$140,225. This increase of over \$50,000 is largely due to a substantial upward revision in various types of grants.

In addition, fourteen special scholarships at \$900 have been awarded for study abroad, to be pursued at the following universities: three each at London and Oxford, two at California University, and one each at California Institute of Technology, Cambridge, Harvard, Iowa State, Ohio State, and Paris. Seven overseas postdoctorate fellowships at \$2500 have been granted for work at the following British universities: two each at Cambridge and London, and one each at Birmingham, Leeds, and Oxford.

British Machine Tools For Canada: Toronto, May 17 (Globe and Mail) -- Canada has been rated the only country in the world with a priority equal to home defence needs for the supply of British machine tools, Robert W. Asquith, British industrialist and engineer, stated yesterday. As a result, shipments to Canada of British machine tools have nearly quadrupled in the past year.

Across Canada: Members of the Public Works Committee of the United States House of Representatives will tour sites on the St. Lawrence River for the proposed power and seaway project in early June, the Minister of Transport, Mr. Chevrier, advised Cornwall, Ontario, civic officials yesterday....The question of the Provincial Government taking over all municipal welfare costs as a move to relieve civic taxes on property owners will be considered by a special committee, Ontario's Municipal Affairs Minister Dunbar said yesterday....Joseph Harris, (PC--Toronto Danforth) protested in the House of Commons yesterday against the business of the House being delayed by periodic debates on divorce.

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DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

(For official use only. This bulletin is intended solely for the information of Canadian Government officials stationed abroad. Its contents are not for publication or distribution.)

Vol. 2, No. 97

Friday, May 18, 1951.

Government Mobilizes Essential Material: Ottawa, May 17 (CP) -- The Minister of Defence Production, Mr. Howe, today announced an extensive widening of the Government's priorities powers to include all commodities and services considered essential for Canada's defence production effort.

Under the priorities system, the Government has the power to give a defence manufacturer first call on all available goods considered essential in the manufacture of defence equipment.

It can do this by drawing supplies normally used in the production of civilian goods, or by reallocating stockpiles of goods already held by civilian producers.

The Government, in fact, already exercises priorities control on steel and other metals, but this is the first time it has ever spelled out in detail the total extent of its priorities powers.

For example, under an order-in-council passed, the Director of Priorities, H. J. Sissons of Toronto, will have the authority to cut down hydro power at one plant and increase it at another. He can force a transport van, normally hauling luggage, to haul defence materials instead.

The priorities chief will have power to divert any materials considered essential in the production of aerodromes, airports, dockyards, roads, defence fortifications or any other naval, military or air force works.

He will have the right to make any materials available to produce arms, ammunition, vehicles, ships, planes or any other items which can be used by Canada's fighting forces or for that matter the fighting forces of any government associated with Canada in a defence programme.

This latter aspect is specifically designed to include the United States, for under an economic pact signed last October, Canada's defence equipment producers are granted priority rights to U.S. goods--and vice versa.

New Indian Act Passes House: Ottawa, May 18 (CP) -- The new Indian Act, promising a better deal and a more modern administrative setup for Canada's 135,000 Indians, finally won adoption in the House of Commons yesterday after five years of Parliamentary study.

The bill, which now goes to the Senate, was given final reading after the House rejected a Progressive Conservative attempt to alter its terms and give the Indians a greater say in their status under the legislation.

Also, in Parliament yesterday:

The Minister of Fisheries, Mr. Mayhew, said the Government will not undertake a programme for supporting the price of salt cod.

H. W. Herridge (CCF--Kootenay West) tried unsuccessfully to implement a graduated tax on excess-corporation profits.

Legislation was introduced in the Senate to place betting at harness-racing tracks under government supervision.

Anti-Dumping Duties On Motor Cars: Ottawa, May 17 (CP) -- The Minister of Finance, Mr. Abbott, today reiterated the Government's intention to reinstate, effective May 31, anti-dumping duties against British-made motor cars.

However, he told the House of Commons the application of the duties would only affect one or two of the higher-priced British cars entering this country. The majority of British cars will not be affected.

(over)

Under the anti-dumping legislation, suspended two years ago to assist British imports, the duties only apply if the export price is less than that on the home market in the country of origin. In most instances, the export price was fair.

Mr. Abbott said he understood that the British car known as the Vauxhall would be affected by the duties.

1,000,000 Fewer Acres To Wheat: Ottawa, May 17 (CP) -- Canadian farmers intend to plant 26,000,000 acres of wheat this year, down 1,000,000 acres from last year's 27,000,000, the Bureau of Statistics reported today.

In this first report of the farmer's planting intentions, the Bureau noted greater emphasis is being given to seeding of coarse grains.

Bessborough Son Killed: London, May 17 (Reuters) -- George St. Lawrence Ponsonby, 19-year-old younger son of the Earl and Countess of Bessborough, has been killed in a car accident in Western Germany, where he was serving as a second Lieutenant in the 9th Lancers, it was announced today.

Ponsonby was born in Montreal in 1931 when his father was Governor-General of Canada.

Across Canada: Estimated cost of the new National Printing Bureau on Sacred Heart Boulevard, Hull, Que., is \$11,300,000, Secretary of State Gordon Bradley, KC, informed Douglas S. Harkness (PC, Calgary East) in the House of Commons yesterday....Canada's newest and largest radio centre--the CBC's Radio-Canada Building in Montreal--will be officially opened at 9:00 p.m., tonight. The new centre is on Dorchester Street, formerly the Ford Hotel....The wage policy committee of the Canadian Congress of Labour (C.I.O.) yesterday decided on a policy of a co-ordinated drive for higher wages by its affiliates representing 360,000 workers....The destroyer Athabaskan came home to Esquimalt, B.C., yesterday. It was the last of three Canadian warships which left Victoria, B.C., in last July for Korean waters.

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Vol. 2, No. 98

Monday, May 21, 1951.

"Pats" Advance Unopposed: West-Central Sector, Korea, May 20 (CP) -- Troops of the 25th Canadian Infantry Brigade and the 2nd Battalion, Princess Patricia's Canadian Light Infantry, are closer together today than they have been since the Patricias sailed for Korea last November. But they still have not yet been reunited under Brig. John Rockingham, brigade commander.

Meanwhile, Brig. Rockingham has a Filipino battalion serving with his Royal Canadian Regiment of London, Ontario, and the Royal 22nd Regiment of Quebec City.

The Princess Patricias, registering their first move in almost three weeks, left their strong defensive positions north of the Han River and moved onto hills several thousand yards northwest as the whole western front at least temporarily wrested the initiative from the Chinese Communists.

The battle-tested Patricias under Major Pat Tighe of Victoria, B.C., advanced unopposed, protecting the west flank of a unit whose troops gained 5,000 yards without a shot being fired.

Report Registration Not Needed Now: Ottawa, May 20 (CP) -- A national registration is not needed now, the National Advisory Council on Manpower told the Government Saturday, but it advised planning for a quick registration in case of an emergency.

The Council said its information shows manpower requirements for the defence programme on its current scale present no immediate problem warranting a national registration.

In fact, the Council was told by Arthur MacNamara, Deputy Labour Minister, that a general registration might not be needed for even a greatly expanded preparedness programme, though he said it might be necessary to register specific occupational groups from time to time....

A national registration was carried out during the Second World War for use in manpower mobilization for the armed forces and essential industry. The question of holding another one has been before the Government since it launched the current defence programme drawing on Canada's labour pool for greater production and men for the armed forces.

That a new registration will be held in the event the international situation deteriorates badly was made evident in the report given Council by Mr. MacNamara, who is its joint Chairman with Norman Robertson, Clerk of the Privy Council....

Canada And Middle East Conference: Ottawa, May 20 (CP) -- Defence commitments elsewhere will deter Canada from participating directly in the defence of the Middle East, informed quarters said tonight.

It is therefore unlikely, they added, that the Minister of National Defence, Mr. Claxton, will attend a Commonwealth Defence Ministers' conference now being planned, mainly on Middle East subjects. The talks were expected to be of a Middle East "regional character."

But a Canadian military observer will probably be sent and his report studied by the Cabinet.

Canada, at the moment, is busy building up her forces to provide air and ground support for Europe's defences. Her 25th Infantry Brigade is now in Korea.

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U.S. Ambassador On Seaway: Cornwall, Ontario, May 19 (CP) -- Hon. Stanley Woodward, United States Ambassador to Canada, said last night he is hopeful of a start on the St. Lawrence Seaway.

Mr. Woodward said the joint Canada-U.S. project -- endorsed by Canada but bogged down in the U.S. legislative machinery for 10 years -- has been given a high priority by President Truman in his legislative programme.

Paper Mills Adopt 7-Day Work Week: Toronto, May 20 (Montreal Gazette) -- Plans to keep mills operating for a full seven-day week have been announced by 12 Canadian pulp and paper companies. The move is expected to help overcome a world newsprint shortage.

The companies said they had agreed to operate Sundays after lengthy negotiations with nine A.F.L. unions representing some 18,000 employees in Canadian mills located in Quebec, Ontario, and Manitoba.

The unions agreed last night to Sunday work after the companies signed contracts providing for a 40-hour week instead of the previous 48, to go into effect as soon as necessary manpower and housing facilities are available.

The agreements also provide that hourly-rated workers would get a wage increase of 14 per cent with a minimum of 16 cents an hour. Skilled tradesmen were given a two-cent hourly increase.

Canada Adopts Patton Tank: Ottawa, May 19 (CP) -- Canada is adopting the 45-ton Patton tank for her expanding army.

The Defence Department will be buying a considerable number of them from the United States fairly soon at a cost of more than \$300,000 apiece. The purchases will run to many millions of dollars.

This is one of the major developments of the programme of abandoning British-type arms and rearming primarily with American equipment and weapons.

Canada An Example For World Peace: Ottawa, May 20 (CP) -- What Canada has done the world must do if peace is to last, the Prime Minister, Mr. St. Laurent, said today.

In a statement on Citizenship Day, next Wednesday, the Prime Minister said Canada's development of partnership and understanding between two great races "stands as a great example of what can be accomplished as a result of a deep respect for and tolerance of the rights and opinions of others."

Montreal Players Win Drama Award: London, Ontario, May 20 (CP) -- Les Compagnons de Saint Laurent, Montreal, a professional group of artists with plenty of nerve and bounce, have won the top award for the Dominion Drama Festival.

Their production of Andre Obey's Les Gueux au Paradis gave them the Bessborough Trophy for the second time in the last four years.

Across Canada: Firemen and volunteers on Sunday recovered the last of four bodies buried under tons of wreckage Saturday during a \$300,000 fire in Peterborough, Ontario. Eleven other persons were injured in the blaze, which destroyed a four-storey downtown business block....The federal Government's means of cutting inflationary spending by tightening the screws on retail borrowing are having a marked effect on automobile sales, a Canadian Press survey shows....The Anglo-Canadian Trade Committee on May 18 recommended that Commonwealth governments should, at the earliest practicable date, call a Commonwealth economic conference to investigate mutual trade problems....Montreal, on May 18, saw the official opening of one of the world's largest and most modern radio network and television centres--the new Radio Canada Building of the Canadian Broadcasting Corporation....The appointment of Dr. William A. Mackintosh as Principal and Vice-Chancellor of Queen's University was announced at the week-end.

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Vol. 2, No. 99

Tuesday, May 22, 1951.

In Parliament Yesterday: The Prime Minister, Mr. St. Laurent, indicated there will be no early action to insert a declaration of human rights in the constitution.

The Government proposes to boost postal rates for newspapers and periodicals to raise an additional \$2,000,000 yearly revenue.

The Senate discussed a bill to tighten loopholes in the Consumer-Credit Act.

Report Britain May Ease Import Controls: Ottawa, May 21 (CP) -- Informed quarters disclosed today that Britain is giving favourable consideration to a plan to ease import controls and so allow more Canadian manufactured goods to reach the British market.

The informants said she also is considering a scheme to release more dollars from her exchange pool to allow the British West Indies to increase purchases from Canada.

These developments, favourable to the Canadian exporter, emerged as finance, trade and economic officials from both countries plunged into a three-day secret trade conference.

The meeting was the fifth session of the Canada-United Kingdom Continuing Trade Committee, a trade link born of Britain's critical exchange days in 1948.

Though it is not mandatory that the Governments accept these recommendations, informants pointed out that major decisions reached at previous meetings were, in fact, accepted and adopted by the Governments.

Britain's plan to ease import controls likely will be done through expansion of the token import scheme. Under this scheme, Canadian exporters were allowed to ship into Britain 20 per cent of the value of their goods bought by Britain in pre-war years. This quota was doubled to 40 per cent in January.

The British West Indies have been particularly anxious to get U.K. agreement on an increase in dollars to buy more goods from Canada.

Mr. Howe On Canada's Trade Position: Ottawa, May 21 (CP) -- The federal Government was urged from three sides today to do something to boost trade with the Commonwealth.

The Minister of Trade and Commerce, Mr. Howe, replied that Canada's business with the Commonwealth and with the world is in a "sound position."

George Drew, Progressive Conservative Leader, asked the Government to take the lead in arranging a Commonwealth economic conference for the removal of trade barriers.

M.J. Coldwell, C.C.F. Leader, and Solon Low, Social Credit Leader, joined Mr. Drew and others in urging the Government to do all possible to increase trade with the United Kingdom and other Commonwealth countries. Several speakers charged that Canada is putting "all her eggs in one basket" in her tremendous trade with the U.S.....

Mr. Howe said Canada did not sacrifice British preferences at Torquay and said any Commonwealth country can trade here and take advantage of those preferences. But he knew of no country in the Commonwealth where Canada could trade and get advantage of the preferences because behind them there were quotas and other prohibitions.

(over)

The Minister said it is "nonsense" to attribute booming Canadian trade with the U.S. to American defence stockpiling. One of the purposes of the British officials here now for a trade conference was to seek raw materials.

Mr. Howe said Canada's trade with Britain is "very high compared with pre-war years" and that this country has been selling everything she can produce for years. Canada's exports to the U.S. have increased because she needed U.S. imports and couldn't do without them and had to pay for them. Canadian-U.S. trade wasn't in balance but it was in manageable position.

Malta Conference: Ottawa, May 21 (CP) -- The Prime Minister, Mr. St. Laurent, said today the Canadian Government has not reached a decision on whether to send a representative to the Commonwealth Conference of Defence Ministers in Malta next month.

Replying in the House of Commons to Gordon Graydon (PC--Peel), Mr. St. Laurent said there has been correspondence exchanged on the subject with the United Kingdom "but no decision has been reached."

Informed quarters said yesterday it is unlikely that the Minister of National Defence, Mr. Claxton, will attend the conference, called mainly to discuss defence in the Middle East. They said a military observer may be sent to the conference, but commitments elsewhere will deter Canada from participating directly in the defence of the Middle East.

Three More Metals Under Control: Ottawa, May 21 (CP) -- The Government today announced it will bring rationing of raw aluminum, copper and brass mill products under its own wing beginning June 1.

Previously this was done on a voluntary basis by the mills. Decision to invoke compulsory control, experts said, was only the first step in a long-range plan to cut down on the use of these metals for non-essential production.

As the defence effort absorbs more and more of these supplies, an "end-use" rationing programme may be launched, cutting down, say, the amount of copper that could be used for roofing purposes, of the amount of brass and aluminum which could be used for durable household goods.

Meanwhile, no change in the scale of voluntary rationing will be made under compulsory controls.

Mr. Pearson On "Citizenship": Ottawa, May 22 (Citizen) -- Just as dangerous as a "fifth column" of enemy agents and traitors, Canada today is faced with a "sixth column"--those who don't care about their citizenship.

That danger, possibly more foreboding to Canada than any external threat to its freedom, was emphasized by the Secretary of State for External Affairs, Mr. Pearson, at the Ottawa Rotary Club's "Citizenship Week" luncheon at the Chateau yesterday noon.

"The greatest danger to Canada may not always be from outside," he warned solemnly. "It may be from within because of our carelessness. There are those of us who would let the other person be a good citizen while we go after the profits and the pleasures."

Across Canada: Attorney-General Porter of Ontario said yesterday that the federal Government is expected to take steps to control communications used by bookmakers....A two-hour rain fell last night in fire-plagued areas of Northwestern Quebec where forests, dried out by a five-day hot spell, kept between 1,800 and 2,000 men fighting blazes....The Defence Production Department, striving to launch a big aircraft-production programme in Canada has purchased the Renfrew Machinery Company plant at Renfrew, Ontario, and is turning it over to a United Kingdom firm for the manufacture of jet engine parts, informed quarters disclosed yesterday, the Canadian Press reports.



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Vol. 2, No. 100

Wednesday, May 23, 1951.

Mr. Pearson On Peace Rumours: Ottawa, May 22 (CP) -- Reports of Communist "peace feelers" cannot be verified in any official information available to his Department, the Secretary of State for External Affairs, Mr. Pearson, today told a parliamentary committee.

"We have no information to support any conclusion of that kind," the Minister told the committee during a review of the world's trouble spots.

It was possible the rumours arose because of the success of the United Nations forces in resisting the current Communist drive in Korea. At the moment, the efforts of United Nations diplomacy to end the Korean conflict by negotiation were submerged by the efforts to end it by military force.

But that, Mr. Pearson said, did not mean there was any lessening of the desire to end the conflict by negotiation. That desire was always present.

Communist China had "rebuffed us in no uncertain terms" when peace efforts were made last December. But the door was always open for a peace that would be honourable and "not a reward for aggression."

Mr. Pearson said his best information was that the aggressors could not hope to win in Korea with the forces at present employed or without "outside help."

The hope was that the sponsors of aggression would soon realize this and be prepared to negotiate....

Mr. Pearson On Canada-U.S. Relations: Ottawa, May 22 (CP) -- Canadian-U.S. relations have become those of two important members of a free-world coalition rather than simply the back-fence relations of two good neighbours, the Secretary of State for External Affairs, Mr. Pearson, said today.

In cautious phrases, the Minister gave the House of Commons' External Affairs Committee an elaboration of what he meant when he said recently in Toronto that the days of relatively easy and automatic political relations between the two countries are finished....

The Minister, telling what he had in mind, said that in the pre-war years Canada's problems with the U.S. were often of great importance to both countries but they were bilateral.

"They were line-fence problems, border problems, smuggling problems, commercial and waterways problems," he said. "They were important, but they never involved the question of peace or war."

The problems were solved and others occurred. They were still with the two countries.

But now, in addition, there were the big problems arising from Canada's relations with a U.S. which has become the leader of a free world coalition and whose policies could decide the question of peace or war.

In this cold war era, it was not easy to solve international difficulties not only with the U.S., but with Britain and other powers.

It was no longer a question of whether the U.S. would undertake global obligations, but how she would handle them and whether, in handling them, Washington might involve Canada in war.

"I'm not suggesting we can't work these problems out within our North Atlantic Alliance," he said, "because of course we can but it is not easy . . . It requires more attention, more give and take than the old pre-war problems ever did."

(over)

The Minister On World Situation: Ottawa, May 22 (CP) -- It's still impossible to tell whether the cold war is going to be a sprint or a marathon, the Secretary of State for External Affairs, Mr. Pearson said today.

The Atlantic Pact Allies, he told the House of Commons' External Affairs Committee in a global survey, "can't count on the possible aggressor giving us any time at all" before an attack.

Acting on the assumption that "we should do all we can as quickly as we can," they had laid down a plan to build Europe's strength by a certain date to a point where no potential aggressor could have any illusions at all that Western Europe would be an easy conquest.

There were gaps between what was being done and the objective, and efforts were being made by the treaty powers to close those gaps. But the military effort had to be reconciled with the need to keep the social and economic fabric of the free world in sound shape.

He is satisfied, Mr. Pearson said, with the way things are going.

He said admission of Turkey and Greece to the 12-country Atlantic Pact is under "very active" consideration; that CBC foreign broadcasts now follow policies laid down by his Department, and there is evidence they are heard behind the Iron Curtain; that Canada hasn't changed her stand against joining the Pan-American Union; that Canada has no beefs about her share of higher posts in the Pact military commands overseas.

Each member country will be represented on Gen. Eisenhower's staffs broadly according to contribution but it was conceivable that a Canadian might be commander-in-chief.

Western Europe, he said, is improving its position, but the great problem remains of associating Western Germany with the Atlantic Alliance. This is under study in Paris. Meanwhile, the West has detailed information about the rearmament of Eastern Germany by Russia.

A recent pro-Fascist vote of about 11 per cent in a Western German province was a matter for concern but not alarm.

Yugoslavia is the most important Balkan area at the moment, but the people are resisting both the evils of bad crops and Russian pressure, and deserve the economic help of the West. The Minister said he didn't want to say what sort of reliance the West could place on Yugoslavia in any war.

A Japanese peace treaty would probably be approved this year, but Russia probably wouldn't participate. There would be difficulty deciding what government would sign for China.

The Indo-Chinese situation seemed to be improving. The question of the return of Formosa to China should remain in abeyance for the moment because of Korea. Canadian policy is that there should be no action on Formosa that would threaten to extend the Korean War.

However, the Government would not take the attitude that Formosa should never be turned over to China because Canada does not approve of the present Communist Government.

Canada-U.K. Trade Committee: Ottawa, May 22 (CP) -- Informed sources said today that Canada has suggested Britain's colonies might earn more dollars if Britain freed them from long-term supply commitments and allowed them to sell more of their goods to Canadian buyers.

The suggestion was made as trade officials from both countries completed the second day of discussions in the fifth session of the Canada-United Kingdom Continuing Trade Committee.

High-ranking officials are exploring means by which trade between the two countries could be increased, thus providing Britain with more dollars with which to buy Canadian goods.

Dollars earned by Britain's colonies are transferred to a common exchange pool, controlled by Britain.

Canadian officials pointed out, informants said, that Canada would like to buy copra, to make coconut oil, from Australia and the Fiji Islands and peanuts or groundnuts from Nigeria....



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Vol. 2, No. 101

Friday, May 25, 1951.

Defence Programme Debated: Ottawa, May 24 (CP) -- The armed forces are hiring civilians by the thousands to free servicemen to prepare for war and because they cost less than men in uniform, the Minister of National Defence, Mr. Claxton, said today. The average other rank costs \$3,200 a year all told while a civilian averaged only \$2,300.

As the House of Commons swung back into debate on the Defence Department's record \$1,600,000,000 budget, the Minister said the number of civilians now employed is nearing 30,000 and will probably hit 35,000 by the end of December. Factors beyond the Department's control -- including Korea -- largely would determine the final total.

By the end of the fiscal year, March 31 next there should be "considerably more" than 125,000 servicemen and civilians working on defence full-time, he said, or a total less than 25,000 short of the 1954 target of the three-year military programme Canada has undertaken.

The current total was 103,000 apparently including some 73,000 servicemen. The Minister's figures indicated it is anticipated more than 90,000 servicemen will be in uniform by the end of this fiscal year.

Other developments:

1. The Progressive Conservatives, in effect, revived demands for a Commons' defence committee by arguing that the departmental estimates should be considered by the Banking and Commerce Committee of the House. They were refused.

2. Mr. Claxton said it has been decided in recent months to turn the 125,000-acre Wainwright military camp in Alberta into a base for advanced training of army formations as large as a 5,000-man brigade group and the development later might go even further.

3. The Minister said that since September the development of Canada's defence programme, measured in terms of money, has been greater than for any period of corresponding length in the last war.

Patricias Participate In Advances: Tokyo, May 25 -- Both Reuters News Agency and The Associated Press reported Canadian troops as participating in advances on the front northeast of Seoul, but did not clarify whether the advances were made Thursday or Wednesday.

The Canadian Press Correspondent with Canada's Princess Patricias, said that Australian and British troops took over from the Patricias and the Canadians celebrated a leisurely Victoria Day after Wednesday's five-mile advance.

The Reds withdrew rapidly with U.N. forces in hot pursuit.

General Agreement On Pension Plan: Ottawa, May 24 (CP) -- A federal-provincial conference on old-age pensions concluded sessions today after the representatives of Canada's 11 governments reached "general agreement" on principles.

The conference, opened yesterday by the Minister of National Health and Welfare, Mr. Martin, was called to discuss legislation under which the federal Government and the provinces will share on a 50-50 basis the cost of pensions to the needy between 65 and 69.

The federal Government alone will administer an old-age pensions programme under which pensions of \$40 a month will be paid to everyone 70 and over regardless of means, provided they have lived in Canada for at least 20 years. The pensions will be financed on a "pay-as-you-go" basis through taxation, but it has not yet been disclosed how much the taxpayer will contribute.

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It is expected that payment of the pensions to those 70 and over will start early in 1952. The date for the payment of pensions to the needy in the 65-69 group may vary from province to province.

Canada-B.W.I. Trade Conference: Ottawa, May 23 (CP) -- Canada is preparing for a fresh round of trade-strengthening talks with an old customer--the British West Indies.

Discussions will open immediately on the arrival of a B.W.I. trade delegation Friday, and likely will continue through the week-end. They will be closed to the press.

This new round of discussions, aimed at breaking down some of the barriers endangering trade between the British colonies and Canada, will follow talks going on now between Canada and Britain.

In both cases Canada's problem is the same, one of gaining further concessions from Britain to overcome dollar-area trade restrictions cutting into Canada's exports to the Commonwealth.

Trade Department officials today said they expected a representative of the British Colonial Office and delegates from the Barbados, Jamaica and Trinidad, and possibly British Guiana, to attend the B.W.I. talks.

Canadians Big Spenders In U.S.: Ottawa, May 24 (CP) -- Canadian tourists spent more cash at international holiday points last year than at any time in history.

And the outlook, government tourist officials said today is for even greater spending this year.

Latest compilations show that Canadians spent about \$226,000,000 for foreign enjoyment last year--triple the \$80,000,000 annual average for the last 20 years.

Most of this--about \$193,000,000--went into United States pockets, with the remainder--\$33,000,000--spent in overseas countries.

Altogether, Canadians made about 16,000,000 border crossings into the United States last year.

Across Canada: In a test case, the Supreme Court of Canada on May 23 held that industrial and agricultural fairs cannot use copyrighted artistic works without the permission of the owner. A complete reversal of findings by the Ontario Supreme Court and Appeal Court, the decision of the country's highest judicial body is a victory for the Composers, Authors and Publishers Association of Canada....The Senate on May 24 ended a three-month debate on reform, but it may be revived next session. Discussion came to a halt after Senator Wishart Robertson, Government leader, received unanimous consent to withdraw a motion--which started the debate last February....The Prime Minister, Mr. St. Laurent, and Premier Maurice Duplessis of Quebec will speak to more than 800 delegates representing 40 countries during sessions of the Sixth World Congress of the Junior International Chamber of Commerce which opens in Montreal Sunday....Believed to be the largest gem seizure ever made in Montreal, 10,206 diamonds valued at more than \$200,000 were seized by Royal Canadian Mounted Police investigators when they arrested a 21-year-old Roumanian D.P. at the Montreal Airport Dorval.

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Vol. 2, No. 102

Monday, May 28, 1951.

Canadian Brigade In Action: West Sector, Korea, May 28 (CP) -- Canadian troops were in sight of the 38th Parallel last night after a Sunday advance of six map miles.

Brig. John Rockingham's 25th Canadian Infantry Brigade, which was unleashed Friday for the first time against Chinese Communist forces in Korea, had advanced about 15 miles since going into action against the retreating Reds.

Saturday, in foul weather, part of the brigade registered a 3,000-yard advance in the hills north of Uijongbu, while French-speaking troops to the east, also operating in hilly country, chalked up an unopposed 5,000-yard gain.

In the first day of the fighting the Brigade rolled back its front seven miles....

Elsewhere, the 2nd Battalion, Princess Patricia's Canadian Light Infantry, which relaxed Saturday after five weeks in the line, was notified that it will be rejoining the 25th Brigade as soon as possible. The Patricias left the rest of the Brigade at Fort Lewis, Wash., last November when they sailed for Korea. The rest of the Brigade under Rockingham arrived in Korea a few weeks ago.

(The Patricias now are with another Brigade operating some 15 miles to the east of the 25th Brigade's sector).

Rockingham's force went into action Friday pointed in the direction of the 38th Parallel and at nightfall of the first day had rolled their front back seven miles, with some units still in contact with the retreating enemy.

Eastern Ontario and French-speaking units of the Brigade both had been "blooded"--lightly--and the day yielded five enemy prisoners.

Operating in a broad clearing action, Rockingham's troops followed in the wake of a United States armored tank force which went clear to the 38th Parallel.

The battalions cut a wide swathe in taking towns. By nightfall Friday they were tied in brisk fire fights with Chinese troops in the hills.

Other Canadian troops continued to rest in the hills, where British Commonwealth troops had carried the front forward.

Mr. Pearson On UN Action In Korea: New York, May 28 (Reuters) -- The Secretary of State for External Affairs, Mr. Pearson, predicted on Saturday that the United Nations action in Korea will not "trickle away into the sands of futility and stalemate."

As long as the UN forces can throw back the enemy with heavy losses, he told a radio audience, in a recorded address, and can keep the war from spreading, the Chinese Communists may yet decide that it is "folly" for them to persist "in the destructive course they have begun."

"We must hope," Mr. Pearson said, "that the day will come when they realize that it is not China, but Russia which is being served by the aggression in Korea in which they have participated."

"Then, they may be ready to enter into discussions leading to a settlement of Korean and other Far Eastern issues, on terms that the United Nations can accept."

Mr. Pearson's speech was recorded for delivery in the UN's radio series, "The Price of Peace."

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Fall Session Rumoured: Ottawa, May 27 (CP) -- The House of Commons, amid reports that it will be called to a new session in the fall, faces a heavy schedule of business this week.

There are more than a dozen government bills on the order paper, including those giving legal effect to the tax changes announced in Finance Minister Abbott's budget speech of April 10.

Some measures are non-contentious; others are likely to provoke lengthy debate. For instance, there is one bill providing for an increase in the salaries of some judges. The C.C.F. party already has indicated that it will fight the measure on the grounds that judges' salaries should not be increased until old-age pensions are boosted.

Rumours of a fall session spread following a Wednesday caucus of Liberal members.

Recruiting For 27th Brigade: Ottawa, May 26 (CP) -- Recruiting for Canada's 27th Brigade -- destined primarily for service in Europe -- has passed the 5,000 mark, the Army announced today.

Aim of the drive which opened May 7 is between 5,500 and 6,500 men. A similar number will eventually be needed as replacements. The latest total for enlistment is 5,184.

So far the Army has had 9,121 applications for service in the 27th. There have been 2,461 rejections, and 1,476 applications are in process of enlistment or rejection.

Of the 5,184 enlistments, 1,456 were from men in reserve units.

Across Canada: Veterans of the Korea fighting will receive rehabilitation benefits similar to those granted for service in the Second World War, the Minister for Veterans Affairs, Mr. Lapointe, told members of the Canadian Legion, in Montreal Saturday....Despite restrictions on credit buying imposed late last year, retail sales in the first quarter of 1951 were 19 per cent higher than a year ago, the Bureau of Statistics reported....A huge forest fire raged out of control 35 miles south of Timmins, Ontario, Sunday night in dead slash, old burned areas and in stands of red and white pine in Timagami Forest Reserve, after sweeping for 24 miles through six townships during the week-end.... Eight Mustangs from the R.C.A.F.'s No. 416 Fighter Squadron took off from Ottawa on Sunday for Vancouver in an operation to test the ability of the squadron to move a great distance and still be operational in an emergency.



DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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Vol. 2, No. 103

Tuesday, May 29, 1951.

"Vandoos" Patrol North Of 38th: West Sector, Korea, May 28 (CP) -- Patrols from Quebec's Royal 22nd Regiment probed north of the 38th Parallel into North Korea today.

The main body of the "Vandoos," a series of forced marches behind them, sat back in mountain positions and relaxed.

With the Royal Canadian Regiment from London, Ontario, also part of Brig. John Rockingham's 25th Infantry Brigade, the Vandoos advanced six map miles Sunday. That was six miles in a straight line--the troops probably marched twice that distance as they toiled up mountains and moved through valleys and along winding trails.

The Royal 22nd had relieved Turkish brigade troops east of Songu May 25. On a 2,000-yard front, the Vandoos undertook a clearing operation from their starting point to the Parallel.

The regiment advanced 15 map miles, clearing more than 30 square miles of territory and capturing 21 Chinese. The cost was three men wounded.

A number of mules and much abandoned equipment, including Russian-type weapons, were captured.

The regiment had just one fight, a battle for a hill which the Chinese abandoned overnight before a second assault could be mounted.

Increased Newsprint Supplies For Britain: Ottawa, May 28 (CP) -- Well-informed quarters estimated today that Britain likely will get about four or five times more newsprint from Canada next year than she did in 1950.

This, it was learned, was the crux of a deal negotiated between Lord Layton, Chairman of the British Newsprint Supply Company, and Canadian mills.

Britain obtained about 20,000 tons of newsprint from Canada last year. She likely will get between 80,000 and 100,000 tons next year, and even more in the following two years, dependent on world demand for Canadian newsprint.

This was disclosed following a statement by Lord Layton in Montreal, announcing that agreement with the mills on a programme of supply for the next three years has been reached.

International Allocation Of Newsprint Rumoured: Ottawa, May 28 (CP) -- Emergency international allocation of her previous newsprint may be just around the corner for Canada.

Informed quarters disclosed today that this may develop out of a decision of a 10-country international control group, sitting at Washington, studying means to help overseas countries face a crippling newsprint shortage.

Canada-U.K. Trade Committee: (Press Release No. 23, May 25) -- The Secretary of State for External Affairs, Mr. Pearson, announced on May 25 that the Canada-United Kingdom Continuing Committee on Trade and Economic Affairs had finished its meetings which started on May 21.

The Committee reviewed the balance of payments between the sterling area and Canada, with particular reference to the U.K. import programme from Canada for the year beginning July, 1951, which is estimated to be over fifty per cent higher in value than in the calendar year 1950. This represents a major change in the trend of U.K. imports from Canada which had been heavily reduced since 1947.

In the course of the examination, the Committee considered possible increased supplies from Canada to the U.K., particularly of raw materials, and the need for continuation of the U.K. export drive to Canada on which welcome progress had been made since the previous meeting.

(over)

Department Of External Affairs: Ottawa, May 28 (CP) -- Canada's international commitments are going to start the manpower of the External Affairs Department growing again soon, A.D.P. Heeney said tonight.

The Under-Secretary of State for External Affairs told a House of Commons committee the Department within the past year has lived up to Government policy by slashing its personnel between six and seven per cent. It now employed 1,311 persons at home and abroad.

But the downward trend was about to be reversed. The Department "now is having to consider the imminent prospect of asking for additions to our staff."

In recent months pressures had increased, and this would mean a need for more officers--university-trained men who can become diplomats--and this, in turn, would mean a need for more subordinate staff such as stenographers.

The increases wouldn't be large.

The pressures compelling them consisted of such things as the development of the North Atlantic Treaty Organization and the Colombo plan for development of South and Southeast Asia.

Fourth International Trade Fair Opens: Toronto, May 28 (CP) -- Both Canada and Britain will keep pushing trade development at the same time that they carry on their defence programmes.

Assurances of this were given today by the Minister of Trade and Commerce, Mr. Howe, and Sir Robert Sinclair, immediate Past President, Federation of British Industries, in addresses at a luncheon which preceded the opening of the fourth Canadian International Trade Fair....

Mr. St. Laurent Urges International Investment: Montreal, May 29 (Gazette) -- Some form of international investment is absolutely indispensable if under-developed countries are to improve their economic position, the Prime Minister, Mr. St. Laurent, said here yesterday.

Addressing the Sixth World Congress of the International Junior Chambers of Congress in the Windsor Hotel, Prime Minister St. Laurent said the more fortunate countries must find some means of encouraging the industrial growth of less developed countries and that international investment was also indispensable to establishing a better world trade balance.

Canadian Association Of British Manufacturers: Toronto, May 28 (CP) -- Formation of a Canadian association of British manufacturers, to stimulate two-way trade between Canada and Britain, was announced tonight by Sir Robert Sinclair, Past President of the Federation of British Industries.

Mr. Stick, M.P., On Expenses At UN: Ottawa, May 28 (CP) -- It's a "disgrace," said Leonard Stick (L--Trinity-Conception) tonight, the way Canada looks after the Parliamentarians she sends to United Nations meetings.

The Newfoundlander raised the point as the House of Commons External Affairs Committee discussed departmental matters.

Canada, said Mr. Stick, can't hope to hold up her head internationally by sending people to New York on such niggardly and small expenses.

Across Canada: Montreal's port set a new high for activity Monday when 56 vessels, largest number seen here this season, lined the 10 miles of docks, discharging and loading cargoes.... Delivering the main address at McGill University Convocation ceremonies Sir Oliver Franks, British Ambassador to the United States, said yesterday that he believed that Britain, Canada and the United States would succeed in their great mission to save the sanity of the world.... A 55,000-acre forest fire in the Gogama district of Northern Ontario, south of Timmins, was fought to a standstill yesterday as light rains and some 700 bushworkers and firefighters combined forces.

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Vol. 2, No. 104

Wednesday, May 30, 1951.

Canadians In North Korea: Somewhere in Korea, May 29 (CP) -- Canadian troops were in North Korea tonight, after moving more than six miles into the Communist country against only slight resistance.

At nightfall they were engaged in hills at the south end of a little valley against an enemy apparently trying to deny the United Nations forces across to the plains ahead.

They were in an area where, in the words of Brig. John Rockingham, commander of the 25th Infantry Brigade, "maybe we cannot count so much on popular support."

Most of the day's opposition from Communist forces was harassing mortar fire, but Rockingham said "that's just what we need,"

"Two or three bursts daily will keep us out of bad habits," he said. "Without them there is a tendency to 'skyline' ourselves and group our vehicles."

The mortar opposition did not go unchallenged, however. The mortars were silenced by air strikes guided in by radio by Maj. Don George of Saskatoon, brigade signals officer.

In addition to the mortars there were a few skirmishes in which companies under Maj. Gille Lamotte of Three Rivers, and Maj. Roland Reid of Montreal took part. Reid's company took two prisoners.

A total of five prisoners were taken, including two "captured" by Rockingham.

In Parliament Yesterday: The Minister of Trade and Commerce, Mr. Howe, expressed hope that increased trade will result from talks with French and New Zealand officials.

The Minister of Finance, Mr. Abbott, said monthly statements on revenues and expenditures are factual.

Speaker Ross Macdonald reminded members they should not read prepared speeches.

George Drew, Progressive Conservative Leader, urged the Government to reconsider plans to raise postal rates on daily and weekly newspapers.

The Postmaster General, Mr. Rinfret, said the post office has to increase revenues to meet mounting costs.

Canada's Purchases From U.S. Climb \$100,000,000: Ottawa, May 29 (CP) -- Canada's purchases from the United States in April climbed more than \$100,000,000, to \$278,000,000 from \$162,000,000, contributing to another monthly trade deficit -- the fourth in a row.

Total trade, the Bureau of Statistics reported in a preliminary statement today increased to \$693,000,000, up \$250,000,000 from last year's \$440,-600,000.

The deficit -- \$93,000,000 -- brought the total adverse balance for the first four months of 1951 to \$217,200,000. Last year, in this period, Canada had a surplus, but ended up the year with a small \$17,000,000 adverse balance, the first in almost 20 years.

Trade officials said they do not consider the current pattern either serious or indicative for 1951. They estimated a strong and healthy Canadian demand for goods as well as defence requirements are contributing factors. Exports, they said, likely will pick up in the summer months, reversing the trend.

Meanwhile, exports and imports are climbing. Shipments to all countries increased to \$300,200,000, up almost \$100,000,000 from last year's \$209,-700,000. Imports swelled to \$393,100,000, a gain of about \$160,000,000 from \$230,900,000.

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Effects Of U.S. Tariff Legislation: Ottawa, May 29 (CP) -- A Parliamentary committee heard today that tariff legislation before the United States Congress has "damaging" possibilities, but that it is not likely to work to Canada's disadvantage.

Hector McKinnon, Chairman of the Tariff Board, said the legislation in its original form would give Congress power to over-ride the Administration's actions in effecting tariff cuts, in which Canada has a heavy stake.

But, he told the House of Commons Committee on Banking and Commerce, "it is highly improbable such power would be used to take away concessions given Canada under the Reciprocal Trade Agreements Act of 1934."

Trade Talks With France: Ottawa, May 30 (Citizen) -- Informal discussions between France and Canada began yesterday. Heading the French Delegation is Pierre Charpentier, Director General of Economic Affairs for the Ministry of Foreign Affairs in Paris. Mr. A.D.P. Heeney, Under-Secretary of State for External Affairs, presided for the Canadian Government.

The meeting of the two countries is described as a quest for more trade.

"What we want to do" said a Canadian spokesman, "is to sell more to France, and buy more from her. But this must not be described as a barter."

Canada-B.W.I. Conference: Ottawa, May 28 (CP) -- A three-day trade-expanding conference between Canada and the British West Indies came to an end today and officials termed it a "marked success."

Nature of the recommendations were not disclosed, but they are expected to have included:

1. That the colonial governments consider removing import restrictions completely on a wide list of essential goods supplies by Canada.
2. A suggestion that Britain allow the colonial governments more authority over the spending of their earned dollars to make more of them available for Canadian trade.

Massey Report Friday: Ottawa, May 29 (CP) -- The Massey Commission report, advising the Government on financial and other aid for Canada's cultural development, will be tabled in the House of Commons Friday, it was announced today.

The report, two years in the making, will cover recommendations of a five-member panel, which heard various suggestions for Canadian cultural development from about 500 organizations and 1,200 individuals.

Young Dutch Veteran Saves Two Fliers: Centralia, Ontario, May 29 (CP) -- William Koele, a young veteran of the Dutch Army, today was credited with saving the lives of two of three fliers seriously injured in the crash of an R.C.A.F. training plane.

The two-motored plane plunged to earth shortly before noon today three-quarters of a mile north of Centralia Airport, a few seconds after taking off. It burst into flames.

One man, believed to be the pilot, was thrown clear, still strapped to his seat. He was badly burned. Koele pulled the other two from the flaming wreckage.

Across Canada: The Minister of National Health and Welfare, Mr. Martin, told the House of Commons yesterday that the Government does not plan to set up a Parliamentary committee to work out a health insurance programme....The question of designating a specific polling day for all federal general elections may be considered by the Commons Elections Committee, the Canadian Press reports....Rapidly approaching full strength, units of Canada's 27th Brigade, being raised primarily for service in Europe, will be moving into training centres soon, an army spokesman said yesterday.

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Vol. 2, No. 105

Thursday, May 31, 1951.

Mr. Pearson On Korea: Ottawa, May 30 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, today told a House of Commons committee that the defeat of aggression in Korea would discharge obligations accepted by members of the United Nations in the resolution of last June to help the Korean Republic when it was attacked from the north.

The Minister was questioned by members of the Committee on External Affairs about conflicting statements on objectives in Korea.

He said the Canadian Government did not feel that Canada's obligations as a member of the U.N. included the defeat of the Chinese Government.

"I can visualize a situation in which aggression in Korea can be defeated, if the North Korean and Chinese forces, driven north of the 38th Parallel, show a willingness to stop fighting and negotiate," he said.

The negotiations should be for a liberated Korea free to set up a Government according to the determination of its people.

That did not rule out military operations north of the Parallel, where they are taking place at the moment, if the aggressors attempted to use that refuge to reorganize for later attacks on the south.

"Has that thought been made clear to the North Koreans and Chinese?" asked M.J. Coldwell, C.C.F. Leader.

"If they are reading the proceedings before the Congressional Committee in Washington, it must be clear to them," Mr. Pearson said. But he did not know what might have been transmitted to the leaders of aggression on that point.

He said he did not believe there now could be any peace negotiations that did not include the liberation of Korea.

Mr. Pearson was questioned about a recent speech by Dean Rusk, of the United States State Department, which implied that the United States was not prepared to talk peace with the Chinese Communists.

He said information obtained from the State Department by Canadian Ambassador Hume Wrong was that the Rusk speech was not cleared with the State Department and that there was no change in the U.S. policy on the subject of cease-fire negotiations.

But, he said, it was a prime requirement that there must be a cease-fire agreement before there could be any negotiations.

With The Canadians In Korea: West Sector, Korea, May 30 (CP) -- At least 300 Chinese Communist troops were killed on a sodden Korean battlefield today as Canadian troops abandoned two miles of newly-acquired terrain.

At nightfall both sides were still in contact in the hills in the Unchon area. Canadian casualties for the day were light.

Apparently determined that United Nations troops will not enter the Chorwon Plains, to which the village of Chail, 40 miles northeast of Uijongbu is the gateway, the enemy threw everything into the battle to oust them.

Artillery and mortar concentration on a scale reminiscent of Italy and France in the Second World War churned the little valley from Chail to Unchon two miles to the south, into a pock-ridden plain before Chinese infantry made an assault in the afternoon.

In this assault, the Chinese, attacking in hundreds, forced Eastern Ontario troops by sheer weight of numbers to leave positions won just a few hours earlier.

(over)

The Canadians came back hard. Kicking off at 6 a.m. the Canadians, under Lt.-Col. Bob Keane of Fort William, followed up a thick artillery curtain laid onto intervening villages and thoroughly cleared them with flame throwers and grenades before proceeding.

India Declines Grain Offer: Ottawa, May 30 (CP) -- The Indian Government has turned down a second Canadian offer of low-grade wheat--this time as an outright gift--and the Government now is examining other methods for helping to relieve the Indian famine, the Secretary of State for External Affairs, Mr. Pearson, disclosed today.

Replying to a question asked by Gordon Graydon (PC--Peel), about what Canada is doing to lessen the famine's effects, Mr. Pearson said these possibilities now are under consideration.

1. Diverting some better-type wheat from some of Canada's regular customers to India.

2. Sending certain special types of food such as dried milk.

He recalled that Canada originally offered to send low-grade wheat to India as part of this country's \$25,000,000 first-year contribution to the Colombo Plan. It was offered because it was and still is the only type of wheat now available for shipment.

Canada And U.S. Tariff: Ottawa, May 30 (CP) -- The Chairman of the Tariff Board said today Canada has obtained about all the trade concessions she can from the United States under that country's statutory 50 per cent limitation on tariff reductions.

Hector McKinnon, one of Canada's negotiators at the trade conferences at Torquay, England, told the House of Commons Banking and Commerce Committee that there probably would have to be a revision of legislation by the U.S. Congress before Canada could get any further major concessions from her big southern neighbour.

He was referring to the U.S. statute by which the President may authorize tariff cuts up to 50 per cent of the 1945 level, but not beyond without going to Congress.

Soviet Jamming Of Canadian Broadcasts: Ottawa, May 30 (CP) -- Soviet use of from 600 to 1,000 transmitters to "jam" Canadian broadcasts to Russia was one evidence of the importance these broadcasts assumed there, the Secretary of State for External Affairs, Mr. Pearson, said today.

He told the House of Commons Committee on External Affairs that it was difficult to know the effect of broadcasts, aimed at bringing western truths to people behind the Iron Curtain.

Minister Welcomes Congressmen Surveying Seaway Route: Toronto, May 30 (CP) -- The Minister of Transport, Mr. Chevrier, tonight welcomed the coming visit of members of the United States Congress who will look over the route of the proposed St. Lawrence Seaway.

"I sincerely trust," he said, "that this visit will prove fruitful to our two countries."

Mr. Chevrier addressed the Canadian Exporters Association dinner, given to members and visitors to the Canadian International Trade Fair, and outlined how it is proposed to construct the seaway to bring ocean transport to the Great Lakes and the heart of the continent.

Across Canada: Protests against proposed higher postal rates on newspapers were made in the House of Commons yesterday....Contracts totalling \$14,748,530 were awarded by Defence Construction Limited, Government buying agent, during April....The Senate approved on behalf of Canada an International Labour Office convention fixing at 15 years the minimum age for employment of children on ships at sea....The destroyer Cayuga, one of the "originals" of Canada's naval contribution to U.N. forces in Korean waters, sails from Esquimalt, B.C., June 19 for her second tour of duty in the Far East.

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Vol. 2, No. 106

Friday, June 1, 1951.

Canada's Brigade Now Fighting As Unit: Ottawa, May 31 (CP) -- Ten months after recruiting started to fill its ranks, Canada's 25th Brigade is in action in Korea as a unit.

It is believed to be fighting as a separate unit under the direction of an American corps pending establishment of the 1st Commonwealth Division. Indications here are that it will be at least July before the Division is established.

Meanwhile, the army headquarters announced today that the Brigade has suffered its first casualties. They reported five men killed in action.

Brig. John M. Rockingham of Vancouver gathered his full Brigade together two days ago when the 2nd battalion of the Princess Patricia's Canadian Light Infantry was returned to his command.

Defence headquarters confirmed the development.

For three months the Patricias have been fighting under the command of British brigades, first the 27th and later the 28th. They continued to do so for a week or so even after the rest of the Canadian Brigade was committed to action.

Hydro Chairman On Seaway, Power Costs: Toronto, May 31 (CP) -- Robert Saunders, Chairman of the Ontario Hydro-Electric Power Commission, said today that the St. Lawrence Seaway can be built at a top cost to tax-payers of \$316,000,000.

He explained, in an interview, that the figures are based on a cost study just received from Guy Lindsay, Chief of the Special Projects Branch of the Department of Transport.

Mr. Saunders said that even if the United States doesn't undertake the work, Canada still will be able to complete an all-Canada route between Montreal and Detroit. The channel would harness St. Lawrence power and provide cheap transportation for delivery of Labrador iron to U.S. steel mills served by Lake Erie ports.

The Ontario Hydro Chairman said that last week he discussed with New York State Power authorities the question of whether the state is prepared to go ahead with the power project on the basis of the existing agreement. Under this Ontario and New York would share 50-50 the amount of \$334,408,000.

"I was given the warmest assurances New York is ready and willing to proceed on this basis," said Mr. Saunders, "even if it is necessary for Canada to build the seaway portion alone."

Mr. Norman Acting Permanent Delegate To UN: (Press Release No. 24, May 31) -- The Department of External Affairs announced on May 31 that E.H. Norman will replace J.W. Holmes as Acting Permanent Delegate of Canada to the United Nations in New York. Mr. Holmes, who was sent to New York to replace the late R.G. Riddell on a temporary basis, will return to Ottawa prior to taking up his appointment on the directing staff of the National Defence College, Kingston.

Canada At Defence Ministers' Conference: Ottawa, May 31 (CP) -- The Prime Minister, Mr. St. Laurent, announced tonight that Canada will be represented by a civilian and a military observer at a conference in London next month of Defence Ministers from the United Kingdom, Australia, New Zealand, South Africa and Southern Rhodesia.

The conference, announced in London today, will open June 21 and will deal with "certain defence problems" of common concern to the Commonwealth countries taking part.

(over)

Mr. St. Laurent, making his statement to the House of Commons, did not say who would act for Canada in observer capacity.

One subject to be discussed will be the Middle East, along with questions of equipment and training of mutual interest to those taking part.

Mr. Drew On Arms Standardization: Ottawa, May 31 (Montreal Gazette) — Opposition Leader Drew suggested here tonight that the world's arms manufacturers might be to blame for the failure of North Atlantic Pact nations to achieve arms standardization.

He describes the breakdown of attempts to secure agreement upon standard weapons as "one of the most alarming situations which has arisen since the end of the Second World War."

Mr. Drew injected this new note into discussions of the arms standardization muddle in an address delivered at a dinner meeting of the Ottawa Junior-Board of Trade.

The decision of Atlantic Treaty nations to continue producing basic arms of different patterns and calibres meant, Mr. Drew said "confusion and inefficiency in the supply bases."

Canada-U.S. "Identity Of Interests": Montreal, June 1 (Montreal Gazette) —

Canada and the United States have "an identity of interests" and "a commonly accepted course of action" in matters that really count, Hon. James E. Webb, Under-Secretary of State for the U.S., said here yesterday.

Addressing the Montreal Kiwanis Club in the Mount Royal Hotel, on a return visit after eight years, Mr. Webb said Canada and the U.S. had stood together on every important endeavour to strengthen peace, build international co-operation or to resist aggression.

He conceded that the two countries had different opinions on some matters.

It was entirely wrong to think they would always take the same view on every subject, he said.

"But the important thing that stands out in both the years of war and the years since is that on matters that really count we have seen an identity of interests," he said; "We have found a commonly acceptable course of action."

Mr. Lie's Visit To Ottawa: Ottawa, May 31 (CP) — The capital prepared tonight for its first glimpse of Trygve Lie, Secretary-General of the United Nations, who makes a brief, semi-official visit tomorrow.

Mr. Lie is to be the guest of the United Nations Association in Canada and will be met by Vincent Price of Toronto, U.N.A.C. President, and officials of the Department of External Affairs, headed by the Secretary of State for External Affairs, Mr. Pearson.

Mr. Lie will be guest speaker at the U.N.A.C. annual luncheon which Government and diplomatic officials, U.N.A.C. representatives from across Canada, and the general public, will attend.

Across Canada: The federal Government was urged yesterday by Western members of the House of Commons to start work immediately on a South Saskatchewan River irrigation project and to seek an upward revision of prices paid under the International Wheat Agreement.... R.R. Saksena, India's Consul-General to New York, has been appointed High Commissioner to Canada, the Indian Consulate in New York announced Thursday, the Canadian Press reported from New York.... The Government has been advised officially of the adoption by the United Kingdom Parliament of a constitutional amendment that will enable Canada to inaugurate a new old-age pension programme.

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Vol. 2, No. 107

Saturday, June 2, 1951.

Massey Commission Report: The report of the Royal Commission on National Development in the Arts, Letters and Sciences, running approximately 200,000 words, published by the King's Printer, price \$3.50, (one copy being sent to each MP) was tabled in the House of Commons by the Prime Minister on June 1. Its main recommendations are:

Annual radio-receiver licence fee of \$2.50 to remain unchanged.

CBC continue to control national and private broadcasting with an enlarged Board of Governors for wider representation.

No private station to operate as part of a network without CBC permission, as at present.

Private broadcasters to be granted the right to appeal to the courts against miscarriage of justice through CBC decisions.

CBC to refuse local commercial advertising except where no private station is available.

CBC to refuse all commercial programmes not acceptable in content and to consider eliminating some of the "less desirable" commercial programmes now carried.

Establishment of a second CBC French network and a CBC French-speaking station for the Maritimes.

Control and direction of television to remain with CBC, which is to continue with plans for telecasting.

No private TV stations to be licensed until CBC has national programmes available; private stations be required to serve as outlets for CBC national programmes.

Capital costs of CBC telecasting to be voted by Parliament; licence fee to be recommended by CBC.

CBC to exercise "strict" control over all TV stations "to avoid excessive commercialism and to encourage Canadian content and the use of Canadian talent."

Board to be granted funds adequate for necessary expansion of field staff and distribution activities.

Board to maintain a national film collection as an historical record of events of national importance.

Board to continue to produce such documentary films and still photographs as will serve public interest.

Board to produce no films for private persons or companies.

Gallery to be housed as soon as possible in a new building with adequate facilities for display, storage, repair and other work.

Present appropriation for new art purchases be maintained and increased when possible.

Present services of travelling gallery exhibitions to be developed and extended.

Necessary increases to be made in funds, staff and facilities for extended services.

National Museum of Canada to be given adequate space and facilities for preservation and display of exhibits; name to be changed to "The Canadian Museum of Natural History."

Museum to be given adequate funds for its functions and for general education services.

Establishment of a new museum, to be called "The Canadian Historical Museum," to ensure illustration of the history and development of Canadian peoples from earliest times.

Establishment of a Canadian Museum of Science to illustrate Canadian contributions to this field.

Establishment of a National Botanical Garden in Ottawa; federal Government to assist in establishment or support of botanical gardens in other Canadian climatic regions.

Establishment of national zoological garden or gardens.

Federal Government to consider establishment of a national aquarium or national aquaria in suitable regions of Canada.

A National Library to be established without delay.

The Library to acquire a complete collection of all works published in Canada, of all works on any subject by Canadians and of all works by any author on a Canadian theme.

The Library to add to its collection Canadian music and such records, films and photographs considered necessary to supplement printed collection of books, pamphlets and newspapers.

Present public archives premises to be expanded.

Action to be taken to discover and list all important collections of historical material relating to Canada.

Historic sites and monuments board to undertake "much more" comprehensive programme.

Greater emphasis to be placed on restoration and preservation of historic sites and buildings.

Markers to be used on sites of important historical interests where no buildings or other evidence survive.

Federal Government to suggest provincial legislative action to protect historic sites and buildings now in private hands.

Federal Government to make annual contributions to support work of universities on the basis of population in each province.

Establishment of a body to be known as the Canadian Council For Encouragement of Arts, Letters, Humanities and Social Sciences.

Council, to have 15 members, to stimulate and to help voluntary organizations with those fields and to foster Canada's cultural relations abroad.

National scholarships now awarded through the National Research Council and other government departments to be reviewed to avoid duplication.

Federal Government to give the proposed Council on Arts funds for scholarships, studentships and bursaries for post-graduate students of Canadian universities in humanities, social sciences and law.

Establishment of fellowships, to be known as "The Canada Fellowships," for encouragement of mature and advanced work in humanities, social sciences and law.

Establishment of a system of exchange scholarships for scholars and graduate scholars from other countries.

Grants be made available for persons engaged in arts and letters, including broadcasting, film and press, for work and study either in Canada or abroad.

Similar grants be made to artists, musicians and men of letters from abroad to study in Canada.

CBC international services to be continued and expanded.

Film Board to be provided with funds to increase its distribution abroad.

External Affairs Department to increase its staff of press and information officers in posts abroad.



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Vol. 2, No. 108

Tuesday, June 5, 1951.

Build 12 New Navy Ships Costing \$60,000,000: Quebec, June 4 (CP) -- The Minister of National Defence, Mr. Claxton, tonight announced that 12 new ships, in addition to orders already placed, will be built for the Royal Canadian Navy at a cost of \$60,000,000. They will be built in shipyards in the Maritime Provinces, Quebec and British Columbia.

A similar announcement was made shortly after in the House of Commons by Ralph Campney (L.--Vancouver), Mr. Claxton's Parliamentary Assistant.

Orders have previously been placed for 27 ships at a cost of \$96,000,000 bringing the total to 39 ships at a cost of \$156,000,000.

In addition, Mr. Claxton said, there is a large programme for the re-armament and refitting of ships in the Royal Canadian Navy, "and no less than 32 frigates and minesweepers will be taken out of reserve at the Marine Industries Ltd., Sorel, Quebec."

The total ship construction and refitting programme now under way will cost \$200,000,000.

The new vessels will consist of seven destroyer escorts, in addition to seven already contracted for; one loop layer; two steel crane lighters and two modified Norton-class tugs.

U.S. Congressmen Visit Seaway Sites: Cornwall, June 4 (CP) -- The Minister of Transport, Mr. Chevrier, tonight told members of a United States congressional committee that the time has come for action in building the St. Lawrence seaway.

Mr. Chevrier, speaking to members of the House of Representatives Public Works Committee visiting seaway sites, said the long-deferred project is needed for both hydro-electric power and navigation.

He presented the Committee with a new estimate of a \$45,000,000-a-year saving in transportation costs from the 2,000-mile waterway, which would admit ocean-going ships to the heart of the continent. The estimate has been made by Canadian Government departments, he said.

The Minister spoke at a dinner given visiting members of the Committee, at which U.S. Ambassador Stanley Woodward and some committee members and officials expressed themselves in favour of the project.

Committee Chairman Charles A. Buckley (Dem., N.Y.) said he believes most of the Committee members favour the navigation end of the seaway, but he declared he is holding out for construction of both the power and navigation aspects.

Vote In Commons On Tax Changes: Ottawa, June 5 (CP) -- The House of Commons voted on Monday night 73 to 40 against a Progressive Conservative attempt to block approval of some of the tax changes announced in the 1951-52 budget.

The move was made when the Government called for second reading--approval in principle--of a bill providing for various changes in the excise-tax act.

J.M. Macdonnell (PC--Toronto Greenwood), Chief Financial Critic for the Opposition, moved that the bill be given the second reading "six months hence."

(over)

October Parliament To Consider Old Age Pensions Bill: Ottawa, June 4 (CP) The Prime Minister, Mr. St. Laurent, announced today that Parliament will be called into session again next fall to deal principally with old-age pensions legislation and bills left over from the current session.

He indicated that the Government expects the current session to be adjourned towards the end of this month. It would be adjourned until early in October and then prorogued in a one-day meeting with a new session to start immediately....

Mr. St. Laurent made his announcement in detailing the Government's plans for the handling of legislation to implement universal old-age pensions for Canadians of 70 and over, beginning January 1 next.

The Government, he said, intends to introduce that legislation at the fall session, after it has had a chance to determine the effect of tax changes in the recent budget.

That fall session also will deal with any measures left over from the current session and with legislation to implement some of the recommendations of the Royal Commission on Transportation.

At this session, he added, the Government will introduce legislation enabling it to make agreements with the Provinces for pensions to needy persons of 65 to 69. These would be paid on the basis of a means test and would be effective January 1 next in those Provinces which sign agreements for federal-provincial participation.

Mr. St. Laurent said plans for the contributory universal pensions are going ahead. Registration forms are being prepared and additional staffs being hired.

The universal scheme will add another 400,000 to the 300,000 already receiving old-age pensions on a means-test basis. The expanded scheme will cost around \$356,000,000.

Mr. Gregg On Manpower: Quebec, June 4 (Gazette) -- Armed services and defence production are not the only parts of the Canadian preparedness programme, said the Minister of Labour, Mr. Gregg, speaking to the Canadian Manufacturers Association annual convention which opened here at the Chateau Frontenac today.

Defence production will take more manpower than the armed services, which latter would grow, but beyond those two it had to be remembered that Canada is one of the most important sources of raw material.

Canada--France Trade Discussions: (Press Release No. 25, June 1) -- The Secretary of State for External Affairs, Mr. Pearson, announced on June 1 the successful conclusion of the three-day meetings of Canadian and French delegations on trade and financial matters.

The delegations reviewed together the recent trends of trade and balances of payments between the two countries and noted with satisfaction that a better balance was developing in the trade situation especially as a result of recent increases in French exports to Canada. The possibilities of increasing normal trade in both directions were explored, and the French delegation explained that they were making special efforts to meet Canadian import requirements by means of trade missions, market surveys, and other means....

Across Canada: The Mounties have been asked to help try to find out what started a fire which caused an estimated \$1,000,000 damage to an army ordnance depot in Ottawa Saturday night, the House of Commons was told Monday....The annual softball game between members of Parliament and the Press Gallery is to take place in front of the Parliament Buildings on Thursday....Two opposition party leaders in the House of Commons, Mr. Coldwell and Mr. Low, said yesterday that Parliament had become a full time job for members....The international importance of the Sault Ste. Marie locks was pointed up today with the disclosure that four United States anti-aircraft batteries are taking a month-long training exercise at Camp Mamainse, 61 miles north of Sault Ste. Marie.

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Vol. 2, No. 109

Wednesday, June 6, 1951.

Mr. Pearson On Trade With Soviet: Toronto, June 6 (Globe) -- Cutting off all trade with Russia and the satellite countries is neither desirable nor necessary at present, the Secretary of State for External Affairs, Mr. Pearson, said last night. He spoke at a dinner in the Royal York tendered by the City of Toronto to foreign exhibitors at the Canadian International Trade Fair.

"The severance of all trade relations with these countries would, in many cases, be as harmful to the economy of the free world as it would be to the countries behind the curtain," Mr. Pearson said. "In some cases the effects on the free world might even be more harmful, politically and economically."

To prohibit the export of strategic materials to the Soviet bloc was another matter entirely, Mr. Pearson stressed. It was elementary common sense to ban the export of materials which would strengthen the military potential of Communist countries. Long before the United Nations resolution prohibiting the export of certain strategic materials to the mainland of China, Canada had been enforcing such a policy, Mr. Pearson pointed out.

"We have also done our best to ensure that not only should these goods not go from Canada, but that our country should not become a backdoor through which United States firms would trade with China in contravention of their own country's regulations," the Minister declared....

Mr. Howe Heralds Vast Development Of Resources: Quebec, June 5 (CP) -- Canadian industrialists today were given a vast picture of Canadian expansion in the next few years, as the country re-arms, and, at the same time, develops her natural resources.

Meeting here in the annual meeting of the Canadian Manufacturers' Association, they were told, too, of plans to harness all available productive power, and to spread the work through large and small industry.

The Minister of Defence Production, Mr. Howe, started it off by stating that the Government will spend about \$1,000,000,000 a year for the next three years in defence production; while, simultaneously, private industry will be spending another \$1,500,000,000 in bringing natural resources into use.

Mr. Howe said that \$100,000,000 would be spent in Quebec alone, largely on power and plant expansion programmes.

This development of Canada's basic and industrial resources, to meet the possibility of a generation of international danger, was perhaps even more important than actual placement of defence contracts, Mr. Howe said.

Between now and 1954, more than \$300,000,000 will be spent by private industry on new base metal smelters and refineries. Half this amount will be spent in British Columbia, in connection with the development of a huge aluminum project there.

"Some \$100,000,000," said Mr. Howe, "will be spent in Quebec, mostly for power and plant expansion programmes, again largely associated with aluminum production."

"In Ontario, copper mining, smelting, and fabrication are the most important. In Manitoba, the construction of a rail line will open up the Lynn Lake mining area, while a smelter in Edmonton will process nickel-copper ores from that area."

There was a need of urgency in hastening development of titanium and iron ore deposits in Northern Quebec, Labrador and Ontario. High-grade iron ore deposits in the United States were in the process of "imminent exhaustion."

"In the case of titanium, we have, in addition, the possibilities of a completely new industry in which Canada may well become the foremost producer of the refined metal and its compounds...."

(over)

Premier Duplessis On Newsprint Price: Quebec, June 5 (CP) -- Premier Duplessis of Quebec tonight asked newsprint companies to give special price consideration to newspapers of Canada, and especially of Quebec, and hinted that if this were not done the Province may institute controls.

Addressing the annual dinner of the Canadian Manufacturers' Association, and speaking in English, Mr. Duplessis said that Quebec produces 51 per cent of all newsprint made in North America.

"It is," he said, "made out of our timber, and belongs to the people. Newspapers represent the people and are an essential agent of freedom.

"When newsprint companies fix prices they should remember the vital role played by newspapers and should give to them in Canada and especially in Quebec, a treatment based on justice."

Mr. Duplessis said the newspapers of Quebec are co-owners of the timber limits and asked newsprint companies "be pleasant" with them. He added:

"Control is best when it is self-control. When there is no self-control there may have to be another kind of control and I don't believe in that except when it is necessary."

He said it is only "common sense" that newspapers here receive treatment different from those elsewhere.

He said he did not say this in a "parochial" way, but it was only fair that newspaper publishers receive treatment from newsprint manufacturers on the basis of the principle he enunciated.

"I know their spirit of co-operation and hope they will take note of that."

Canada produces about 5,400,000 tons of newsprint a year of which nearly 90 per cent is sold in the United States.

Though he did not refer to it specifically, Mr. Duplessis apparently was referring to an announcement by four Canadian newsprint companies they were increasing their price by \$10, effective July 1.

Says 5 States May Aid Seaway: Toronto, June 6 (CP) -- A delegation from the Detroit Board of Commerce said yesterday there is a strong possibility that five states bordering the Great Lakes will give financial support to the St. Lawrence seaway development if the United States Congress turns down a joint plan with Canada this year.

W.H. Hall, Secretary of the Detroit Board, said that if Canada decides to go ahead on her own, states like New York, Michigan, Ohio, Wisconsin, Minnesota and possibly others would find it in their best interests to give assistance, probably in the form of a bond issue.

Mr. Léger's Appointment: (Press Release No.26, June 6) -- The Department of External Affairs announced on June 6 the appointment of Mr. Jules Léger as Assistant Under-Secretary of State for External Affairs. Mr. Léger succeeds in this position Mr. Léon Mayrand who was recently appointed Canadian Ambassador to Chile.

Mr. Léger, who is now Head of the European Division, will be succeeded in his present position by Mr. J.B.C. Watkins, who was until recently Chargé d'Affaires at the Canadian Embassy in Moscow.

Across Canada: Solon Low, 51-year-old Leader of the Social Credit Party, was assaulted last night as he chatted with two friends at a bus stop outside the Chateau Laurier Hotel in downtown Ottawa. He suffered split lips. Police subsequently arrested a mendicant in connection with the assault.... Close attention to the European wheat market, with a view to increasing Canadian exports when conditions are favourable, is recommended in the report of the Canadian grain mission which visited Europe last autumn.... A special committee appointed by the Canadian Daily Newspapers Association to interview Postmaster-General Rinfret concerning postal rates issued a statement declaring the new rates are "discriminatory" and "would prevent the daily newspapers from servicing a large number of their rural subscribers."



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Vol. 2, No. 110

Thursday, June 7, 1951.

Soviet Share Of UN Costs Criticized: Ottawa, June 6 (CP) -- Russia was criticized today by members of the House of Commons External Affairs Committee for failure to pay a fair share of the costs of the United Nations.

Gordon Graydon (P.C.--Peel) said the Soviet was "getting away with murder" when the UN allowed her with a population of 180,000,000, to pay a contribution of only 6.98 per cent of total UN costs. Canada's contribution is 3.2 per cent--\$1,466,100.

George Murray (L.--Cariboo) suggested a meeting of the UN be held in the Soviet "to arouse some interest there."

A.D.P. Heeney, Under-Secretary of State for External Affairs, explained that Russia claimed that war damage costs would not permit her to pay more. However Canada has pressed consistently for a boost in the Soviet contribution.

"Either Russia is a great power or she isn't," said Mr. Graydon. "If she is, she ought to pay her fair share." Russia's contribution was "one of the scandals" of the UN. If she could spend great sums for preparations for war, she could afford to pay for the preservation of peace.

Mr. Heeney said the UN budgetary committee, in a review of assessments, boosted the Soviet contribution this year to 6.98 per cent from 6.34. Canada's contribution went up to 3.3 from 3.2. The United States, which bears most of the UN costs, pays 38.92 per cent.

Newsprint Controversy: Ottawa, June 6 (CP) -- Informed quarters said today the Government is not likely to agree to a United States request that \$10-a-ton boosts in the price of Canadian newsprint be suspended. The increase becomes effective July 1.

The appeal to suspend the increase, approved by the Government, was made by U.S. Price Administrator Michael DiSalle in a letter to R.M. Fowler, Defence Production Department Pulp and Paper Administrator and President of the Canadian Pulp and Paper Association.

The letter, dated June 4, was made public in Washington today. It emphasized the need of maintaining harmonious Canada-U.S. relations and the fact that less than 24 hours notice was given before the increases were made public.

Previously, said Mr. DiSalle, Mr. Fowler had agreed to a discussion before any increases were approved.

In view of this, the approach taken by Canada was disappointing, the Price Administrator added, "and seems to be altogether unilateral."

"This problem is more basic than this particular increase in the price of newsprint. Already some sources are asking why we should control prices on our exports when at the same time we are faced with unlimited increases in our imports."

Mr. DiSalle asked Mr. Fowler to "use your good offices to obtain a suspension of this price until such time as we have had an opportunity to make a study and review of the situation...."

Pensions Law Discussions: Ottawa, June 6 (CP) -- Opposition members were defeated today in a battle against what they claim is a bad new principle in war pensions law.

Their votes failed to prevent the Veterans Committee of the House of Commons from approving a government proposal to spend \$2,000,000 to give "unemployability supplements" to 6,000 of the 162,000 men on the war pensions lists.

The argument was that it introduces the element of need into pensions law when only right has counted before.

The Committee was unanimous, however, in agreeing to urge the Government to reconsider the question of basic increases in the rates of payments going to all pensioners.

Weights And Measures Law Overhaul: Ottawa, June 6 (CP) -- A bill overhauling Canada's ancient weights and measures legislation went through the House of Commons today. The bill, which received third and final reading, is the first complete revision of the weights-measures set-up since it was established in 1873.

A major provision is that it tightens up regulations against short weight in pre-packaged goods. It also has regulations for ensuring greater accuracy in measuring devices.

New Taxation Proposals Passed: Ottawa, June 6 (CP) -- A final Opposition attempt to knock out a \$125,000,000-a-year jump in the federal sales tax was defeated by the Government majority in the House of Commons today.

The House voted 138 to 50 against tampering with Finance Minister Abbott's budget proposal, rejecting a move sponsored by the C.C.F. and backed by the other Opposition groups. Then, it gave third and final reading to a government bill embodying the sales tax increases and other taxation boosts.

Korea Casualties Now 166: Ottawa, June 6 (CP) -- The Army today issued its 28th casualty list of the Korean War, reporting two officers and 17 men wounded in action.

The list brought to 166 the number of casualties suffered so far by Canadian troops in Korean action. These include 43 dead, 109 wounded and 14 injured in battle accidents.

Across Canada: The average Canadian industrial worker was earning \$48.42 a week on April 1, the highest average weekly wage in history, the Bureau of Statistics reported. It compares with \$48.19 at March 1 and \$44.77 at April 1 last year....The Minister of National Defence, Mr. Claxton, indicated that the Defence Department is going to unusual lengths to try to find out whether sabotage caused the \$1,000,000 fire which destroyed part of an Army Ordnance depot in Ottawa last Saturday night....H.F. Angus, M.A., B.C.L., University of British Columbia, was elected President of the Royal Society of Canada at the general meeting of the society held in Montreal yesterday....Rev. Norman Kennedy, M.C., Minister of First Presbyterian Church, Regina, was elected Moderator of the Presbyterian Church in Canada.



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Friday, June 8, 1951.

Nootka Scouting Party In Action: On Board HMCS Nootka, June 7 (CP).--With a one-two punch, this Canadian destroyer recently closed in on the enemy, killed several of them and then opened up with its big guns to blast Communist transportation and defense outposts in North Korea.

The action was launched in the afternoon behind a protecting screen of fog. The Nootka was on the east coast, joining U.S. warships in a bombardment of the Songjin area.

An 18-man armed party, on orders of Cmdr. A. B. Fraser-Harris, of Halifax, attempted to slip in on the enemy in two cutters. Suddenly, as the group neared the shore, the fog lifted and cries of sentries brought a hail of automatic fire from enemy posts.

The Canadians returned fire, killed three of the enemy and kept others pinned close to the ground. Lieut. A.H.M. Slater, of Victoria, in charge of the landing party, ordered a withdrawal.

Back on board ship, he told of a railway line guarded by the enemy. The commander ordered the Nootka's guns to open fire. A pillbox, a lookout post and a railway bridge all were left in damaged condition.

Job Guarantee For Veterans: Ottawa, June 8 (CP) -- Canadian employers will soon be obliged by law to guarantee jobs back for any employees who enlist in the armed forces and serve three years or less.

The Government, now seeking thousands of servicemen willing to serve anywhere, gave notice Thursday that it intends to write such a provision into law. An amendment to that effect was placed before the House of Commons' Veterans Committee, approved and sent back to the House. It applies to anyone enlisting after July 5, 1950, a few days after Korean war broke out.

Major-General E.L.M. (Tommy) Burns, Deputy Minister of Veterans Affairs, said that both management and labour representatives on the National Advisory Council on Manpower have approved the step.

The Government's amendment is being written into "An Act Respecting Benefits For Members Of The Canadian Forces." The Act applies mainly to the men serving in Korea but it empowers the Government to grant veterans charter benefits to others than those serving in or on behalf of the Korean campaign if circumstances so dictate.

In effect, it is putting into legislative form the orders-in-council already passed by Cabinet to guarantee certain benefits to Korean veterans and it empowers Cabinet to enlarge those benefits as developments indicate they should be widened.

Presentation Of Decorations For Royal Family: Ottawa, June 7 (CP) -- New symbols were shaped today binding the Royal Family to Canada.

They were in the form of silver gilt medals and tiny red and white ribbons, nestling in little boxes of maroon leather and black felt.

These were what all veterans hope to get -- the Canadian Forces Decoration, given for 12 years of service. But in this case there was special significance.

Presentation of the decorations for each member of the Royal Family and Canada's Governor-General was made by the Minister of National Defence, Mr. Claxton, in a brief but unprecedented ceremony at Government House.

Usually, it is the other way round, with Canadians going to Government House to receive decorations from the King. This time it was Canada's turn to award. Mr. Claxton presented decorations to be delivered to many members of the Royal Family.

(over)

One of the C.F.D. decorations was presented specifically to Viscount Alexander, one of the world's most decorated soldiers. The Canadian Forces Decoration would be his 39th ribbon joining others granted by many countries, including Russia and the United States and a grateful Europe.

The Governor-General left to-night for a two-month visit to Britain. He took with him decorations for the King and Queen, Queen Mother Mary, the Princesses Elizabeth and Margaret, the Duke of Gloucester, the Princess Royal, Lady Patricia Ramsay, and Princess Alice, wife of the Earl of Athlone, a former Governor-General.

Mr. Dunton On National Television: Ottawa, June 7 (CP) -- A.D. Dunton, chairman of the CBC Board of Governors, said today establishment of television across Canada was not beyond the economic means of the country and it was estimated the job could be done for a capital outlay of between \$18,000,000 and \$19,000,000.

That, he told the Finance Committee of the Senate would provide a number of studios covering most major points and about half the population of the country.

But he admitted national television was a long-term plan.

What the CBC envisaged at first was a network of stations across the country to Vancouver with television broadcasts by means of kinescopic recordings which could be shipped from one station to another for broadcast. This would produce a good television broadcast, though not as good as the original. It was widely used in the United States.

Mr. Winters On Housing: Ottawa, June 7 (CP) -- The Minister of Resources and Development, Mr. Winters, warned today that house building may feel the pinch of "more general" shortages of materials before the end of the year.

Reporting on the progress of Canada's house-building programme he told the House of Commons a number of "real obstacles" had arisen in the way of maintaining current housing activity.

They included growing shortages, increased building costs, a tightening of mortgage money and the difficulties of an insufficient supply of serviced land. The expanding defence programme, involving much new construction, got first call on materials.

At the same time, Mr. Winters said the federal Government was anxious to join with the provinces in undertaking low rental housing projects, especially in areas where the defence programme is aggravating the housing shortage.

Korea Casualties Now 171: Ottawa, June 7 (CP) -- The Army today issued its 29th casualty list of the Korean War, reporting five men wounded in action.

The list brought to 171 the number of casualties so far reported suffered by Canadian troops in action in Korea. These include 43 dead, 114 wounded, and 14 injured in battle accidents.

Across Canada: Establishment of a special Canada-U.S. body to be charged with the job of integrating defence production work is one of several important resolutions touching on relations between the countries to be studied at the annual meeting of the Canadian Chamber of Commerce to be held in Quebec City October 30 and 31 and November 1, the Montreal Gazette reports....The Bureau of Statistics cost-of-living experts are working on a new index that will bring their calculations more up to date, but no decision has yet been made what years will be used for the base period....Members of the Commons Railway Committee yesterday examined witnesses for the British Columbia Telephone Company on proposed legislation to allow the company to increase capitalization from \$25,000,000 to \$75,000,000....Members of Parliament defeated the Press Gallery 18 runs to 1 in the annual softball game on the Parliament Hill lawn yesterday.

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Monday, June 11, 1951.

Lt.-Gen. Simonds To Confer With Staff Chiefs: Ottawa, June 10 (CP) -- The Chief of the General Staff, Lt.-Gen. Guy Simonds, left today on a three-week flying trip to Washington, London and Europe to discuss the eventual integration of Canada's 27th Army Brigade into the Western European defence network.

In an announcement Saturday, the Army said Gen. Simonds also will discuss "the important question of standardization of arms" with other Atlantic Pact military chiefs, including Gen. Eisenhower, the Western European commander.

It is the first extended trip for Gen. Simonds since he became Chief of the General Staff some months ago. After talks in Washington he will fly to London from New York and then visit European defence headquarters. He is not expected back in Ottawa before July 2.

Before leaving, Gen. Simonds addressed a number of senior officers at a closed meeting. An Army spokesman said he told them the prime purpose of the trip "will be to discuss training and operational problems involving the Canadian component of ground forces now being raised by the North Atlantic Treaty organization."

For Canada, this force is represented by the 27th Brigade which after a month of recruiting has raised more than its 6,500-man initial target. It began concentration at Valcartier and Petawawa military camps during the week-end to begin basic training and probably will not be ready to fight before the end of the year.

Recruiting for the 27th is going right on. Eventually it will be close to a 13,000-man force--almost division strength. Unless developments send it to Korea, it will go to Europe 6,000 strong with the other half being kept in Canada to rotate with the overseas forces later.

Mr. Pearson May Visit U.K., Europe: Ottawa, June 8 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said today he hopes to fly to London within a few days for two or three weeks of visiting in the United Kingdom and probably western Europe.

He told a press conference the primary purpose of the trip is to accept an honorary degree of Doctor of Laws from Oxford University, but he also hopes to have talks with various people on Atlantic Pact and other matters.

He would be in London during a Commonwealth Defence Conference but did not expect to attend.

Mr. St. Laurent Honoured: Ottawa, June 10 (CP) -- The Prime Minister, Mr. St. Laurent, accompanied by the Secretary of State for External Affairs, Mr. Pearson, and Mrs. Pearson, left in an R.C.A.F. plane today for Evanston, Ill., where on Monday he will deliver the commencement address at Northwestern University.

Northwestern, celebrating its centennial year, will bestow an honorary Doctor of Laws degree on Mr. St. Laurent.

The Prime Minister's party is scheduled to return to Ottawa Monday night.

To Build \$14,500,000 Rail Link With Mineral Field: Montreal, June 9 (Gazette) -- Canada's minerals boom took another surge today with the announcement that Canadian National Railways plan to spend \$14,500,000 building a 155-mile rail link with northern Manitoba nickel and copper deposits.

The Minister of Transport, Mr. Chevrier, inserted a notice of motion in the Order Paper of Parliament that the Government will ask approval of a bill permitting the C.N.R. to issue public bonds to raise the money.

New Scientific Organization: Ottawa, June 8 (CP) -- A new body in Canada's world of science was proposed today by the men who study the lives and characteristics of minute plant and animal beings.

Some 170 scientists from all provinces except British Columbia and Newfoundland completed a two-day meeting at the University of Ottawa with foundation of the Canadian Society of Microbiologists.

Dr. R.G.E. Murray, head of the Department of Bacteriology and Immunology, University of Western Ontario, London, Ontario, was named as president.

Special Commissions For 27th Brigade Men: Ottawa, June 8 (CP) -- The Army is granting special temporary commissions to 170 other ranks because of formation of the 27th Brigade, the Prime Minister, Mr. St. Laurent, said today.

He tabled in the House of Commons an Order-in-Council to protect their pension rights when they are discharged as other ranks and then re-enlisted as officers.

Labour View On Mass Immigration: Sherbrooke, June 8 (CP) -- A "mass immigration" plan proposed by the Canadian Manufacturers' Association at its recent convention in Quebec, offers a serious menace to the livelihood of the Canadian worker, Roger Provost, President of the Quebec Federation of Labour, said today.

Mr. Provost, in a prepared statement, said, however, that the Q.F.L., in annual convention here, and the Trades and Labour Congress of Canada, with which it is affiliated, are favourable to a plan of selective immigration.

Sir Eugene Fiset Dies: Riviere du Loup, Quebec, June 8 (CP) -- Sir Eugene Fiset, Lieutenant-Governor of Quebec for almost 11 years after a career that saw him in the civil service and later in politics, died this morning, aged 77.

Across Canada: J.D. Barrington, Toronto industrialist, has been appointed President and Managing Director of Polymer Corporation Limited....A "million-dollar" rain drenched Southern Saskatchewan on the week-end. The provincial Agriculture Department made the estimate on the value to Saskatchewan's grain crops of a downpour, which in Regina reached torrential proportions and caused street flooding....The House of Commons will begin working overtime today, June 11, in an effort to complete work by the end of this month. It will meet mornings as well as afternoon and evenings....The official announcement that the Canadian International Trade Fair would be held again in 1952 came with a reminder from officials of the Fair that its continuance beyond that point would depend largely upon the support of Canadian industry....Canada's flashing F86 Sabre Jets, trailing ribbons of filmy smoke as they blurred by at near-supersonic speeds, were reported to have stolen the show at the fifth annual Air Force Day at R.C.A.F. Station Rockcliffe Saturday afternoon.

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Vol. 2, No. 113

Tuesday, June 12, 1951.

Canadian Travellers Abroad: Ottawa, June 11 (Montreal Gazette) -- The federal Government is taking immediate steps to control the movements of Canadians travelling to Russia and Soviet-dominated states.

The restrictions have already been written into the Canadian passport regulations, and will be published shortly in the Canada Gazette.

Their purpose is three-fold.

They will enable the Canadian authorities to extend the maximum protection to "bonafide loyal travellers" who find themselves in difficulties in "Iron Curtain" countries.

They will also permit the Government to keep a close check on Canadian Communists or fellow-travellers bound for Eastern Europe.

Perhaps even more important, the new regulations will assist the Government in its efforts to ensure that Canadian passports -- which are legally Canadian Government property -- are not "being used for improper purposes."

Following is the notice which will be published shortly:

"Owing to difficulties which may be encountered by Canadian travellers abroad, holders of Canadian passports who intend to visit Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Roumania, the Soviet zone of occupation in Germany, or the Union of Soviet Socialist Republics are required before undertaking such visits to notify the passport officer, 38 Bank Street, Ottawa, or the nearest Canadian diplomatic or consular officer abroad of their travel plans and of the length and purpose of their visits.

"On arrival in any of the countries named, Canadian travellers are required to furnish to the nearest Canadian or United Kingdom diplomatic or consular officer particulars of their passports and home addresses together with details of their itineraries. They should keep in close touch with the appropriate Canadian or United Kingdom officers -- that is in countries where there are no Canadian diplomatic officers -- and on leaving the country should notify the officer to whom they last reported."

Saskatchewan Uranium-Producing Mine: Ottawa, June 11 (CP) -- Frigid Northern barriers are being ripped away to spark the greatest uranium production development in Canada's history.

Focal point of the expansion programme is the northwest tip of Saskatchewan in an area about 500 miles below the Arctic Circle and 500 miles north of Saskatoon.

W. J. Bennett, President of the Government's Eldorado Mining and Refining Company, said in an interview today that when the main project there--Beaverlodge Lake--begins operations it likely will become the biggest uranium-producing mine in Canada.

Operations are expected to begin January 1, 1953.

The Government's main uranium mine currently is at Great Bear Lake on the Arctic fringe in the Northwest Territories.

Canada And U.S. Tariffs: Ottawa, June 11 (CP) -- The Government's top tariff official said today he finds it hard to believe Canada can expect drastic tariff action by the United States to bar important Canadian commodities within the next three years.

(over)

Hector McKinnon, Chairman of the Tariff Board, told the House of Commons Banking Committee that more than 90 per cent of Canadian exports to the U.S. are covered by three-year tariff agreements which should prevent any repetition of drastic tariff raising action which struck Canada in the 1930's.

But, he conceded, repetition is not impossible.

He was replying to a suggestion by J. M. Macdonnell (PC--Toronto Greenwood) who said a prominent Republican had told him the same thing could happen again if the United States found itself faced with surpluses.

Mr. McKinnon said the great difference between now and the days of the Hawley-Smoot tariff is that the U.S. now would have to repudiate an obligation, namely the tariff agreements drawn up at Torquay, Annecy and Geneva.

No such barrier confronted Washington in the '30s.

Gen. Worthington On Civil Defence: London, Ontario, June 11 (CP) -- Municipalities should let federal authorities know at once what equipment they need for civil defence, Maj.-Gen. F.F. Worthington, Canada's Civil Defence Co-ordinator said today.

He told the 14th annual convention of the Canadian Federation of Mayors and Municipalities:

"You say the Government is giving no leadership. But if you let us know how much money you need, what your equipment requirements are and all your difficulties, it will let us plan our strategy better."

His personal opinion was that preparations to protect residents of Canada's cities should be pressed to the limit. He was alarmed at conditions he said.

Four Federal By-Elections June 25: Ottawa, June 11 (CP) -- A contest is assured in all four federal constituencies where by-elections will be held June 25 to fill vacancies in the House of Commons.

Ten candidates have been nominated to contest the seats made vacant through death and resignations.

Nominations closed today at 2 p.m. local standard time in the Ontario constituency of Waterloo South, the Prince Edward Island constituency of Queens and the Manitoba constituencies of Winnipeg South Centre and Brandon.

Across Canada: Premier Frost of Ontario said at London, Ontario last night that a new federal-provincial plan to build 5,000 houses for rent and eventual sale in Ontario will be put into action immediately. He announced the plan at the annual conference of the Canadian Federation of Mayors and Municipalities....In a brief ceremony, the duties of the Governor-General in Canada yesterday were vested temporarily in Mr. Justice Patrick Kerwin of the Supreme Court of Canada. The 61-year-old justice, native of Sarnia, Ontario, became officially the "administrator of the Government of Canada" in the absence of Viscount Alexander, now on his way to Britain for a two-month visit....A fractional reduction in a proposed increase in the postal rates on daily newspapers was announced yesterday by Postmaster General Rinfret. He told the House of Commons that the change will mean the rates of daily newspapers will be increased by approximately \$810,000 instead of by a proposed \$1,000,000 a year.

DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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Vol. 2, No. 114

Wednesday, June 13, 1951.

Mr. Howe On Newsprint Price: Ottawa, June 12 (CP) -- The Minister of Defence, Mr. Howe, refused to budge today in face of United States pressure to have him block a proposed \$10-a-ton boost in the price of Canadian newsprint.

In an interview he expressed skepticism of reports that the U.S. may plan retaliatory measures if the Government allows the price increase to go into effect July 1.

So far, he said, a report that the U.S. may curb arms buying in Canada as a result is "nothing but a rumor." So was the possibility of a U.S. price ceiling on newsprint imports.

"We'll talk about that," he said, "when we actually see them."

The price increases proposed by the industry were "justified in view of the factors involved," Mr. Howe added.

He said he had no "immediate" plan to discuss the matter further with Charles E. Wilson, U.S. mobilization director.

(A Washington dispatch today quoted Michael V. DiSalle, U.S. price stabilizer, as saying the U.S. Government is considering limiting the price American newspaper publishers may pay for imported newsprint.)

Mr. Martin On Radar Civil Defence: Port Stanley, Ontario, June 12 (CP) -- The Minister of National Health and Welfare, Mr. Martin, disclosed tonight that an elaborate blueprint is being developed to forewarn Canadians against enemy air attack.

The plan, he told a convention of the Canadian Federation of Mayors and Municipalities, involves a vast radar network, a ground force of 150,000 civilian observers, strategic air defence bases and men trained in civil defence work.

Lifting some of the security covers from the plan, Mr. Martin, charged with federal civil defence responsibility, indicated that one of the key points in the warning system will be air defence bases scattered across the country.

Information on enemy planes will be gathered from the radar network and ground-observer corps and channelled into the air defence centres, where experts will sift the information and determine the strength and direction of attacking forces.

Trained civil defence liaison men, constantly on duty at these centres, will be charged, said Mr. Martin, with alerting the civil defence authorities in target areas lying in the path of the predicted enemy approach.

In Parliament Yesterday: Members of the House of Commons agreed to establish a committee to streamline House procedure and shorten sessions.

Speaker Ross Macdonald ruled out of order a CCF motion urging that no further freight-rate increases be allowed until Parliament provides for equalization of rates.

Members defeated by a vote of 136 to 30 a Progressive Conservative motion for reconsideration of increased postal rates for newspapers.

The Senate debated a bill to make reductions and equalizations in the Canadian tariff.

(over)

Mr. Pearson To Washington: Ottawa, June 12 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, will go to Washington tomorrow to sample United States opinion on the international situation and particularly Korea before he heads for London late this week.

He told a reporter today he wants to bring himself up to date on Washington developments before going overseas for a week or longer. For that reason, he would be seeing State Secretary Acheson, Canadian Ambassador Hume Wrong.

Mr. Pearson noted that Defence Secretary Marshall has just returned from Korea and said he would be interested in discussing Washington's attitude at this stage of the war.

In London, he will have a week for talks with Foreign Secretary Herbert Morrison as well as others. Whether he stays longer and goes to Europe depends on developments. A week from today he is scheduled to receive an honorary degree from Oxford University.

UNESCO Delegation: (Press Release No. 27, June 12.) -- The Secretary of State for External Affairs, Mr. Pearson, announced on June 12 that the Canadian delegation to the Sixth Session of the General Conference of the United Nations Educational, Scientific and Cultural Organization (UNESCO) will be as follows:

Chairman of Delegation - Dr. Victor Doré, Canadian Minister to Switzerland; Vice-Chairman - E. D'Arcy McGreer, Chargé d'Affaires, Canadian Legation, Poland; Delegates - Dr. W. Kaye Lamb, Dominion Archivist; W.P.J. O'Meara, K.C., Assistant Under-Secretary of State; Alternate Delegate - L.A.D. Stephens, Second Secretary, Canadian Embassy, Netherlands; Adviser and Secretary - J.E. Thibault, Department of External Affairs.

The Conference will be held in Paris from June 18 to July 11, 1951.

Prof. Jackson On Economic Situation: Ottawa, June 12 (CP) -- A Toronto consulting economist told the Senate's Finance Committee today that the era of "easy money" is over and Canada now is walking a dangerous tightrope between further inflation or a collapsing deflation.

Prof. Gilbert Jackson, formerly of the University of Toronto, said the Government now has "put on the brakes" on the main inflationary factors -- too much credit and an outstripping of production by purchasing power.

Getting back to normal wasn't going to be easy. Many people on fixed income already were feeling the pinch. Many others would feel it sooner or later.

Already, he said, he understood "there are strong pressures" for a relaxation on the Government's curbs on credit buying, "probably by those it is hurting." But he said "we should not let ourselves be deflected from the purpose." To do so would simply mean a return to the "easy money" era which probably would bring a ruinous runaway inflation.

Across Canada: Canada has informed the enemy she is willing to abide by international prisoner-of-war rules in Korea. A Defence Department return tabled in the House of Commons Public Accounts Committee said steps "have been taken to endeavor to make suitable arrangements for prisoners."... G. Mennen Williams, Governor of the State of Michigan, came to Ottawa on a visit yesterday as a staunch champion of the St. Lawrence seaway.... Senator John T. Haig, Opposition leader, said yesterday, according to the Canadian Press report, that it would be "disastrous" if Canada tied trading policies too closely to the United States. The minute Canadian exports began hurting the U.S. producer, the U.S. would shut them off.

File

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Vol. 2, No. 115

Thursday, June 14, 1951.

Mr. Fowler On Newsprint Prices: Montreal, June 14 (CP) ---Canada's action in permitting a newsprint price increase was defended last night by this country's pulp and paper director, who said the price would be much higher if it followed the United States Government pulp and paper index.

Canada's position was made known in a letter to Michael V. DiSalle, U.S. price stabilizer in Washington, from R.M. Fowler, Director of the Pulp and Paper Division of the Department of Defence Production.

The 1,600-word letter, dated June 12, was released here by Mr. Fowler.

Mr. Fowler said a full month's notice was given Washington before, the first increase announced by a Canadian company goes into effect. He said a thorough study was made of the situation earlier before the company was advised it could increase the price.

At the same time he was authorized "to give similar advice to any other newsprint manufacturer who proposes an increase in the price of newsprint not out of line" with the amount proposed by the first company....

Newsprint Statement Today: Ottawa, June 13 (CP) -- The Minister of Defence Production, Mr. Howe, told the House of Commons today he expects to make a statement tomorrow on Canada's newsprint supply position.

Mr. Howe On Canadian War Effort: Toronto, June 13 (CP) -- The Minister of Defence Production, Mr. Howe, said tonight that Canada is pressing ahead with her defence effort "on every front," but in spite of the vast amount of money and materials involved, Canadians may yet avert widespread price controls.

"I hope we shall not have to impose widespread price controls in Canada," he said in a speech prepared for delivery before the American Society of Mechanical Engineers.

"If people are sensible and avoid hysteria, I think we can, with some extra productive effort on everyone's part, avoid them."

Controls in Canada, he said, differ from those in the United States, but in some instances are more restrictive.

"Our consumer credit controls are more comprehensive, require a higher down payment and a shorter period of repayment than those in effect south of the line. Our banks are co-operating in a stricter credit policy."

Mr. Howe made the reference to prices and controls in a speech which ranged widely over Canadian war effort developments.

He told of Canada's ground, sea and air forces in the Korean theatre, of plans to send a brigade to Europe to increase Canada's single air squadron in England soon to a wing of three squadrons and to expand it finally to a full air division of 11 squadrons, equipped with Canadian-built planes.

Canadians, he told the American engineers, are no isolationists. They were fully prepared to bear a fair share of the costs and sacrifices entailed against Communist aggression.

Canada looked on the North Atlantic Treaty Alliance as a segment of the country's own defences. It was doing its part to make of this treaty "a mighty bulwark against the rushing tide of aggression."

Railway Legislation Announced: Ottawa, June 13 (CP) -- Government legislation to put into effect some top recommendations of the Royal Commission on Transportation -- notably Canada-wide "equalization" of freight rates -- will be placed before Parliament tomorrow.

(over)

The Minister of Transport, Mr. Chevrier gave notice today that he will introduce the measure, regarded as the most important railway legislation of the last 30 years.

The bills to be brought in by the Minister will amend three railway statutes, and informed quarters said they will have these major effects:

1. Lay the foundation for the Government's Board of Transport Commissioners to set up a new system of freight rates equalizing their impact on the various parts of Canada.
2. Give the interior of Western Canada a share in the advantages of low "transcontinental" rates that now benefit the West Coast almost exclusively.
3. Stimulate economies by the Government-owned Canadian National Railways and the Canadian Pacific Railway through sharing the use of their facilities and other means.
4. Legalize an extension of the rate-reducing benefits of the Maritime Freight Rates Act of 1927 to some traffic which, in practice, has been given the reductions for years.

\$1 Per Day Off Income Tax For Soldiers In Korea: Ottawa, June 13 (CP) -- The Minister of Finance, Mr. Abbott, announced today that Canadians serving in Korea are going to get \$1 a day knocked off their income tax for every day they serve there.

This, he said, in the House of Commons, is the Government's decision in reply to requests that the men get combat pay or higher income-tax exemptions.

The new tax-credit system means that if a man serves in Korea, say, 60 days he gets \$60 knocked off his income tax. He can get credit for up to \$365.

Thus if a man's tax amounts to \$400 and he serves a year he is liable for only \$35 tax.

Mr. Abbott indicated the new measure will eliminate the great bulk of men in Korea from the income tax rolls, except for those who are there only briefly.

Income Tax Surcharge Approved: Ottawa, June 13 (CP) -- Without a murmur, the House of Commons today endorsed the 20-per-cent defence surcharge which becomes effective in personal income-tax payments July 1.

The enabling clause went through without discussion as the chamber, in Committee of the Whole, gave clause-by-clause study to the bill implementing budgetary income tax changes.

The provision, which means that personal income-tax deductions go up by 20 per cent beginning July 1, had been debated briefly at earlier stages of the legislation, but the Opposition concentrated most of its budget criticism on the 25-per-cent boost--already adopted--in the general sales tax.

The income bill was one of several measures--the others comparatively minor--up for consideration today.

Report Canada To End State Of War With West Germany: Ottawa, June 13 (CP) -- Canada will end her state of war with West Germany shortly -- possibly within the next few days -- and resume normal peacetime relations with the former enemy.

This move in the making for some months, will be announced in the House of Commons and will be taken in company with the United Kingdom, the United States and France, this country's principal allies in the Second World War.

Once this step is taken, Canada is expected to elevate her present diplomatic mission in Bonn, the West German capital, to the status of Embassy, with the present mission head, T.C. Davis, becoming Ambassador.

Suggests Canadian Observer At U.S. Seaway Conference: Ottawa, June 13 (CP) -- Governor G. Mennen Williams of Michigan said today he will discuss with the Government the possibility of having a Canadian observer attend the U.S. State Conference in Omaha, Neb., next Monday on the St. Lawrence seaway project.

Across Canada: The Sons of Freedom, radical members of the Doukhobor sect, will ask to be relocated on a site in the Adams Lake district, 100 miles north of Kamloops... Mayor P.E. George of Victoria was elected President of the Canadian Federation of Mayors and Municipalities at London, Ontario. He succeeds Mayor Horace Boivin of Granby, Quebec.

Lee



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Vol. 2, No. 116

Friday, June 15, 1951.

Mr. Howe's Statement On Newsprint: Ottawa, June 14 (CP) -- The Minister of Defence Production, Mr. Howe, said today that the Government "explored the situation very carefully" before allowing Canadian newsprint manufacturers to increase newsprint prices by \$10 a ton.

He said that under the circumstances he could not object to the increase which goes into effect July 1.

Mr. Howe charged that "extravagant statements" have been made by Senators and other responsible United States public men about Canadian newsprint prices.

"Users of newsprint have a very potent lobby," he said.

Mr. Howe discussed the increase in the House of Commons following questions by Stanley Knowles (CCF--Winnipeg North Centre)

Earlier, he spoke, in part, as follows on the subject of international allocations of newsprint:

"Some weeks after the department was in operation it was decided to establish a pulp and paper division. The main reason for this move was the likelihood of some international allocations being recommended by the international materials conference.

"The pulp and paper committee of this conference has now recommended one allocation of newsprint to France and it is possible that there will be others during the next few months. I think that no one will quarrel with the desirability of North America assuring that our allies have at least minimum amounts of newsprint available in order to combat the claims of communism. It seems that in the free countries where communism is the greatest threat, the communist papers in one way or another get newsprint. It is important that we ensure that the free press of these countries also secure supplies.

"As I mentioned, the international materials conference has recommended an emergency allocation of 3,000 tons of newsprint to France, 2,500 tons of which is to be supplied by Canada. I have, under the powers granted me by the Defence Production Act, instructed the director of the pulp and paper division to make an equitable levy on all Canadian newsprint producers for the purpose of providing the aforesaid 2,500 tons of newsprint. This purchase will be made by the Canadian Commercial Corporation, on behalf of France, at prices not inconsistent with contract prices prevailing in North America, but having regard to any additional costs involved in this transaction.

"I do not believe that it will be necessary to divert a large tonnage of newsprint from North America in order to satisfy these emergency requirements, but with our mills already over-committed it is obvious that North American users, who are by far the heaviest consumers of newsprint, must expect some cutback in order to provide this tonnage. Every precaution will be taken to requisition in such a way as to minimize the impact on producers and consumers in this country...."

Billion Dollar A Year Defence Plan: Ottawa, June 14 (CP) -- Steps to implement the Canadian Government's plans for a \$1,000,000,000-a-year defence production programme were outlined in the House of Commons today by the Minister of Defence Production, Mr. Howe.

In a 12,000-word review of work accomplished by Defence Production Department since it was established about two months ago, Mr. Howe told of the multi-million dollar contracts let for the manufacture of various types of military equipment.

- 2 -

The Department, he said, expects to handle about \$1,000,000,000 worth of business a year. Already it has placed orders for more than \$400,000,000 of new aircraft. Other contracts have been let for ships, electronics, guns, small arms and construction.

He spoke in launching a debate on his departmental estimates of \$64,000,000 for 1951-52.

In his production review, Mr. Howe said the CF100 Canuck fighter, equipped with the Canadian Orenda jet engine, will be in production this fall. Canada's other jet, the F86 Sabre, now is in "quantity production," limited only by the supply of engines and complementary parts from the United States.

The Harvard training plane, being built at Fort William, Ontario, is being built completely in Canada for the first time. Mr. Howe anticipated that Canada may supply this aircraft to the United States and Commonwealth countries.

The U.S. has ordered 109 of another Canadian plane--the Beaver. Further orders are expected. Canada will also participate in the production of two U.S. trainer planes.

Canada is producing electronics for her own forces, the United States and other North Atlantic Allies. The programme will eventually total more than \$400,000,000.

In shipbuilding, a \$200,000,000 programme has been placed for an ice-breaker, 14 minesweepers, 14 escort vessels and five gate vessels, as well as a number of harbor craft. In addition, 34 ships are being converted and refitted.

Canada will produce mortars of U.S. design, infantry anti-tank weapons, American howitzers and army vehicles.

Canada, U.S. Vessels Kill 300 Enemy Troops: Tokyo, June 15 (CP) -- The Canadian destroyer Sioux and the American destroyer Rush were credited with killing 300 enemy troops Wednesday night and early Thursday with naval gunfire, a communiqué said today.

The action took place on the east coast of Korea in close support of United Nations ground forces.

Operating on the west coast of North Korea the British destroyer Cossack and the frigate Amethyst fired on Communist troop concentrations southwest of Chinnampo and reported dispersing personnel and causing casualties.

New Railways-Rates Policy: Ottawa, June 15 (CP) -- A national policy of equal freight rates for all parts of Canada is laid down in legislation brought before Parliament today by the Government.

Implementing freight rate recommendations of the Royal Commission on Transportation, the legislation sets out Canada-wide equalization of rail charges as a goal and gives the Board of Transport Commissioners wide powers to bring it into effect.

Mr. Claxton On Standardized Rifle: Ottawa, June 14 (CP) -- The Minister of National Defence, Mr. Claxton, disclosed today that he has appealed to the Defence Ministers of the United States and the United Kingdom to try again to reach agreement on a standardized rifle.

He stepped into a defence production debate to say that he thought Gen. Eisenhower, the North Atlantic military chief, should be asked to consult at "any" level to bring about vital arms standardization.

Across Canada: Canada, critically short of steel, is under-going a multi-million-dollar expansion in production to add another 1,000,000 tons to annual output, the Minister of Defence Production, Mr. Howe told the House of Commons yesterday. But even with this expansion, he doubted whether Canada ever will become self-sufficient in steel....The Minister of Finance, Mr. Abbott, said that Canadians are living in an "expansionist economy and unless the world goes to pot I don't think we have much to worry about on the long pull." He made the statement to the Senate's Finance Committee, studying the 1951-52 financial estimates and the effects of Government spending on inflation.... The Nova Scotia Legislature prorogued yesterday after providing for increased taxation and curtailed spending to get the Province out of the red.

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Monday, June 18, 1951.

Debate Canadian Ships In China: Ottawa, June 15 (CP) -- The Progressive Conservatives demanded today that Canada withdraw the right to use her flag from five Canadian-registered, Chinese-owned ships trading between Hong Kong and Red China and that the Government should seize or sink them.

In a running fight between the Cabinet and the front bench of the Opposition, the Secretary of State for External Affairs, Mr. Pearson, said the Government would seize the ships if it found they are breaking Canadian law by carrying strategic war materials to the Reds.

If they aren't running war materials they aren't breaking the law, Mr. Pearson said, and incomplete reports from the Canadian Trade Commissioner in Hong Kong and a statement from the ship owners indicate they aren't carrying war materials and that none of them is captained by a Russian.

George Drew, Progressive Conservative Leader, said the question of whether the ships are transporting war materials or whether one is skippered by a Russian are "only incidental details."

What was important was that the owners, the Ming Sung Co., are "trading throughout Communist China," according to Mr. Pearson himself, and "for all practical purposes it is a company acceptable to the Communist Government."

It was to such a company, said Mr. Drew, that the Cabinet last year, without any knowledge as to the officers of the ships, granted the right to Canadian registry and the use of the Canadian flag for the five ships.

Without further delay the ships should be denied the right to use the Canadian flag and then Canada should take possession.

The debate continued throughout most of the night sitting and was adjourned until the Government can supply information requested by the Progressive Conservatives....

Mr. Pearson told E.D. Fulton (PC--Kamloops) that the five Chinese ships have no privilege not held by any other Canadian ship. There was no embargo on trade with China, except for a list of strategic materials. The Ming Sung Company said its ships were not carrying strategic materials....

To End State Of War With Germany: Ottawa, June 15 (CP) -- The technical state of war with West Germany will be ended within a matter of days, the Secretary of State for External Affairs, Mr. Pearson told the House of Commons today.

The official step will be taken with the publication of a proclamation in the Canada Gazette.

Mr. Pearson said Canada will be free to take that action once the West German Government promulgates legislation stripping German statutes of references to Canada and her other wartime Allies as enemy states. Germany is to put the legislation into effect before the month-end.

Mr. Pearson said the Canadian mission at Bonn, the West German capital, will be elevated to the status of an embassy and the mission head, T.C. Davis, will present his credentials as an ambassador.

He stressed that the ending of the state of war has nothing to do with the German peace treaty. The action will in no way affect German obligations arising from war claims.

Mr. Pearson On St. Lawrence Seaway: The following is the text of a reference to the St. Lawrence Seaway, made by the Secretary of State for External Affairs, Mr. Pearson, in the House of Commons, on June 15:

(over)

"The hon. member for Peel (Mr. Graydon) made some reference to the St. Lawrence waterway. I listened to his remarks with great interest, and all I should like to say about it now is that the Government still hopes that this great undertaking, which should be of benefit to both countries economically, and indeed politically and in other ways, can be carried out as the result of co-operative arrangements between the two countries. That is still our hope, and that is our objective. We shall be disappointed indeed if that cannot be achieved. I am inclined to agree with the hon. member that it is desirable for the Canadian Parliament and the Canadian Government to know as soon as possible if it can be done that way. It would be unfortunate if we were kept in a state of indecision indefinitely; therefore I hope our friends in Washington will be able to come to a decision on this matter before very long. What should be the proper course for Canada will depend no doubt on the nature of the decision reached in Washington, and I do not think it would be very wise on my part to anticipate that decision now by making suggestions for alternative courses of action. Therefore I would prefer to leave the matter at that."

Soviet Contribution To UN: The following is an excerpt from a statement by the Secretary of State, Mr. Pearson, in the House of Commons on June 16, in reply to Mr. Gordon Graydon, (PC-Peel) who said there was "a scandalous disproportion" between the Soviet Union and other countries in respect of contributions to UN costs:

"We hope we will be able to make further progress during the next Assembly in the direction of increasing the proportion of the cost to be borne by the USSR and its satellite states. We made some progress in that direction in the last Assembly, but not sufficient. We will not give up that struggle."

Report Probe Of Fine, Coarse Paper Costs: Ottawa, June 15 (CP) -- An investigation has been launched by the Government's combines branch into a possible combine in the paper industry, it was learned today.

The investigation takes in fine and coarse papers, but it does not include newsprint.

Across Canada: The Secretary of State for External Affairs, Mr. Pearson, said Friday his Department is considering what can be done to strengthen the information services of the Canadian Embassy at Washington....The Opposition's foreign policy spokesman told the House of Commons that Canada should be speaking with a bigger, stronger voice to the people behind the iron curtain. Gordon Graydon (PC--Peel) said that the times has come to make better use of the facilities of the International Service of the CBC.... The 426 Thunderbird squadron is switching its base of operation for the Korean airlift from the West Coast to Dorval, the R.C.A.F. announced June 14. The 12 aircraft and 400 men who have been based at McChord field near Tacoma, Washington, for the last 11 months will start back tomorrow to their former base near Montreal....The Government has given notice that beginning June 23 Parliament will sit on Saturdays until the end of the session, expected by the end of the month.



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Tuesday, June 19, 1951.

Mr. Pearson In London: London, June 19 (REUTERS) -- The Secretary of State for External Affairs, Mr. Pearson, arrived in London by air last night for a short visit.

Today he will receive an honorary degree at Oxford University where he and Mrs. Pearson will visit their student son.

A spokesman of Canada House Monday discounted reports that Mr. Pearson is bringing with him new proposals for a Korean truce but it was understood that during his visit--probably next week--he will talk with Foreign Secretary Herbert Morrison.

Mr. Pearson will also review affairs with the Canadian High Commissioner, L. Dana Wilgress, who has not been home for consultations for a considerable time.

Mr. Pearson will have talks here with various representatives and officials on the Atlantic Pact and other matters, including political and financial problems relating to the proposed Japanese peace treaty.

He will be in London during the Commonwealth Defence Ministers Conference, which begins June 21, but will not attend. Canada will be represented by two observers--L. Dana Wilgress, Canadian High Commissioner, and Maj.-Gen. S.F. Clark, head of the Military Mission in London.

After his stay in Britain Mr. Pearson will visit several West European countries where Canada has embassies or diplomatic missions.

Ford Company Announces Layoff Of Workers: Windsor, Ontario, June 18 (CP) -- A Canada-wide slump in automobile sales has hit the big Ford Motor Company of Canada plant here.

Company officials announced today that the slump, blamed by dealers on credit restrictions and higher taxes, is responsible for a cutback in production that will mean layoffs for an undetermined number of the company's 14,000 employees early in July.

President Rhys M. Sale said the company will suspend production of domestic vehicles June 25 and 26, the entire plant will be closed for inventory-taking June 27, 28 and 29, and a "curtailed manufacturing programme will go into effect July 3, after the Dominion Day holiday."

Mr. Sale gave no estimate of the number of men to be laid off.

In his statement today, Mr. Sale said:

"Much as we regret the necessity for this action, we have no alternative...The combination of increased taxes and severe curbs on credit have contributed to a sharp decline in sales. Dealers' stocks of vehicles have been increasing and retail sales have not kept up with factory shipments"

In Ottawa, the Minister of Defence Production, Mr. Howe, said today in the House, "nothing conclusive has been decided" as a result of discussions about accumulation of cars in the hands of a Canadian automobile producer. Mr. Howe named no company but was believed to be referring to the Ford firm.

Report Credit Restrictions Likely To Stay: The Montreal Gazette carries an unconfirmed despatch from its Ottawa correspondent, reading, in part, as follows:

Ottawa, June 18 -- Leaders of the Canadian automotive industry have been advised by the federal Government that there is little likelihood that credit restrictions will be eased in the immediate future, it was reported here tonight.

(over)

The industry, concerned over slackening consumer demand, has asked the Dominion authorities to take immediate action to prevent dislocation and unemployment.

Labour and management representatives have appealed for "adequate" defence orders or, alternatively, a relaxation of credit curbs which would increase the effective market for new cars. It is extremely unlikely that either request will be met.

The federal Government regards the newly-tightened credit restrictions as an essential weapon against inflation. Finance Minister Abbott, Production Minister Howe and other members of Cabinet show little inclination to lay this weapon aside unless and until inflationary influences and the international situation which produces them have vanished.

As far as the "adequate" defence order request is concerned, the Dominion Government is much more sympathetic....

Greater Payments To Municipalities Urged: Ottawa, June 18 (CP) -- Members of the House of Commons today urged the Government to make greater payments to municipalities where federal property is located.

The Minister of Finance, Mr. Abbott, piloting a resolution preliminary to a bill putting the present grants-in-lieu-of-tax system on a permanent basis, gave no indication that the Government intends to boost the payments. The resolution was adopted, and the bill received first reading.

Australia Settles 100,000 Britons, Report: Quebec, June 18 (Montreal Gazette) -- T. S. Power, Australia's chief migration officer in the United Kingdom, and H. Allard of Ottawa, the Chief of Mission from Canada on the International Refugee Organization, are passengers on the liner Empress of France which docked briefly here tonight en route to Montreal.

Mr. Power, who is returning to Australia after two years' service in the United Kingdom, said his country's scheme for getting Britishers to settle in Australia had so far settled 100,000 persons.

Across Canada: Robert H. Saunders Chairman of the Ontario Hydro-Electric Commission, arrived at Prestwick Airport Scotland, Monday with a \$2,000,000 order for British industry.... Imperial Oil's products pipe line from Sarnia to Toronto is expected to be completed and to go into service in 1952, the company has announced.... Election of Spain to fill a vacancy in the Council of the International Civil Aviation Organization marked the closing meeting of the fifth session of the I.C.A.O. assembly in the organization's world headquarters in Montreal.... The Powell River Co., Ltd. announced a \$6-a-ton increase in the price of newsprint, effective July 1. The new price will be \$115 a ton.... The Ontario Legislature's rent committee recommended today that the federal Government be asked to ease credit restrictions in the house-construction field.

GOVERNMENT

OF CANADA

DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

(For official use only. This bulletin is intended solely for the information of Canadian Government officials stationed abroad. Its contents are not for publication or distribution.)

Vol. 2, No. 119

Wednesday, June 20, 1951.

Mr. St. Laurent On Proposal For Blockade Of Red China: Ottawa, June 20 (CP) --

The Prime Minister, Mr. St. Laurent yesterday declared his opposition to proposals by "certain generals of our great allies south of the border" for a complete naval blockade of Red China.

Detailing the Government's position on Canadian-registered, Chinese-manned ships trading off the China coast, he told the House of Commons it would be a "sorry state for the western world" if the hundreds of millions of Chinese and other Asiatics were driven "permanently into the Communist camp."

Though the Government did not agree with the proposals of the American generals, it did feel that all reasonable precautions should be taken to keep strategic materials out of the Asiatic areas. For that reason, exports to certain Asiatic countries could not be made without permit.

However, on the question of a general blockade, he said:

"The policy that this Government and our Department of External Affairs have been trying to follow is to bring about some kind of negotiated settlement of the Korean incident in the hope that it will not become necessary to permanently treat as belonging to the iron curtain part of the world those great Asiatic populations.

"These are our views which are just as honestly entertained as are the views of those of our great American allies who think that there should be at once a complete naval blockade of China.

"I do not doubt the honesty of such views, though I do doubt their wisdom."

House Vote On Ships In China: Ottawa, June 19 (CP) -- The Progressive Conservative Opposition tried unsuccessfully today to force the withdrawal of Canadian registry from seven China Sea ships which they suggest might be carrying war goods to Red China.

Opposition Leader George Drew, reviving the Parliamentary battle over the Chinese-manned vessels, introduced a motion which would strip them of the protection of the Canadian flag, but saw the Government's majority defeat the motion by 116 to 36. He won support from the C.C.F. and Social Credit groups.

Mr. Drew, introducing his motion, suggested that Canadian registry should be withdrawn from the ships even if there is only the "possibility" that they were carrying contraband to Red China on their trading runs between Hong Kong, the Portuguese port of Macao and the Red City of Canton.

The Prime Minister, Mr. St. Laurent, reporting that the Government is going into the case "very carefully," said he did not think that step should be taken "without further evidence that there was more than a possibility of there being contraband carried to these areas."

Mr. St. Laurent Announces Aid To Universities: Ottawa, June 19 (CP) -- The Federal Government, acting on recommendations of the Royal Commission on National Development in the Arts, Letters and Sciences, has decided to make a multi-million grant to Canadian universities and to provide interim financial assistance to the publicly-owned CBC.

The Prime Minister, Mr. St. Laurent, announced the decision today in the House of Commons and said Parliament will be asked to vote the money before adjournment of the present session, expected June 30.

(over)

He did not disclose how much the grants will total. The grant to universities will amount to approximately 50 cents per capita of the present estimated population. On the basis of population figures -- 14,000,000 -- obtained from the Bureau of Statistics, this would make a grant of approximately \$7,000,000.

George Drew, Progressive Conservative Leader, said he welcomed the announcement of aid to universities but received the statement on the CBC with some reservations. He said not many members would welcome the CBC proposal without a "proper examination," in view of the fact the broadcasting organization "has enjoyed certain monopolistic privileges."

Mr. St. Laurent On Financing Of Old Age Pensions: Ottawa, June 19 (CP) -- All Canadians "who can" will pay into a special fund to help finance Canada's new old-age pension for all at 70 years of age, the Prime Minister, Mr. St. Laurent, said tonight.

He gave that indication in a free time political broadcast over the CBC but didn't elaborate beyond this sentence:

"Everyone who can will pay something into a special fund to help provide a pension without a means test as a matter of right in his old age."

The new system will go into effect January 1, 1952, at a starting annual cost of \$350,000,000 to the federal Treasury.

There have been reports here that a special new tax will come into effect which will tap the pocketbooks of thousands of Canadians now exempted from income tax because their incomes are too low.

Mr. Sulzberger On Newsprint Price Increase: Montreal, June 20 (Gazette) -- Arthur Hays Sulzberger, publisher of the New York Times, said last night he was opposed to any "pressure" from the U.S. Government to control the price at which Canadian manufacturers sold newsprint in the United States.

But he believed that recent increases of \$10 a ton announced by Canadian companies were too high.

Mr. Sulzberger will deliver the main address at the annual convocation of Bishop's University, Lennoxville, on June 21.

While he believed that an increase of \$10 a ton in newsprint was too high he did not see that any good purpose would be served by "action in Washington" to bring pressure on the Canadian suppliers.

Extending Definition Of Treason: Ottawa, June 19 (CP) -- The Government today announced a series of Criminal Code amendments tightening the laws against drunken drivers, traitors, sex perverts and bookies. The charges are incorporated in a government bill introduced today and given first reading....

The definition of treason has been extended to include giving assistance, whether in or out of Canada, to a country against whom Canadian forces are fighting even though there is no formal state of war. This would permit action against persons assisting, for example, Red China or North Korea.

Another new section provides a prison term of 10 years for persons convicted of sabotaging armed forces equipment, whether that of the Canadian services or of any foreign services -- such as the United States -- lawfully in Canada. The offence covers acts impairing the efficiency of vessels, vehicles, equipment....

Across Canada: Sir Alexander Clutterbuck, United Kingdom High Commissioner, in an address in Ottawa on June 19, warned of the "grave danger" of moving into a complete wartime economy at this time.... A Special Committee has reported, through Speaker Ross Macdonald, that the House of Commons should have an amplification or loud-speaker system.... The House approved in principle a bill increasing interest rates under the National Housing Act.



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Vol. 2, No. 120

Thursday, June 21, 1951.

Another Vote On Ming Sung Ships Issue: Ottawa, June 20 (CP) -- The Ming Sung controversy broke out in the House of Commons again today for the third time in a week and brought a renewed charge that a Russian may be captain of a ship flying the Canadian flag in trade with communist China.

The new battle brought the second vote in as many days in the issue aroused by allegations that seven Canadian-built ships registered here and flying the Canadian flag may be taking war materials to Red China.

The ships are owned by China's Ming Sung Industrial Corporation Ltd. Canadian banks, their loans guaranteed by the Canadian Government, have a heavy financial interest in them. The ships were granted the right to fly the Canadian flag early in 1950.

Today's vote saw the Prime Minister, Mr. St. Laurent, sustained, 143 to 28, in declining to make public a Cabinet directive or instruction to free the Ming Sung firm from the law that Canadian ships should have officers of British nationality.

The Minister of Transport, Mr. Chevrier, tabled today documents showing that the Cabinet instruction had been carried out after ascertaining that there were no British officers available to take over the ships.

Mr. Drew then pressed for tabling of Cabinet's directive to carry out that step.

Mr. St. Laurent declined. He said it would be a violation of Cabinet Ministers' oath of secrecy to disclose what goes on in Cabinet meetings.

Mr. Drew compared the directive to an order-in-council, pointed out that such orders are always made public and said the public could be kept in ignorance of important matters if Mr. St. Laurent's view were sustained.

The Prime Minister's reply was that Mr. Chevrier had tabled the positive result of a Cabinet decision. The House was not entitled to more....

Communists In Industry: Ottawa, June 20 (CP) -- A defence production official said today that screening of some 25,000 industrial workers has shown that some subversive elements, including Communists, have been infiltrating into key production plants in Canada.

E. S. Perkin, Director of Industrial Security for the Defence Production Department, said in an interview that though the number of Communists and fellow-travellers unearthed is not large -- about 250 -- it indicates the Reds are trying to get into "every industry in Canada."

The screening takes place before the Department issues secret blueprints and information to a plant undertaking to handle classified defence production work.

If an "undesirable" is found working in a plant, the contract is held back until either the Communist is fired or else given work which isolates him from that part of the plant producing classified equipment.

Pacific Mills Increase Newsprint Price: Vancouver, June 20 (CP) -- Pacific Mills announced today a price increase of \$10 a ton in its newsprint.

The Vancouver price will be \$115 a ton and the New York price \$116.

Two days ago Powell River Co. Ltd., advanced its price \$6 a ton for both Canadian and American shipments.

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Defence Production Co-Ordinator On Controls: Bigwin Inn, Ont., June 20 (CP) -- Canada's Defence Production Co-ordinator predicted today that an expanding war effort may soon lead to increasing shortages in both labour and materials.

Crawford Gordon Jr. told the annual convention of the Canadian Gas Association that defence production expansion may take up all the slack caused by over-production and lack of civilian sales in the first three months of 1951.

In spite of the fact that government controls on essential materials are a hardship, no lifting of the controls could be forecast for the foreseeable future, Mr. Gordon said.

Navy Broadens Plan For Officers' Enlistment: Ottawa, June 20 (CP) -- The navy today announced a broadened scheme for the enlistment of officers. It has extended the three-year appointment plan put into effect last winter for active and retired officers of the naval reserve.

The plan now includes applicants not now connected with the navy but who have had previous naval experience as officers and are specially qualified.

Across Canada: The suggestion that Canada's Capital should be run by a federal Commission, as is Washington, was advanced in the House of Commons yesterday....The representative of the Governor-General visited the Senate yesterday and in traditional ceremony gave Royal assent to 19 bills passed by Parliament....A barrage of demands for higher federal payments to municipalities was directed at the Government in the House of Commons yesterday....Francis Cardinal Spellman of New York will lead a three-day pilgrimage of more than 400 persons to Ste. Anne de Beaupre Shrine, July 9-11, it was reported by the Canadian Press from Quebec.

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Vol. 2, No. 121

Friday, June 22, 1951.

\$400,000,000-A-Year Social Security Programme: Ottawa, June 21 (CP) -- The federal Government, preparing to launch a new \$400,000,000-a-year, three-pronged social-security programme, today offered to make it easier for Canada's aged and blind to qualify for pensions or allowances.

In bills given firstreading in the House of Commons, the Government outlined terms under which it is prepared to share with the Provinces the cost of assistance to the needy between 65 and 69 and to blind persons 21 and over.

The conditions, subject to acceptance by the Provinces, are more liberal than in existing legislation. For instance, persons in receipt of assistance will be allowed to earn more than under existing legislation without having pensions reduced. The residence qualification for blind persons has been dropped to 10 from 20 years.

At present, pensions of \$40 a month--some Provinces pay a bit more--are paid to the needy 70 and over if they have lived in Canada for at least 20 years. The federal Government pays 75 per cent and the Provinces the remainder.

The federal Government and the Provinces, on a 75-25 basis, pay \$40-a-month pensions to the blind 21 and over who have lived in Canada for 20 years.

Under the new programme the federal Government will pay \$40-a-month pensions to all 70 and over regardless of means if they have lived in Canada for the last 20 years. This programme, due to start January 1, 1952, will cost an estimated \$350,000,000, and will be partly financed from contributions.

The Government has not yet disclosed how much it will ask Canadians to contribute to the programme or how the contributions will be collected. There has been speculation that a special social-security tax will be collected.

Senate Finance Committee Report: Ottawa, June 21 (CP) -- The Finance Committee of the Senate said today that bold steps should be taken to halt inflation and avoid the danger of another depression.

The Committee, under the chairmanship of outspoken, 75-year-old Senator Thomas Crerar (L. Manitoba) reported to the Senate after almost four months of delving into Government expenditures and their effect on the cost of living.

The report noted that the depression of the 1390s followed a period of inflationary boom. It made two recommendations to avoid a repetition:

1. For Governments: Spend less and avoid building up a pyramid of fixed expenditures from which there could be no withdrawal.
2. For the People: Increase production and save more.

The report added, in part:

"It is important that the Canadian people realize that inflation, in the sense of its impact upon our daily living and the uncertainty and fear it generates as to what may happen in the future, can have a paralyzing effect not only on our economy, but as well upon the steadiness of thinking in the individual citizen that is the main-spring of what we describe as our democratic way of life...."

Ming Sung Official's Statement: Montreal, June 22 (Gazette) -- Thomas C. Wang, Vice-President of the Ming Sung Industrial Company of Canada, Ltd., termed "misleading" yesterday charges that its ships flying the Canadian flag, are dealing with Communist China.

(over)

"We have asked the Canadian Government for a thorough investigation," said the Chinese businessman whose company operates some converted Canadian corvettes in Oriental waters.

Beyond this, Wang would say little about his business or charges raised by Maj.-Gen. George Pearkes, (PC-Nanaimo). Gen. Pearkes charged that the Ming Sung ships were carrying to Red China, while flying the Canadian flag, supplies which might be used by the Reds in combat against Canadian troops in Korea.

"The charges made by the guild are misleading," Wang said in an interview. He was referring to the China Coast Navigating and Engineering Officers Guild which circulated a letter first raising the issue. The letter also charged that at least one Russian is skippering a Ming Sung ship.

"There are only Chinese manning the ships except for radio operators who are British," said Wang.

Interantional Discussion On Alleged Water Pollution: Atikokan, Ont. June 21, (CP)

-- Mining of iron ore from a lake bottom which has sent sediment into the clear waters of Rainy Lake has touched off a controversy in the Ontario-Minnesota border region with echoes in Washington and Ottawa.

Chester Wilson, Minnesota State Conservation Commissioner, has called on Washington to take action under international water agreements.

Record-Breaking Imports: Ottawa, June 21 (CP) -- Record breaking imports are pushing Canada's adverse trade balance to new heights, the Bureau of Statistics reported today.

Despite increased sales abroad, the import balance in April increased markedly compared with the first three months of the year.

Imports, during April totalled \$393,000,000 in value, a rise of 70 per cent over April last year and \$50,500,000 above the March figure of \$342,500,000. Domestic exports in April increased nearly 44 per cent over last year to \$295,200,000, while foreign exports increased to \$5,000,000 from \$4,200,000.

The adverse balance for April was \$92,900,000, compared with \$21,200,000 in April last year.

Across Canada: Color video has been used for the first time in Canada to demonstrate an operation to doctors attending the Canadian Medical Association Convention in Montreal....Canadian doctors will be trained in biological, chemical and atomic warfare as a defence measure, Dr. K. C. Charron of Ottawa told the annual meeting of the C.M.A. at Montreal yesterday....The Prime Minister, Mr. St. Laurent, will visit Arthabaska, in Quebec's Eastern Townships, July 1 on the occasion of celebrations marking the 100th anniversary of the founding of the town....The House of Commons gave first reading to a bill empowering the Government to go ahead with some steps in the national capital plan for Ottawa....Increased telephone rates are necessary to meet higher operating costs and to provide for the federal Government's new defence surtax, Frederick Johnson, President of The Bell Telephone Co. of Canada, said last night.

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Monday, June 25, 1951.

Mr. Malik's Cease-fire Proposal: Referring to Mr. Malik's cease-fire proposal, a C.P. round-up, datelined United Nations, N.Y., says in part:

"Fighting men on the front in Korea were both hopeful and sceptical. However, soldiers of the 25th Canadian Brigade were reported to have greeted the news of Malik's proposal with a jubilant 'yipee.'

"At Ottawa, officials of the External Affairs Department termed the proposal 'very interesting,' but added that 'we always look for the joker in Soviet statements.'"

Brig. Rockingham's Message To Troops: Somewhere in Korea, June 25 (CP) -- Brig. J.R. Rockingham, commander of the 25th Canadian Brigade, told his troops today that a United Nations victory in Korea will have "tremendous influence on other parts of the world where freedom is threatened by aggression."

In an anniversary eve message a year after Communist aggression began against South Korea, the Canadian commander said:

"June 25 is the anniversary of the attack by Communist forces in Korea. The United Nations forces of which we are part, in resisting this aggression, have inflicted heavy losses on the enemy. We must continue to inflict heavy damage on the enemy at every opportunity so that the battle for freedom in Korea may be won ...

"Victory here will have a tremendous influence on other parts of the world where freedom is threatened by aggression.

"I know the troops under my command will continue doing the excellent job they have done so far. All Canadians are proud of you and will be following your progress in the days ahead."

\$7,100,000 Grants To Universities: Ottawa, June 24 (CP) -- The Government, implementing the report of the Royal Commission on Arts and Sciences, is calling on Parliament to spend \$7,100,000 this year on higher education. It asked Parliament Saturday to vote that amount to universities as federal grants during the current fiscal year.

The University grants were included in additional government spending proposals for the 1951-52 fiscal year ending March 31, in supplementary estimates tabled Saturday by the Minister of Finance, Mr. Abbott.

Another provision in the supplementaries is for \$1,500,000 as an "interim grant" to the CBC to help it meet expenses, including some for establishing a television service. This also was recommended by the Massey Commission.

FOR DEFENCE PRODUCTION

Other major appropriations in the supplementary estimates will provide a financial boost for industries in defence production and extension for another year of the Government's system of subsidizing the movement of Western feed grains to Eastern farms.

These were part of estimates totalling \$195,000,000 introduced by the Finance Minister. They were in addition to main estimates for the year of \$3,586,915,000 brought in by Mr. Abbott earlier. With some other and minor supplementary estimates, they brought the estimated grand total of spending for the year to \$3,784,000,000.

A large item in the coming year's expenditures is that of \$50,000,000 to step up the Government's assistance to companies doing defence production. The money is to be used to help stockpile strategic materials and to aid industries with capital advances. It will boost to \$150,000,000 a revolving fund that the Defence Production Department now administers.

(over)

The House of Commons on Saturday also gave approval to the Government's new \$400,000,000-a-year pensions programme.

Sees Eventual Provincial Status For N.W.T., Yukon: Ottawa, June 24 (CP) -- The Prime Minister, Mr. St. Laurent, said in the House of Commons Saturday he believes that "in time" the Northwest Territories and the Yukon will acquire provincial status.

The Prime Minister made the statement as he put through a bill amending the Federal District Commission Act to provide for representation of Newfoundland on the non-salaried commission set up to promote beautification of the capital.

R.C.A.F. - U.S.A.F. Air Exercise: Montreal, June 25 (Gazette) -- Montreal and area were successfully defended against "enemy" United States bombers, it was learned here last night from R.C.A.F. officials.

The unofficial announcement of the success of this region's air defence role in the joint R.C.A.F. - U.S.A.F. nation-wide air exercise came shortly after the three-day manoeuvres, which began at dawn Friday, closed shortly before last midnight.

U.S. - Canada Tariffs: Ottawa, June 24 (CP) -- Canadian trade experts are dismayed but not discouraged by a trend towards protectionism in United States tariff law.

They feel that if the trend ever becomes permanent it may well mean the end to any further rounds of tariff negotiations between the U.S. and Canada.

The unfavourable trend showed up in amendments to the U.S. Reciprocal Trade Agreements Act, passed by Congress and signed by President Truman last week.

The encouraging point is that the extension--and the amendments--run only for two years. Experts believe anything can happen after that, and the swing in U.S. tariff legislation may well be the other way.

St. Jean Baptiste Day Celebrations: Montreal, June 24 (CP) -- Montreal's French-Canadians turned out en masse today for La Procession St. Jean Baptiste.

Warm weather greeted an estimated 500,000 people who lined the five-mile route for the monster parade.

The annual June 24th parade highlights a two-day pageant in honour of French-Canada's patron saint.

This year the parade featured 22 colourful floats dedicated to Canada's "ambassadors" since the beginning of New France.

Across Canada: Four federal by-elections will be held Monday to fill vacancies in the House of Commons. The vacancies, caused by deaths and resignations, are in the Prince Edward Island constituency of Queens, the Ontario constituency of Waterloo South and the Manitoba constituencies of Brandon and Winnipeg South Centre....The Grand Committee of Hungarian Churches and Societies, representing nearly all Canadians of Hungarian origin, announced last night its members had approved a resolution calling upon the Canadian Government and the United Nations to freeze all assets of the Hungarian Communist Government in Canada, the Montreal Gazette reports....Fifteen persons were under arrest Sunday charged with carrying offensive weapons Saturday night as a week-long feud in Edmonton between young hoodlums and servicemen again flared into violence.



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Tuesday, June 26, 1951.

Mr. Malik's Cease-Fire Proposal Discussed: Ottawa, June 25 (CP) --Sources close to the Cabinet said tonight that even if the most optimistic interpretation of Mr. Jakob Malik's proposal for a cease-fire conference comes true and the Korean fighting ends, Canadian rearmament will continue.

The Prime Minister, Mr. St. Laurent, made it plain today that the Government is as much in the dark as the average Canadian as to whether the Russians seriously want a cease-fire or whether they are up to some new trickery.

He left no doubt, however, that the Government is attaching great importance to the statement of Mr. Malik. He promised members of Parliament that "it is going to be explored with a sincere desire, at least on our side, to have it produce some results."

Mr. St. Laurent, replying to a request from George Drew, Progressive Conservative Leader, for a statement, made these points:

1. The Malik statement is "an important development" and one which the United Nations probably would deal with expeditiously.
 2. The statement's mixture of much vituperation and a brief reference to peace represents "the usual (Russian) manner in which proposals are put forward, but we have had experience where their violent vituperation has been followed by something which was really serious and intended to be effective... I hope this may prove to be another such example."
 3. The Secretary of State for External Affairs, Mr. Pearson, conferred with British Foreign Secretary Morrison in London and Ambassador Hume Wrong conferred in Washington with State Secretary Acheson.
 4. "The language of this declaration is being carefully scrutinized and there is no indication anywhere that it is going to be brushed off."
- Both Mr. Drew and Angus MacInnis, acting C.C.F. leader, called Mr. Malik's statement highly important and hoped something comes out of it. Mr. Drew noted that it wouldn't be the first time Russia has backed down. She did it earlier on Greece, Azerbaijan and the Berlin airlift.

Meanwhile, primarily because of his cease-fire efforts in the past there were reports Mr. Pearson might be asked to take part in truce talks-- if they develop. Informed quarters called the reports premature and said things haven't crystallized to the point where it is necessary to discuss the names of negotiators.

So far as is known here, Mr. Pearson intends to go on from London to Europe to visit a couple of Canada's embassies.

Mr. Pearson's Comment In London: London, June 25 (UP) -- The Secretary of State for External Affairs, Mr. Pearson, said today that it would be a very great mistake if the United Nations did not follow up the Russian suggestion of an armistice in Korea, but that only the USSR was to blame if UN approached the matter with some reserve.

Speaking at a press conference, he said:

"I have not yet read the full text of the broadcast (by Soviet UN Delegate Jakob Malik) but I have read enough of it in the press to indicate what it is about. There are, as some press comments have pointed out, a good many ambiguities in the statement, and we have had some unhappy experiences with Soviet statements on issues of this kind in the past.

"I should think that they (the Russians) have themselves to blame, therefore, if we approach this interesting and important statement with some reserve.

(over)

"But having said that, it would be a very great mistake not to follow this up.

"I gather from what was issued by the State Department in Washington they intend to follow it up there, and the same will be done in other places, so that we can find out in the United Nations what it does mean.

"If it is a satisfactory basis for proposals by which the Korean conflict may be brought to an end on terms which the United Nations can accept then we should make the most of it."

When asked whether he thought Moscow was speaking on behalf of China as well as herself, Mr. Pearson replied:

"There is one thing--Mr. Malik was speaking for the USSR and not just voicing some of his own ideas on Korea.

"If the USSR is anxious to end the war on terms we can accept then we shall have less trouble with Peiping on the matter."

Mr. Pearson continued that it might be possible, if any preliminary moves were made in response to Mr. Malik's speech, for the United Nations to use the terms drawn up by the UN "Cease-fire" Committee, of which he was a member, last winter.

These, he recalled, suggested three main provisions for peace in Korea:

1. A demilitarized zone about 20 miles in width approximately on the 38th Parallel.
2. Withdrawals by the forces of both sides out of that zone and its subsequent control by United Nations patrols.
3. The holding of elections in both North and South Korea under the United Nations.

Progressive Conservatives Win Four By-Elections: Ottawa, June 26 (CP) -- The Progressive Conservatives won four federal by-elections yesterday, gaining three seats from the Liberals and an increased majority in the other riding.

The Progressive Conservatives retained the Ontario constituency of Waterloo South. They captured the former Liberal seats of Queens in Prince Edward Island and Brandon and Winnipeg South Center in Manitoba. The margin of victory was decisive in all four by-elections.

In Queens, J. Angus MacLean, an RCAF wing commander during the war won for the Progressive Conservatives over Cecil A. Miller, Liberal, in a two-party fight.

Howie Meeker, of New Hamburg, Ont., 26-year-old right winger with the Toronto Maple Leafs in the National Hockey League, retained Waterloo South for the Progressive Conservatives, defeating Liberal and CCF opponents. Mr. Meeker increased his party's majority over his Liberal opponent.

In a two-way fight in Brandon, Progressive Conservative Walter Dinsdale, defeated J. W. Grant MacEwan, Liberal.

Gordon Churchill, 52-year-old lawyer, won for the Progressive Conservatives in Winnipeg South Center, defeating Liberal and CCF opponents.

Across Canada: George Drew, Progressive Conservative Leader, said in the House of Commons on June 25 it is time for Canada to "stop pussyfooting" and admit she is at war--though undeclared -- with Red China. The time has come, Mr. Drew said, to create laws that will make it impossible to trade with China "until we have the basis of peace"....Dr. B.K. Sandwell is retiring from the editorship of Saturday Night but will remain as editor emeritus, the CP announces. R.A. Farquharson, Managing Editor of the Globe and Mail succeeds Dr. Sandwell....The 12-member Senate Divorce Committee suggested in its report establishing suitable courts to hear Quebec and Newfoundland divorce cases.



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Wednesday, June 27, 1951.

Mr. Claxton On North American Defence From A-Bombs: Ottawa, June 26 (CP) -- The Minister of National Defence, Mr. Claxton, said today the Russians may have 25 atomic bombs or more and there are two main routes across Canada for air attacks if war comes. Canada has about seven targets which might invite use of one of those bombs.

Those were among the facts marshalled in an address to the Ottawa Kiwanis Club to back his statement that even if something comes of Russia's Korean peace overtures Canada must not slacken defence efforts.

The Minister reaffirmed the Cabinet's opinion that the time is not ripe for general economic controls and the hope they will never be needed. He also intimated that the United States is going to help foot the bill for some defence installations in Canada which would benefit the whole of North America.

Mr. Claxton said the armed forces have been getting men at a satisfactory rate, that they now have 80,000--the total was 47,000 when Korea started a year ago--and that 31,000 civilians are working at defence. Every effort would be made to raise the joint total to 150,000 from 111,000.

Ten per cent of the 80,000 men now in uniform were in the 27th Army Brigade which "is expected to go to Europe." There were enough replacements now available, in addition, to reinforce the 25th Brigade in Korea for six months or more.

Canada's present defence programme was taking 12 per cent of the national income compared to 45 to 50 per cent at the peak of the Second World War. Thus, financially, it could be described as "25 per cent on an all-out war effort."....

Mr. Claxton referred to Russia's A-bombs in an appraisal of the threat to Canada. If war came, there would likely be air and submarine attacks on Canada. There were two likely avenues of air approach.

"The first might be from the Northwest, from Siberia, swinging across Alaska either to the east of the Rockies into the industrial centres or to the West Coast cities. The second approach might be from Northern Europe across Iceland, the tip of Greenland, Labrador, the Gulf of St. Lawrence and down to the industrial centres.

"It is believed the Russians are making atomic bombs. If this is so, they may have 25 or they may have more."

The Russians had four-engined bombers to carry the bombs here but probably not enough to make saturation raids.

Therefore there were about 30 targets reported likely to attract an A-bomb in the U.S. and about seven in Canada. Air attack against at least some of them was considered likely.

Some Canadian targets might be hit when the Russians found it impossible to get through to the U.S. target. A master plan of radar protection communications and fighter interceptor planes had been worked out with the U.S. and was "being built up as fast as it can be done...."

Since any attack on the U.S. almost certainly would come across Canada, it "is only reasonable that they should assist" in the defence of Canada.

"So far Canada has paid for all the defence equipment purchased from the U.S. and we shall continue to do that as long as the equipment is for the defence of Canada here or abroad but where it is used for the defence of all North America...we shall work together."

(over)

R.C.A.F. Squadrons For Europe: Ottawa, June 26 (CP) -- A three-squadron R.C.A.F. fighter wing will be established in the United Kingdom by next summer prior to moving to the continent of Europe to serve as part of the Atlantic Pact wall against Communism, the Minister of National Defence, Mr. Claxton, said June 26.

He reported that Air Marshal W. A. Curtis, R.C.A.F. Chief of Staff, has come back from Paris to report that considerable progress has been made in completing plans to dispatch overseas the first squadrons of what will become an 11-squadron air division by 1954.

First to go will be No. 410 Squadron, now converting to F86E Sabre jets at Dorval Airport, near Montreal. The squadron will leave in the fall and two more will follow it to England before next summer to form a three-squadron wing. It would be based at an R.A.F. station, taken over by Canada.

No. 421 Squadron, now rated "one of the best operational fighter squadrons in Britain," would return home from its base at Odiham, near London, in time for Christmas. By then it would have completed a tour of overseas duty which began early this year.

Mr. Claxton said plans have not yet been made as to where the Canadian squadrons will be based in Europe after an initial period in Britain. But because the R.C.A.F. is standardizing with the U.S. in numerous items of equipment "it would appear that considerable economy of effort can be effected by integrating, where possible, with the U.S.A.F. in Europe."

U.S. Cites "Pats" For Extraordinary Heroism: Ottawa, June 26 (CP) -- The part Canadian troops played in halting China's late-April offensive and saving the Allied line in Korea was formally recognized and honoured today, by the United States.

It was announced in Tokyo that the 2nd Battalion of the Princess Patricia's Canadian Light Infantry has been awarded a Presidential Citation for extraordinary heroism in stemming the Red advance. An Australian Infantry battalion and a U.S. tank company were similarly honoured.

Gen. Ridgway Visits Canadians: West Sector, Korea, June 26 (CP) -- Gen. Matthew Ridgway, United Nations commander in the Far East, today visited the Canadian 25th Infantry Brigade during a swift fact-finding tour of the Korean front.

It was the third time that Brig. John Rockingham, Canadian commander, had met Ridgway, who makes frequent trips to the front.

In Parliament On June 26: Ottawa, June 26 -- The Minister of Justice, Mr. Garson, withdrew a criminal-code amendment allowing police to check on telephone calls from suspected gambling houses.

A bill to increase judges' salaries by 20 percent was opposed by various speakers.

John T. Haig, Progressive Conservative Senate Leader, said municipalities should be paid full taxes on federal and provincial property.

Across Canada: When present plans for expansion of Canadian oil firms are completed, Ontario's market will offer an outlet for prairie crude oil of 100,000 barrels a day, Ronald S. Ritchie, of the Imperial Oil Co. said in Toronto on June 26....Mme. Theresa Casgrain, widow of the late Mr. Justice Pierre Casgrain of the Quebec Superior Court, has been elected leader of the CCF Party in Quebec....Betty Jean Hagen, 20-year-old Toronto violinist, has won the Pathe Marconi prize of 100,000 francs at the Thibaud International Competition in Paris.



DAILY AIRMAIL BULLETIN

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OTTAWA - CANADA

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Vol. 2, No. 125

Thursday, June 28, 1951.

Mr. Claxton On Western Military Strength: Ottawa, June 28 (CP) -- Russia would get licked if she started war tomorrow, the Minister of National Defence, Mr. Claxton, said tonight. He made the prediction to George Drew, Progressive Conservative Leader, after telling the House of Commons that the regular army now has between 28,000 and 30,000 operational troops or the equivalent of about two divisions of Second World War strength.

But, the Minister said, the whole purpose of Canada's defence effort is not to beat Russia but to help in building up a joint Western strength that will convince Russia she had better not start a war. The whole security of the West was contingent on that buildup continuing apace.

Mr. Drew brought out the statement by asking whether Mr. Claxton agreed with the press-reported views of Postmaster-General Rinfret that Russia would be defeated if she started war.

Mr. Drew said they didn't correspond to views of certain American military leaders. (U.S. Army Chief Omar Bradley recently said the U.S. is not ready for a showdown with Russia).

Mr. Claxton said: "I certainly believe Russia would be defeated if she attacked today or at any future date."

Canada Pays Her Own Bills: Ottawa, June 27 (CP) -- Canada has pointed out to the United States the inaccuracy of an official U.S. report showing Canada among the countries receiving American economic or financial assistance and has asked for a correction, it was learned today.

The report was published by the National Security Council in Washington and listed Canada among a number of other countries. The Canadian Ambassador, Hume Wrong, has pointed out to the State Department that Canada is standing on her own feet and not getting economic assistance from any one.

So far there has been no reply to the request that a correction be issued for the list and sent to all those who received the original.

Canada has taken pride in footing her own bills and in being probably the only important country in the western world which has not taken some sort of U.S. aid since the war.

3 "Pats" Win First Korea Decorations For Bravery: Ottawa, June 27 (CP) -- Canada's first gallantry awards of the Korean War were announced today.

They went to three members of the 2nd Battalion of the Princess Patricia's Canadian Light Infantry -- a Winnipeg businessman who served five years in the last war without seeing action, a Briton evacuated from London in the blitz and an Alberta farm boy.

Capt. John Graham Wallace Mills, 31, of Winnipeg, was awarded the Military Cross for "bravery and conduct above normal devotion to duty" in calling allied artillery down on his own positions for two hours in a fight which saw his company and the guns kill 100 Chinese.

L.-Cpl. Smiley Douglas, 23, of Delburne, Alberta, got the Military Medal for grabbing a smoking grenade and saving two comrades. His hand was blown off by the grenade and he now is in hospital in Calgary.

Pte. Leonard Barton, 21, who at 10 was evacuated from London in the blitz, received the Military Medal for inspiring his mates in a bayonet charge on Chinese hill positions March 7 and doing so despite three wounds. Barton came to Canada last year, worked on Ontario farms and then enlisted in the special force.

(over)

Defence College In Quebec Urged: Ottawa, June 27 (CP) -- Two Quebec Members of the House of Commons disagreed today with a statement by the Minister of National Defence, Mr. Claxton, that the Defence Department is doing all possible to see that French-language Canadians get an even break from the armed forces.

Philippe Picard (L.--Bellechasse) joined Leon Balcer (P.C.--Trois Rivieres), a wartime Naval lieutenant, in suggesting that the Department might establish a defence college in Quebec. They got support from Maj.-Gen. G. R. Pearkes, V.C. (P.C.--Nanaimo) who said it certainly was worth considering.

Mr. Picard said a greater effort should be made to get French-language officers into the forces and said a lot of them with good war records were kept out of the permanent forces after the war because they didn't have the educational requirements....

Mr. Claxton told Mr. Balcer earlier he does not exclude the possibility of a defence college eventually being established in Quebec and said in the event of war such a college might become a necessity.

Mr. Balcer said he wanted to see French-language Canadians given equality of opportunity and he, backed by Mr. Picard, claimed a list of officers at headquarters showed there now was no such equality.

House To Conclude Business June 29: Ottawa, June 27 (CP) -- The House of Commons today adopted a resolution to adjourn the current session--expected to finish business tomorrow or Friday--until Oct. 9.

The Prime Minister, Mr. St. Laurent, told questioners that the reconvening date--usually a provisional one--is a "firm date" in this case unless developments necessitate an earlier recall of members.

The House of Commons adopted a bill increasing judges' salaries 20 per cent and thus completed the Government's legislation programme for this session.

Across Canada: The Western powers are developing an artillery weapon "very superior" to the Germans' 88 millimetre gun that Canadian soldiers came to hate and to respect in the last war, the Minister of National Defence, Mr. Claxton, said on June 27....The Government has been considering bringing home Canada's dead from Korea, Mr. Claxton told the House of Commons.... The write-off of \$30,506,622 in uncollectable debts owing the federal Government prior to 1940 was recommended in a report by the Public Accounts committee of the Commons....A stone causeway spanning Nova Scotia's Strait of Canso has been recommended in the report of a board of engineers scrapping previous plans for a bridge across the strait....A location near Martin Lake in the centre of Northern Saskatchewan's rich Beaverlodge field has been selected as the site for "Uranium City." The town will serve the surrounding mines and officials have said it will be a city of more than 5,000 population within five or seven years.

GOVERNMENT
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Vol. 2, No. 126

Friday, June 29, 1951.

Mr. Pearson Confers With Mr. Morrison: London, June 28 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, went to the House of Commons today for an interview with his British opposite number Foreign Secretary Herbert Morrison.

As one of the original members of the three-man United Nations Korean cease-fire committee, Mr. Pearson was expected to be given latest news on diplomatic efforts to follow Russian suggestions of a peace move in Korea. The two Ministers had previously met Tuesday.

A Foreign Office spokesman said it was likely the Ministers talked today about everything of mutual interest to the two countries.

Mr. Pearson had tea with the Indian Health Minister, Dr. Rajkumari Amrit Kaur, and the Indian Ambassador, Krishna Meono. Earlier he paid a courtesy call on Clarence House, where he talked with Princess Elizabeth.

Mr. Pearson will fly to Holland July 2 for talks with Dirk U. Stikker, Netherlands Foreign Minister. He will then see Halvard Lange, Norwegian Foreign Minister, in Oslo before going to Stockholm where he will be the guest of Canadian Ambassador Thomas Stone.

Jetliner Depends On Orders From U.S.: Ottawa, June 28 (CP) -- A defence production official said today that commercial manufacture of Canada's first jetliner will depend on orders from the United States.

He said Canada has offered the jet, produced by the A.V. Roe Company of Toronto, to the U.S. as a military aircraft. The U.S. has made no final decision whether to accept.

The Jetliner, first of its kind in North America, could be used as a flying ambulance, troop carrier or general military transport, he said.

"If the U.S. takes up the offer, we will give the manufacturers all the assistance we can in getting the aircraft into production."

Production of the jetliner as a purely commercial aircraft has been ditched for the time being because of the more urgent defence programme, including the production of CF-100 fighter aircraft by the A.V. Roe Company.

Asked why Canada did not herself place military contracts for the jetliner, the official said Canada's defence programme is not such that it could make use of this kind of aircraft.

Can Convert Bren Gun To Conform To U.S. Style: Ottawa, June 29 (CP) -- The Government's arms-making firm said today the Bren gun can be converted to fit into Canada's switch to United States-type army weapons.

The statement was made by Canadian Arsenals Ltd., in an annual report, tabled in Parliament, which reflected the fact that the arms business is humming.

It was one-sentence long but the implications went beyond that. It said: "The feasibility of converting the Bren machine-gun .303 to .30 has been demonstrated and a pilot model produced." The Bren has been used in Canadian infantry platoons as the basic machine-gun of the infantry.

As a .303 calibre weapon, it would be on the way out along with other British-type weapons because of Canada's switch to U.S. arms.

But the significance of the report's statement is that the firm has turned out a model to prove that the Bren barrel can be re-bored to the .30 calibre used by the Americans. In other words, the Bren could be altered to use U.S. ammunition.

The Government has already accepted the U.S. .30 Garand rifle and other U.S. weapons but has not yet announced whether it is going to ditch the Bren in favour of the U.S. Browning.

(over)

Ming Sung Ships Correspondence: Ottawa, June 29 (CP) -- The seven Ming Sung ships that transferred to Canadian registry last year would be fined up to \$2,500 if they flew anything but Canada's red ensign, official correspondence showed today.

The correspondence, tabled in the House of Commons by the Prime Minister, Mr. St. Laurent, largely concerned the activities of Canada's Trade Commissioner in Hong Kong in carrying out the decision to transfer the Chinese-owned ships from Chinese to Canadian registry to prevent them falling into Communist hands.

Tabled for John Diefenbaker (PC--Lake Centre), it showed that every effort was made to expedite the transfers so the ships wouldn't be laid up and that in at least four cases this objective was achieved.

Fellowship In Field Of Folk Music: (Press Release No. 28, June 29) -- The Department of External Affairs announced June 29 that a Fellowship for advanced study abroad in the field of folk music has been made available to Canada by the United Nations Educational, Scientific and Cultural Organization (UNESCO). This Fellowship is to be awarded in 1951 for a six-month period of study. Applications will be received up to July 26 by the Secretary, The Canada Foundation, 56 Sparks Street, Ottawa.

The winner will be expected to visit a country or countries of special interest to him. Final selection of the Canadian Fellowship winner will be made in Paris by UNESCO.

Dr. Wallace Urges Seaway: Toronto, June 28 (CP) -- Further delay in constructing the St. Lawrence seaway will cripple the whole heart of Canada's industrial life, Dr. R.C. Wallace, retiring Principal of Queen's University, said today.

Dr. Wallace, speaking at the summer conference of the American Institute of Electrical Engineers, said cheap hydro-electric power has been largely responsible for developing industry in the St. Lawrence Valley.

Allocation Control On Sulphur: Ottawa, June 28 (CP) -- The Defence Production Department today ordered complete allocation control over sulphur, a scarce and essential raw material used in the production of newsprint and explosives. The order becomes effective July 2.

Across Canada: The Minister of Citizenship and Immigration, Mr. Harris, told the House of Commons he expects 100,000 to 150,000 immigrants to enter Canada this year....Six hundred men on June 28, were fighting a wind driven forest fire burning out of control along a seven-mile front near Campbell River on Vancouver Island....Rodney Adamson (P.C.--York West) urged in the House of Commons on June 28, that bans on the killing of predatory animals in national parks should be relaxed.

(Note - No Bulletin will be issued on June 30 or July 2.)



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Tuesday, July 3, 1951.

Parliament Adjourned: Ottawa, July 3 (CP) -- The fourth session of Canada's 21st Parliament, adjourned Saturday, June 30, until October 9.

The 104-day session ended at 7.40 p.m. E.D.T. after Mr. Justice R. L. Kellock of the Supreme Court of Canada, acting for the Governor-General, gave royal assent in the Senate to a lengthy list of government legislation.

The measures included a money bill authorizing the Government to make record peacetime expenditures of more than \$1,300,000,000 during the 1951-52 fiscal year ending March 31 next.

Two Months' Budgetary Surplus \$275.4 Million: Ottawa, June 30 -- The Minister of Finance, Mr. Abbott, released on June 30 the Comptroller of the Treasury's statement for the month of May, showing a budgetary surplus for the first two months of the fiscal year of \$275.4 million.

Total revenues for May amounted to \$353.0 million compared with \$273.1 million for May 1950. May revenues from income tax last year were abnormally low by reason of offsetting effects of refunds arising from 1949 tax changes, and this influence was not present in the current year. Revenues for the first two months of this fiscal year amounted to \$571.3 million compared with \$439.2 million for the same period a year ago, an increase of \$132.1 million.

Expenditure for May amounted to \$199.1 million compared with \$156.9 million in May 1950. The increase of \$42.2 million is practically all accounted for by the increase in the expenditures of the Department of National Defence which showed an increase in May 1951 of \$40.9 million over that for May 1950.

For the first two months of the fiscal year, expenditures totalled \$295.9 million compared with \$244.9 million in the same period 1950. The increase in expenditures of \$51 million was almost wholly accounted for by the increase of \$46.4 million in expenditures of the Department of National Defence. In addition, there were increases of \$1.8 million in family allowance payments and \$1.2 million in the Government's contribution to the Unemployment Insurance Fund.

Revenues for the month of May exceeded expenditures by \$153.9 million compared with \$116.2 million in May 1950. The accumulated budgetary surplus for the first two months of the fiscal year totalled \$275.4 million compared with \$194.3 million in the same period a year ago. Mr. Abbott stated, "the surplus at the end of May cannot be taken as indicative of the surplus for the current fiscal year as a whole. While revenues are more or less spread throughout the year expenditures are always more heavily concentrated in the latter part of the year...."

Colombo Plan Discussions: (Press Release No. 29, June 29.) -- The Department of External Affairs announced on June 29 that during the past week discussions on the Colombo Plan had taken place in Ottawa between representatives of the Government of India and Canadian officials. Mr. N. Sundareshan, Deputy Governor of the Reserve Bank of India, and members of the Office of the High Commissioner for India represented their Government.

The discussions were exploratory and covered the various types of projects which were listed by India in the Colombo Plan Report and in connection with which Canada might most usefully provide material and financial assistance.

(over)

Ambassador To Yugoslavia: (Press Release No. 30, July 1.) -- The Department of External Affairs announced on July 1 the appointment of Mr. J. Scott Macdonald as Canadian Ambassador to Yugoslavia. Mr. Macdonald has been Canadian Ambassador to Brazil since 1948. It is expected that he will arrive in Belgrade in September, after a short period of leave in Canada.

Simultaneously with the appointment of Mr. Macdonald, the present Yugoslav Minister to Canada, Mr. Pribicevic, is being designated Ambassador and the missions in the two countries therefore become Embassies.

Immigration Trend: Ottawa, July 2 (Globe & Mail) -- The revival of northern Europe as a major source from which Canada draws new settlers is one of the significant trends shown by immigration records so far for 1951.

Figures for the first five months of this year show an increase of 166 per cent in the flow of immigrants from northern European countries. One of the main factors has been the revival of German immigration, which up to the end of May totalled about 6,000 compared with 1,600 in the same period last year.

The number of Dutch settlers has doubled in the period from 4,533 to 9,132. French immigration is still comparatively small but has shown an increase from 418 last year to 1,747 this year. There were 1,598 Danish settlers compared with 523 last year. These are the outstanding increases but across the board the figures indicate a revival of the flow.

Across Canada: Dr. Victor Ben Meen, 40, Canadian geologist and Director of the Royal Ontario Museum of Geology and Mineralogy, will lead an expedition to the Chubb crater in Ungava, discovered last July. The expedition to the crater will be a joint one, made up by the National Geographic Society and the Royal Ontario Museum.....Ten square miles of forest lands were ablaze at the week-end on Vancouver Island. In the worst fire in more than a decade, flames spread through rich timber stands near Campbell River as nearly 1,000 men battled to stem outbreaks that mushroomed along a wide front. The damage will probably reach millions of dollars.... Premier Duplessis said on June 29 Governor Sherman of New Hampshire visited him recently and discussed "questions relating to hydro-electric production, civil defence protection, forest preservation and co-operation between Quebec and New Hampshire in matters of mutual interest."

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Wednesday, July 4, 1951.

Mr. Pearson In Norway: Oslo, Norway, July 4 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said on July 3 that there was no use being over-optimistic on the possibilities of a cease-fire in Korea. But he stressed the view that every opportunity must be used to end the hostilities. Mr. Pearson arrived in Oslo by plane from The Netherlands. After a two-day stay in Norway, he will go to Sweden and possibly Denmark, Western Germany and Belgium.

Canada, U.S. Share Scarce Materials: Ottawa, July 4 (CP) -- Canadian manufacturers working on defence contracts have been placed on an equal footing with United States manufacturers for allocation of scarce materials, it was announced July 3.

The new American priority and allocation programme, known as the controlled materials plan, went into effect formally July 1. It will allow Canadian industry to share equally with Americans the scarce supplies of American goods.

Essentially, the plan, embracing allocations of materials for three months at a time, is not expected to cause any drastic reduction in the production of consumer goods.

The scheme is designed to make big blocks of allocations at once rather than on a piece-meal, day-to-day basis.

The U.S. Government has issued a priority scale covering three essential materials: steel, aluminum and copper. Canada buys some copper and aluminum from the U.S., but mainly is interested in United States steel.

Delegation To UN Economic and Social Council: (Press Release No. 31, July 4.) -- The Department of External Affairs announced on July 4 that Mr. Jean Lesage, M.P., Parliamentary Assistant to the Secretary of State for External Affairs, will head the Canadian Delegation to the Thirteenth Session of the United Nations Economic and Social Council, to be held in Geneva July 30 to September 21. The Deputy Head of the Delegation will be Mr. James Sinclair, M.P., Parliamentary Assistant to the Minister of Finance. They will be accompanied by advisers from the Department of External Affairs and the Department of Finance.

Premier Frost On Seaway: Fort William, July 3 (CP) -- The completion of a St. Lawrence seaway project and utilization of Northern Ontario's mineral resources will double the population of Port Arthur and Fort William within 10 years, Premier Leslie Frost of Ontario said today.

Mr. Frost, in Fort William to open officially the first Fort William rendezvous carnival, said in an interview that power development will spread prosperity throughout the north.

"There is no doubt about it, the lakehead is just beginning to develop," he said. "The 70,000 population in the area will double within the next 10 years. The lakehead may seem like a prosperous place now. In 1961, you will see it much more prosperous."

Premier Frost said the federal and provincial governments were "big enough to do it ourselves" if the United States failed to contribute to the building of a St. Lawrence seaway.

(over)

First Municipal Elections In N.W.T.: Ottawa, July 3 (CP) -- First municipal elections in the history of the Northwest Territories will be held Sept. 17, it was announced today.

Officials of the Department of Resources and Development, which has jurisdiction over the territories, said the elections will be held in the Mackenzie district. Representatives for three divisions in the district will be elected for three-year terms to an eight-member Council of the Northwest Territories. The remaining five members will be appointed by the Government.

There is a possibility Indians and Eskimos will be among the candidates seeking election.

Rail Rates Decision July 4: Ottawa, July 3 (CP) -- Decision will be given tomorrow at 9.30 a.m., E.D.T., on the railways' application for freight rate increases aggregating \$89,000,000 a year.

The Board of Transport Commissioners announced today it will hand down an interim judgment then on railway requests for increases of five and 15 per cent.

The judgment will deal with the question of the railways' immediate need for revenue. Hearings on an increase of a more permanent nature will be held starting next November 12.

Fewer Jobless: Ottawa, July 3 (CP) -- Unemployment in Canada is continuing to decline, the Labour Department announced today.

At May 31, there were 151,000 persons registered for employment at National Employment offices. The figure represented a decline of 24,1000 from the total for May 17. At May 31, 1950, the number of unemployed totalled 254,400.

Canada - U.S. Radar Defence: Ottawa, July 3 (CP) -- United States contribution toward radar installations in Canada may exceed \$100,000,000, it was learned unofficially today.

No formal statement was available, and all radar installations are on the secret list, so far as such activities may be kept secret, for security reasons.

Such an expenditure in Canada on this joint North American defence effort would help offset Canadian defence purchases in the United States now running at the rate of about \$400,000,000 a year.

United States defence expenditures in Canada have not yet reached comparable volume which accounts in some measure for the \$300,000,000 deficit in trade with the U.S. in the first five months of 1951.

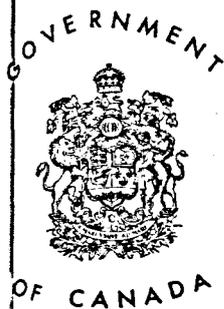
It is understood that the electronic industry of Canada is aiming at a \$400,000,000 production programme to meet the needs of this country, the United States and other Allies for radar and associated equipment.

Defence officials said a reciprocal agreement governing creation of a joint radar network has been under discussion for some time between Ottawa and Washington.

It is expected to lay down what each country will contribute to a network which the Minister of National Defence, Mr. Claxton, has said will have one-quarter of its stations in Canada.

It is not unlikely, officials said, that some American servicemen will be posted to Canada to man some of the new stations. Depending on its size and importance, a station might have anywhere from 100 to 400 persons posted to it.

Across Canada: Lt.-Gen. Guy Simonds, Chief of Staff of the Army, returned to his desk in Ottawa on July 3 after three weeks overseas and began work on a report for the Government on movement of Canada's 27th Brigade to Europe... A Government scientific party is to leave Ottawa July 4 to investigate the possible existence of a sizeable meteor crater in Northern Ontario's Algonquin National Park... Rain and the efforts of firefighters have stemmed the British Columbia forest fires.



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Thursday, July 5, 1951.

Princess Elizabeth and Prince Philip To Visit Canada: Ottawa, July 4 (CP) -- Princess Elizabeth and her husband, Prince Philip, will make a coast-to-coast tour of Canada in October, it was announced officially today.

The surprise announcement of the Royal Visit came from Mr. St. Laurent, who said they have expressed the hope their visit will be kept "as simple as possible, having regard to the circumstances of the times."

This will be her first visit to this country for the 25-year-old Princess.

It will be Canada's second Royal Visit in little more than a decade. The King and the Queen made a four-week tour of Canada in May and June of 1939.

Mr. St. Laurent's announcement said the Royal Couple have accepted an invitation conveyed by Mr. Pearson on behalf of the Government of Canada.

The Prime Minister said that their Royal Highnesses, in the short time they will be in this country, will not be able to "see all of the places in Canada that they would like."

He added:

"They will, however, travel from coast to coast, and, it is hoped, will visit most of the principal centres.

"The details of their Royal Highnesses' itinerary will be made public later.

"Their Royal Highnesses have expressed the hope that their first visit, to Canada, to which they are looking forward with keen anticipation, will be kept as simple as possible, having regard to the circumstances of the times, and I know that their wishes will be respected.

"All Canadians will be delighted that the heiress to the Throne is coming to our country, and will give Her Royal Highness and His Royal Highness the Duke of Edinburgh the warmest of welcomes."

Temporary 12 Per Cent Freight Rate Increase: Ottawa, July 4 (CP) -- The railways got a new freight-rate increase of 12 per cent today along with notice that future increases--and perhaps this one later--may be adjusted to swing more of the load from the West and the Maritimes to Central Canada.

In granting the \$54,000,000-a-year increase on an "interim" basis, the Board of Transport Commissioners told the railways that next fall it is going to re-examine the award to deal with the questions of:

1. Easing the impact of higher rates on movements of primary commodities and long-haul traffic, which form a large proportion of rail business in the outlying Provinces.

2. Shifting more of the burden to low-rate "competitive" traffic concentrated most heavily in Ontario and Quebec.

The two proposals are in line with recommendations of the Royal Commission on Transportation, whose ideas for balancing up rates as between the different areas of Canada are to be dealt with by Parliament in the fall.

They also tally with the views of the Governments of eight Provinces --all except Ontario and Quebec--which have been battling against rate increases, including the current one. The Board's proposals would be a big step in the direction of the general rate equalization sought by these Provinces.

(over)

The Board's judgment today served notice that the two ideas will be investigated at hearings starting next November 12, when the Commissioners are to deal on a more permanent basis with the railways' application for a rate increase of about 20 per cent to meet higher costs of labour and materials.

Pending these hearings, the 12 per cent--slightly less than two-thirds what the railways asked--was awarded as a temporary measure.

Canadian, U.S. Ships Pound Bridges, Rails: Tokyo, July 5 (CP) -- The Canadian destroyer Huron and the United States Navy frigate Sausalito pounded bridges, railroads and highways at the East Coast Korean centres of Chongjin and Churonjang, the naval communique said today.

Large fires and secondary explosions were observed.

Agriculture And The U.K. Markets: Montreal, July 5 (Gazette)-- Canadian agricultural exports are being directed more and more towards the U.S. market "owing to loss of British orders," a Canadian delegation to the international congress of the Federation of Chambers of Commerce reported yesterday.

Representatives of the delegation reported on their discussions at the Congress to the executive council of the Canadian Chamber of Commerce in Montreal. They said they had raised the question of loss of markets at the recent congress in Britain.

The delegates said they had told the Congress that potential expansion of Canadian agriculture is being restricted by the lack of British markets "with serious consequences to British feeding, particularly in the event of another war."

Living Cost Shows Another Increase: Ottawa, July 4 (CP) -- A steady rise in the cost-of-living index gained momentum again in May after showing signs of faltering during April. Food prices were the main propelling force.

The index, compiled by the Bureau of Statistics, rose 2.1 points compared with 0.2 in April--from 182.0 to a new all-time high of 184.1. The increase matched a 2.1 increase in March, but was still under the 4.5 jump in February, highest monthly advance in history.

With the exception of fuel and light which remained unchanged, all items that go into the family budget rose to record or near-record levels. The index is based on 1935-39 prices equalling 100.

Across Canada: Crop prospects remain "generally good to excellent" in the Prairies, despite a late season, the Bureau of Statistics reported July 4 in one of a series of reports on cross-country crop conditions....Jack Guest, 18-year-old Torontonion, was defeated by six feet by Erik Larsen at Henley-on-Thames, England, on July 4 in the first round of the royal regatta singles for the Diamond Sculls.



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Vol. 2, No. 130

Friday, July 6, 1951.

Committee Works On Details Of Royal Visit: Ottawa, July 5 (CP) -- A committee of government officials today embarked on the task of working out the details of the visit to Canada this fall of Princess Elizabeth and the Duke of Edinburgh.

Discussions thus far have been only in the preliminary stage.

The route and the stopping-places will be determined by the committee, subject to the Princess's approval.

The committee is headed by Charles Stein, Under-Secretary of State. As assistant he has Howard Measures, the Government's Chief of Protocol.

The Royal couple are expected to sail from the United Kingdom late in September and reach Ottawa before Parliament opens. However, the possibility is being considered that Princess Elizabeth may return to the capital to address the House of Commons and the Senate in a joint meeting.

The possibility arose that she and Prince Philip may make a side trip to the United States, as did her parents when they came to this continent in 1939.

Prime Minister St. Laurent, who announced the visit late yesterday, will not accompany the Royal Couple. However, they will be escorted by one or two members of the Canadian Cabinet as they go across the country. Presumably, one or more high British Government officials will be with them.

Exports To U.S. Climb Nearly \$200,000,000: Ottawa, July 6 (CP) -- Canada's exports to the United States climbed by almost \$200,000,000 in the first five months of 1951, to bring total domestic shipments to all countries to a record \$1,427,700,000.

Virtually every kind of Canadian commodity normally exported to the U.S. shared in the boost, the Bureau of Statistics reported in a detailed picture of exports in May and in the first five months of the year.

With newsprint leading the export trade, total shipments to the U.S. in May climbed \$33,000,000 to \$208,678,000 from \$175,406,000 last year, bringing the five-month total to \$921,447,000, up \$194,000,000 from \$727,206,000.

Shipments in May to the United Kingdom--Canada's second biggest customer--totalled \$47,241,000, down slightly from \$48,549,000 last year. But the five-month total showed a brighter picture, with exports totalling \$202,256,000, an \$18,000,000-climb from \$183,445,000.

Total exports of \$1,427,700,000 worth of goods to all countries in the five-month period reflected an increase of \$286,300,000 from \$1,141,400,000 in the same period last year.

While total exports in May and in the five-month period were well ahead of last year, the Bureau of Statistics, in a preliminary statement issued previously, indicated that shipments were not keeping pace with imports.

For example, exports in May, totalling \$327,000,000--made up of \$323,400,000 worth of domestic shipments and \$3,600,000 worth of foreign--were about \$80,000,000 behind imports of \$407,400,000.

This \$80,000,000 deficit, coupled with similar ones in the previous four months, brought Canada's total trade deficit for the five-month period to approximately \$300,000,000--the highest in history.

(over)

3 Top Soldiers Get New Posts: Ottawa, July 5 (CP) -- The Army today announced new appointments for three of its top infantry soldiers.

Col. F.A. Clift, 43, D.S.O., formerly of Melfort, Sask., will leave his present post as Director of Military Training here towards the end of the year to attend the Imperial Defence College in the United Kingdom.

Col. Roger Rowley, 37, D.S.O. and bar, of Ottawa, will succeed Col. Clift. He now is Director of Infantry.

Col. D.F. Forbes, 44, D.S.O. and bar, of Sydney, N.S. now commander of the Army's base at Fort Churchill, Manitoba, will succeed Col. Rowley as Director of Infantry.

A successor to Col. Forbes at Fort Churchill has not been named.

Across Canada: The aircraft carrier Magnificent and the destroyer Micmac will join British fleet units for late summer training exercises in the Mediterranean--the first peacetime visit of Canadian warships to those Middle East waters. The vessels will sail from Halifax, August 7, on the 2½-month cruise.The resignation of A.L. Smith, Progressive Conservative member of the House of Commons for Calgary West, was formally delivered on July 5 to Speaker Ross Macdonald. Mr. Smith announced last January that he planned to resign because of ill health....More than 40 buildings were destroyed and some 250 people left homeless on July 5 by fire that roared across the west side of this fishing and lumbering village of Gaspé Peninsula....Jack Kent Cooke, 38-year-old publisher and radio station owner, has purchased a controlling interest in the fifth-place Toronto Maple Leafs, of the International Baseball League.



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Vol. 2, No. 131

Monday, July 9, 1951.

Holdings Of U.S. Funds Near Peak: Ottawa, July 6 (CP) -- Canada's official holdings of U.S. dollars and gold reached a near-record \$1,683,000,000 on June 30, the Finance Department reported today.

They had climbed by \$400,000,000 in the space of a year, despite a commodity, trade deficit which increased to about \$300,000,000 in the first five months of 1950, and which normally would drain off some of the reserves.

An increased flow of foreign capital, particularly from the U.S., likely was responsible for part of the increase, officials said.

They recalled that large loans have been floated in the U.S. by several Canadian cities and by Ontario and Quebec.

They would tend to increase the amount of U.S. dollars accumulating in Canada. Other accumulations were attributed to "invisible" earnings, such as spendings by U.S. tourists in Canada and on shipping charges.

No breakdown of how much of the reserves were in dollars and how much in gold was given.

However, the reserves were sharply higher than the \$1,255,000,000 on June 30 last year. They were about \$100,000,000 below the record \$1,789,000,000 held last September 30, but \$30,000,000 higher than the \$1,653,000,000 on March 31, at the end of the first 1951 quarter.

The reserves had continued to climb gradually. They reached \$1,664,000,000 on April 30 and \$1,682,000,000 on May 31.

Though the June 30 figure was below that of September 30 last year, the situation had changed drastically since that time. Just before Canada decontrolled the dollar on September 30, there had been a sudden surge of U.S. capital, mainly by speculators.

Since then, U.S. capital has returned to its normal pattern of mainly seeking long-term investment in Canada.

Italy Third Power To Get Canada Arms: Ottawa, July 6 (CP) -- Canada will ship enough arms for a division to Italy this month, the Defence Department said today.

Italy thus will become the third North Atlantic Treaty power to get that many arms from Canada under the latter's switch from British-type to American arms.

The other recipients were Holland and Belgium. Luxembourg got enough 25-pounders for an artillery regiment.

The arms for Italy will go from Montreal. They are a gift from Canada as part of her contribution to building up the strength of Europe.

Colombo Plan Discussions: (Press Release No. 32, July 6.) -- The Department of External Affairs announced on July 6 that during the previous week discussions on the Colombo Plan had taken place in Ottawa between representatives of the Government of Pakistan and Canadian officials. The Pakistan Government was represented by their High Commissioner in Ottawa, by Mr. Said Hasan, Secretary to the Government of Pakistan in the Ministry of Economic Affairs, and by Mr. Amjad Ali, Adviser and formerly Minister for Economic Affairs at the Pakistan Embassy in Washington.

General agreement was reached by the officials of the two countries on the principles which might guide and govern the economic aid to be supplied by Canada to Pakistan. These principles will now be laid before the two Governments for consideration....

(over)

Mr. Duplessis To Meet With Newsprint Manufacturers: Quebec, July 6 (CP) -- Premier Duplessis said today he has arranged to meet Quebec's newsprint manufacturers Wednesday and one of the things on the agenda is the price of newsprint, recently increased \$10 a ton.

The announcement came during his weekly press conference.

The meeting will take up the question of newsprint production, and the infiltration of Communist propaganda among wood cutters, Premier Duplessis said.

He recalled that a similar meeting was held in 1938 with the province's newsprint manufacturers--who now produce 51 per cent of Canada's output.

There are 17 newsprint manufacturers in Quebec Province.

Standardization Of Small Arms: Ottawa, July 6 (Globe) -- Efforts of the Minister of National Defence, Mr. Claxton, in the House of Commons in June to get reconsideration of the standardization of small arms by Great Britain and the United States appear to be bearing fruit.

The Defence Minister announced July 6 that there was a good possibility of a conference to discuss standardization which would be held in Washington and attended by Mr. Claxton, U.S. Defence Secretary Marshall and Defence Minister Shinwell. Tonight the Department was awaiting a final reply from General Marshall but it is fully expected that the conference will be held.

"Huron" Destroys Communist Train: Tokyo, July 9 (CP) -- The Canadian destroyer Huron destroyed a Communist train Sunday with 12 rounds from its main batteries near the North Korean East Coast city of Chongjin, a Naval headquarters communique announced today.

The Huron also effectively bombarded bridges and railroads around the city.

N.B. Singers Win Laurels: Llangollen, Wales, July 8 (CP) -- New Brunswick's touring male singers placed second Saturday in an international competition, thus adding another feather to a musical cap already loaded beyond most expectations.

The Canadian singers--the St. Joseph's Male Choir of St. Joseph's, N.S.--were runners up to a Birkenhead, England, team in a competition for male choirs, scoring 280 marks compared with 282 for Birkenhead. Earlier it had placed first in a folk song contest.

Across Canada: Canada's chartered banks today served notice on the Government that they want to go on a five-day work week like most of the country's other industries....James Henderson, internationally famous, Scottish-born artist known to Western Indians as "The Man Who Paints Old Men," died, July 5 in a Regina hospital. He was 79....Jim Ferrier, of San Francisco, won the Canadian Open golf championship July 7 for the second successive time at Toronto with a medal score of 273. He was 15 strokes under par for the 72-hole distance and two better than his nearest rivals.



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Tuesday, July 10, 1951.

End State Of War With Germany: (Press Release No. 34 July 10.) -- The Department of External Affairs announced on July 10 that the state of war with Germany had been terminated by Royal Proclamation published in the Canada Gazette on July 10, 1951.

Although active hostilities were ended by the declaration of June 5, 1945, regarding the unconditional surrender of the German Reich, it has proved impossible since then to conclude a Treaty of Peace which would dispose of questions relating to Germany and arising out of the state of war. With this in mind the Government of Canada announced last October its intention of taking action to terminate the state of war with Germany as soon as it was in a position to do so.

The action by Canada terminating the state of war with Germany does not prejudice decisions on questions arising out of the war with Germany which remain to be determined by a future Treaty of Peace or by other agreements with Germany, nor does it affect in any way the Allied agreements and declarations regarding control machinery for Germany which have been made since the surrender of that country. The satisfaction of Canadian claims against Germany arising out of the war is not affected.

This action by Canada simply means that insofar as Canadian domestic law, both public and private, is concerned, a state of war no longer exists between Canada and Germany and German nationals are no longer considered to be enemy aliens. The Government of Canada still reserves the right to retain any money or property which vested in the Custodian by virtue of the Canadian Trading with the Enemy Regulations, but it will be recalled that no obstacle has been placed since December 29, 1949, in the way of the resumption of all commercial and financial dealings between persons in Canada and persons in Germany or of the acquisition of property which was not subjected to control up to that date. This position remains unchanged.

Shipbuilding Programme: Ottawa, July 9 (Globe) -- Canada's naval shipbuilding programme will probably reach the peak of activity late next spring and should continue at that level until its completion in 1954. At that time it is expected that the 17 Canadian shipyards, large and small, will be employing about 12,000 workers, compared with 15,000 in 1948.

The list of defence production contracts released today, totalling \$80,000,000, included \$59,000,000 for shipbuilding, almost entirely accounted for by the seven new orders for \$8,000,000 anti-submarine vessels. In all there are now 39 naval ships on order, ranging from escort vessels to gate ships and involving contracts totalling \$156,000,000.

The new contracts will have little or no real impact on the shipbuilding industry, however, for the better part of a year. Of the first seven contracts awarded for escort vessels, progress is being made on the hulls of the three prototypes. Two of these and possibly three may be completed by next summer. The new orders will not be completed before 1954.

Sixth Series Canada Savings Bonds: Ottawa, July 9 (CP) -- A sixth series of Canada savings bonds will be launched in October, the Minister of Finance, Mr. Abbott, announced today. Terms of the new issue will be announced later.

Mr. Abbott said the heavy purchases--totalling \$1,700,000,000--in the five previous series would in themselves justify the new issue. The issues had encouraged more than 1,000,000 Canadians to save.

(over)

He said that personal savings were doubly important under present economic conditions and that the widest possible distribution of the bonds was a necessary objective of national policy.

For this reason, the Government plans a strong sales campaign, both in the field of sales to the general public through banks and investment dealers and through the payroll savings scheme.

Expect Greater Immigration This Year: Ottawa, July 9 (CP) -- Immigration to Canada in 1951 is expected to be greater than in any year since the prosperous 1920's.

Immigration officials state it is possible that more than 50,000 new citizens will reach Canada before the end of the year. The last time the immigration total passed that mark was in 1929, when about 165,000 immigrants came to this country.

Figures for the first six months of this year are not available, but officials estimate that more immigrants arrived in the period than during the whole of 1950. The 1950 total was 73,912.

In the first five months of this year the number of immigrants totalled 60,356 compared with 30,347 for the corresponding period of 1950. Immigrants from the United Kingdom totalled 10,599, compared with 5,351, an increase of 98%. The number from Northern European countries--20,677 compared with 7,768--was up 166%. From the United States there were 2,926, compared with 2,493, an increase of 17.4%. Other countries sent 26,154, compared with 14,735, an increase of 77%.

Japanese Overseas Agency: Ottawa, July 9 (CP) -- The Japanese Government has established an overseas agency in Canada, with offices in Ottawa, it was announced July 9.

The purpose of the agency is to accelerate trade between Canada and Japan. The agency will answer all inquiries concerning Japan whether pertaining to trade or any other phase of the Japanese economy. It will also handle inquiries about travel in Japan.

U.S. Planes Loaned To Canada: Trenton, Ontario, July 9 (CP) -- Group Captain F.S. Carpenter, senior staff officer at the R.C.A.F. station here, today termed "utterly untrue" a London, Ontario, report that U.S. air force planes loaned to Canada for training purposes were in poor mechanical condition.

He denied an allegation that any R.C.A.F. pilot had refused to fly them.

Across Canada: An \$80,000,000 art collection, one of the world's most famous, to arrive in Toronto on July 10 for its only Canadian showing. It is the collection of the Royal Austrian Hapsburg family, now the property of the State Museum in Vienna....Crude oil production in Alberta for the week ended July 2 was down more than 50,000 barrels a day from the previous week's production. This resulted from end-of-the-month cut-backs to hold June's production under the monthly report allowable set by the Conservation Board.



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Wednesday, July 11, 1951.

Second In Command Of "Vandoos" Killed In Korea: West Sector, Korea, July 10 (CP) --

Major J.P.L. Gosselin of Verdun, Quebec, second in command of the Royal 22nd Regiment, was killed July 9 when an armored car from which he was directing a patrol blew up.

Major Gosselin's military career was primarily administrative and he left a staff appointment at Brig. J.M. Rockingham's headquarters at Fort Lewis to gain regimental experience with the Vandoos. The operation in which he was killed was one of several he conducted recently.

Alleged War Criminal Sought In Toronto: Toronto, July 10 (CP) -- Radin Radoslay

Gruicic, former Yugoslav national sought by his homeland for deportation on charges of committing mass murder during the Second World War, has dropped from public sight in Toronto.

He has gone under several aliases while in Toronto, but it was as Marko Jancovic that he was best known. Fellow nationalists said today they had seen him only last week but none know where he is now.

A former friend of Jancovic, said today the missing man had been an avowed foe of Communism since 1938. He said Jancovic was a leader in the Yugoslav secret police whose principal job was to detect Communists.

Inspector J.S. Cruikshank of the R.C.M.P. said he was aware Jancovic was wanted by the Yugoslav Government as an alleged war criminal but his office had received no official word of the case. The inspector denied a report that Jancovic was working with the Mounted Police as an anti-communist agent.

New R.C.A.F. Base Link In North America Defence Chain: Ottawa, July 10 (CP) -- A

new R.C.A.F. fighter base, one of a chain guarding vital targets of Canada and the United States, is being opened at Bagotville, Quebec, about 100 miles north of Quebec, the R.C.A.F. announced today.

This means Bagotville will join with such bases as St. Hubert and Dorval at Montreal, Uplands at Ottawa, North Bay, and others in a network of fighter stations prepared to take on any attackers heading for targets in either country.

Statistics Bureau Changes C.O.L. Index System: Ottawa, July 10 (CP) -- The Bureau

of Statistics hopes to have a new formula for estimating monthly changes in the cost of living ready early next year.

It reported today that "considerable progress" has been made toward revision of its cost-of-living index. The name of the index will be changed to "consumer price index" and the base on which it is calculated brought up-to-date.

The name is being changed, said the bureau, to clarify the purpose of the index.

"The term 'cost-of-living index' has proved to be misleading to some people, although it has been generally understood to mean an index of retail price change," it said.

The revision will be the fourth major change in indexes of consumer prices since they first were published about 40 years ago.

(over)

Dr. Dankwort On Peace With Germany: Ottawa, July 10 (CP) -- Dr. Werner Dankwort, German consul-general in Canada, tonight viewed Canada's proclamation of peace with his country as a step towards the recreation of a free Germany.

In an address broadcast to Europe in German over the CBC's International Service, he said:

"The end of the state of war with the Federal Republic declared by Canada is no more and no less than a valuable foundation-stone for the erection of German sovereignty that collapsed in 1945. Canada looks on Germany as a partner with whom she should not cease to work together. I think we should not fail to take this hand offered."

Bisley Rifle Team Takes Second Prize: Bisley, England, July 10 (CP) -- Four members of Canada's Bisley rifle team today carried off second prize in the Brinsmead Challenge Shield team aggregate competition.

The team, from the Royal Hamilton Light Infantry of Hamilton, Ontario, included CSM N.L. Beckett, Pte. G.W.J. Oakes, Pte. C.C. James, and S. Sgt. G.B. Ray.

See 150,000 New Citizens This Year: Ottawa, July 10 (CP) -- Immigration to Canada in 1951 is expected to be greater than in any year since the prosperous 1920's.

Immigration officials state it is possible that more than 150,000 new citizens will reach Canada before the end of the year. The last time the immigration total passed that mark was in 1929 when about 165,000 immigrants came to this country.

Wheat Deal With U.K. Delayed: Ottawa, July 10 (DJ) -- Canada's request for a six cents per bushel carrying charge above the ceiling price under the International Wheat Agreement has been holding up signing of a contract for exports to Britain, it is learned officially.

Under the International Agreement the export price for the coming Canadian wheat crop would be \$1.80 U.S., or about \$1.91 Canadian at current exchange rates.

Across Canada: Francis Cardinal Spellman of New York last night led 300 United States pilgrims on a torch-light procession around the grounds of the Ste. Anne de Beaupré Shrine....General Sir Guy Carleton's 175-year-old coach rode through Ottawa yesterday atop a modern 17-ton army tractor-trailer to a resting place in the Canadian War Museum....James S. Duncan, Chairman and President of Masey-Harris, announced that a new contract for howitzer motor carriages had been received by the company's United States subsidiary at Racine, Wis.



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Thursday, July 12, 1951.

9,200 Enrolled In 27th Brigade: Ottawa, July 11 (CP) -- Brig. Geoffrey Walsh currently is establishing his headquarters for the 27th Brigade at Valcartier, as its manpower nears the 10,000 mark.

Army statistics today showed that the Maritimes and Ontario have contributed two-thirds of the 9,200 men who have enlisted in the last two months, and been posted to the formation Brig. Walsh is expected to lead to Germany this fall.

About 6,000 of those men will go to Europe. The others will remain behind in a replacement group that will provide men to rotate with those overseas.

The Minister of National Defence, Mr. Claxton, has said the Brigade will need roughly double its own establishment which he said is between 5,500 and 6,500 men. That means between 11,000 and 13,000 soldiers. Ten thousand has been set as a sort of preliminary objective, but men will keep on being posted to the Brigade after that is reached.

Newsprint Manufacturers Discuss Price With Mr. Duplessis: Quebec, July 11 (CP) -- Representatives of Quebec's newsprint manufacturers met Premier Duplessis at his government offices today to discuss a number of questions, among them the price of newsprint recently increased by \$10 a ton. The meeting was held in private.

The newsprint producers were invited by the Premier to discuss production and price of newsprint and Communist propaganda among Quebec bush-workers.

Premier Duplessis announced the meeting last Friday. He recalled a similar meeting in 1938 and said:

"At that time the leaders of the industry co-operated with the Government in order to stabilize the industry...the Government hopes the industry will again co-operate with the Government to settle in a friendly way and in a just manner on the problems we will study..."

Two weeks ago a delegation representing Quebec daily and weekly newspapers presented Premier Duplessis with a memorandum explaining that rising costs had placed them in a difficult financial situation.

The Premier has said on two occasions he favours a special newsprint price for Quebec newspapers because the companies obtain their pulp wood supplies on publicly-owned Crown lands in Quebec.

The talks were behind closed doors but the Premier indicated that he will make a statement at his weekly press conference Friday.

Newsprint manufacturers represented included Price Brothers and Company, Limited, Anglo Canadian Pulp and Paper Mills Limited, E.B. Eddy and Company, Limited, Quebec North Shore Paper Company, St. Lawrence Corporation, and a number of others.

Canada-U.S. Civil Defence Talks: Ottawa, July 11 (CP) -- Progress in co-ordination of the civil defence programmes of Canada and the United States will come under review here next Wednesday when top officials of the two countries meet in the Parliament Buildings.

For this second meeting of the so-called joint Canadian-American civil defence committee -- the first was held in Washington April 28--the Minister of National Health and Welfare, Mr. Martin, will head the Canadian delegation.

(over)

The one-day meeting will check up on what's been done since April 28 to put into effect the announced objectives of making North America a single area insofar as possible for civil defence purposes.

The meeting is expected to hear reports from sub-committees that have been working on a variety of angles, ranging from warning systems to medical aid and customs clearance.

The officials have been studying for instance, the best methods of passing along warnings that enemy planes are approaching and how these warnings can best be flashed from one country into the other.

List 3 Killed In 37th Casualty List: Ottawa, July 11 (CP) -- The army today issued its 37th casualty list of the Korean War, reporting one officer and two men killed in action, and eight men wounded.

Across Canada: U.S. Ambassador Stanley Woodward will be guest of honor at Ottawa Exhibition's International Day August 22....Representatives of the federal and provincial governments will meet in Ottawa Monday to discuss plans for the payment of \$40 a month pension to needy persons between 65 and 69, the meeting, to be in private....Hugh J. Flemming, 52, lumber operator at Juniper, N.B., yesterday became leader of the Progressive Conservative Party in New Brunswick at the first provincial nominating convention in almost a decade.... Production of daily butter, in continuous decline for the last 18 months, went down again in June to register a seven-per-cent drop for the first six months of 1951....A private plane from Manitoba is flying out fishermen stranded at Northern Saskatchewan lakes as the strike of Saskatchewan Government Airways employees rounded out a full week....The Ottawa Journal reported, without official confirmation, July 11 that V.W. Scully, Deputy Minister of National Revenue, will resign to accept the post of General Manager of the Steel Company of Canada. Mr. Charles Gavsie, Assistant Deputy Minister, has been prominently mentioned as a successor.



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Friday, July 13, 1951.

Arms Sales To U.S. To Be Increased: Ottawa, July 12 (CP) -- Washington, through Defence Secretary George Marshall, has driven a \$300,000,000 boon to Canadian rearmament through a loophole in the now celebrated Buy American Act.

Mr. Marshall has authorized annual purchases by the United States armed forces at home of military equipment and supplies up to that amount from Canada, it was learned today. But Canada still has to get the orders. So far U.S. orders in Canada don't run anywhere near \$300,000,000.

The Marshall action in raising the ceiling from \$100,000,000 means that it will be possible to strike a rough balance between the amount of equipment the U.S. buys here and the amount Canada buys in U.S....

Mr. Marshall, in response to the Canadian representations, has taken action under a clause in the Buy-American Act. This act provides broadly that U.S. Government purchases, including those for the forces, should be made in the U.S.

But it has a loophole which allows the administration, under certain circumstances, to buy from other countries.

It was that loophole which was used 18 months or so ago, before Korea, when Ottawa's objective was much more modest but still of the same character. At that time, then Defence Secretary Louis Johnson finally yielded to Canadian pressures and used the loophole to authorize the U.S. forces to buy up to \$25,000,000 worth of Canadian equipment.

Official Ottawa was elated. Then Korea came along and \$25,000,000 became minor. The ceiling was boosted to \$100,000,000. Now it has gone up 200 per cent.

Officials estimate Canada will spend roughly \$300,000,000 in the U.S. this fiscal year for the forces, buying aircraft parts, army equipment, tanks, and other equipment.

So far, they say, U.S. orders are far below that, running to something like \$50,000,000 for naval guns and electronics apparatus.

But other orders are under negotiation. Efforts are being made to land orders for the big Canadair factory at Montreal to build a U.S.-designed jet trainer plane. Radar, gun and other orders are being sought, too.

In addition, the U.S. is expected to spend more than \$100,000,000 on construction in Canada of radar stations which would benefit the U.S. That would be outside the \$300,000,000 because it would be expenditure outside the U.S.

But if Canada realizes a total of \$300,000,000 this fiscal year under the two headings, officials will be pleased--and probably surprised.

Ottawa Moves To Free Bishop Held In Red China: Ottawa, July 12 (CP) -- Canada has asked Britain to make inquiries about the arrest by Red Chinese authorities of Msgr. Cuthbert Martin O'Gara, Canadian-born Roman Catholic Bishop of Yuanling, China, and two of his priests.

He is the 10th bishop in China to be arrested for opposing Communist doctrine.

An External Affairs Department spokesman said today the United Kingdom has been asked to obtain a report from its chargé d'affaires at Peiping. This course has been followed in the case of a number of other Canadian missionaries detained by the Red Chinese.

Msgr. O'Gara was born in Ottawa in 1886 and retains his Canadian citizenship, though a member of the Passionists Congregation, a United States religious order.

(over)

Canada Welcomes Pacific Pact: Ottawa, July 12 (CP) -- Interest was expressed here in today's Washington announcement that the U.S., Australia and New Zealand have agreed on a three-way pact to safeguard the Pacific from future aggression from any quarter, to accompany the Japanese peace treaty.

Officials said the Canadian Government welcomes all such security arrangements, but does not feel it necessary that Canada should enter any defensive alliance for the Pacific at the present time.

May Seek Non-Monetary Gold-Free Market: Ottawa, July 12 (Globe) -- While Ottawa will not respond directly to any demands for federal intervention to settle the labour dispute at Hollinger Gold Mine, it is possible the strike will result in new representations by Canada to the International Monetary Fund.

Some time ago Canada sounded out the fund on the possibility of allowing a free market for non-monetary gold, a move toward which it had been pressed strongly by the industry. The fund promised to study the whole situation and the possible effect of opening the door.

(There was no official confirmation of this report)

Freight Rate Increase August 13, Report: Ottawa, July 12 (CP) -- The railways propose to increase their low "transcontinental" freight rates August 13 by 12 per cent, it was learned today.

The rates are used for the movement between Eastern Canada and the West Coast of heavy commodities such as automobiles, iron and steel and canned goods. About \$10,000,000 of traffic moves each year on the special rates, meaning the increase will amount to roughly \$1,000,000 a year.

The railways have given formal notice to the Board of Transport Commissioners that they plan to boost the rates effective August 13.

Ford Windsor Plant Shut Down: Windsor, Ontario, July 12 (CP) -- Production at the Ford Motor Company of Canada was halted today.

The company ordered its Windsor plant shut down because of stock shortages and in order to adjust its working force.

Across Canada: Two Canadian soldiers -- one of Japanese ancestry -- were mentioned in despatches today for risking their lives to save six Korean refugees who wandered into a minefield in their trek back home....Three Nova Scotia ports will play host to eight ships and 2,400 men of the United States Navy from July 17-20. Largest contingent of U.S. naval personnel will be at Halifax, where the 12,000-ton aircraft carrier Siboney and the submarine Grampus will dock with 1,050 officers and men....Stocks of meat in Canada at July 1, totalled 62,901,000 pounds, compared with 70,219,000 the previous month and 70,982,000 at July 1, 1950....Factory shipments of Canadian-made motor vehicles in May totalled 42,911 units, second largest for any month....A CP survey shows egg prices have jumped 2 to 11 cents per dozen during the past week, selling as high as 97 cents in Montreal stores.

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Monday, July 16, 1951.

Newsprint Manufacturers Meet Premier Duplessis: Quebec, July 13 (CP) -- Premier Duplessis said today Quebec newsprint manufacturers object to a proposal for a price-cut for newspapers in the province.

Their objections are under study, said the Premier. There is no change in his Government's view that Quebec newspapers should get preferential treatment, he said.

The Premier and members of the Government conferred here with officials of 12 Quebec newsprint companies on a special price in Quebec.

Premier Duplessis called the newsprint makers into conference after meeting Quebec daily and weekly newspaper officials two weeks ago.

The newspaper officials, in a memorandum presented to the Government, said a July 1 increase of \$10 a ton for newsprint put them in a difficult position.

They asked the Government to study their problem.

Price of newsprint now is \$112 a ton in Canada, exclusive of a 10 per cent sales tax.

The newsprint makers' objection to selling their paper at a cheaper rate in Quebec, is based "on certain difficulties of a diplomatic rather than a financial nature," the Premier said.

The Premier did not elaborate.

"I must say in all justice that the industry's representatives showed a desire for co-operation and understanding," he said.

Colombo Plan Technicians Arrive: (Press Release No. 35, July 13.) -- The Department of External Affairs announced on July 13 that the first technicians coming to Canada under the Technical Co-operation Programme of the Colombo Plan for Economic Development in South and South-East Asia left Karachi on Friday, July 13, by air, and were due in Ottawa July 16.

The three technicians arriving July 16 are the members from Pakistan of an agricultural mission nominated by the Governments of Pakistan and India. They are Dr. K.A. Rehman, Director of Agriculture, Punjab; Mr. A.M. Sial, of the Ministry of Agriculture and Education of the State of Khaipur; and Dr. S. Hidyatullah, Director of Agriculture, East Bengal.

The Indian members of this agricultural mission are expected to arrive in Ottawa about the end of this month.

Two other missions, one concerned with road construction and bridge erection, the other with hydro-electric development, will arrive in Canada later in the summer.

Also due here about the end of July are the first seven nominees to take advantage of the Canadian Government's offer of instruction in Canada under the scholarship and fellowship programme for students and government officials from South and South East Asia.

Brig. Rockingham's Warning To Troops: West Sector, Korea, July 16 (CP) -- Brig. John Rockingham, commander of Canada's 25th Brigade in Korea, warned his men yesterday not to build their hopes on the current Kaesong cease-fire negotiations bearing fruit.

"I believe that the enemy, if he collapses into a state of inactivity, would choose that precise moment to strike," he said. "Do not relax one iota from complete operational readiness. If you do there might be trouble."

Brig. Rockingham spoke at the graduation ceremonies of the Brigade's first non-commissioned officers' school. Seventy-two cadets filed smartly before their commander in column of route, in column, and then in review order, after the Brigadier had inspected the graduates individually.

(over)

Finance Minister To Attend Washington Meetings: Ottawa, July 13 (CP) -- The Minister of Finance, Mr. Abbott, will represent Canada at meetings of the International Monetary Fund and the International Bank for Reconstruction and Development in Washington in September, it was learned today.

A Finance Department official said it is not unlikely that Mr. Abbott and representatives of other Commonwealth countries will confer during the Washington discussions on problems of mutual interest.

Many Canadians Seek Entry To U.S., Report: Windsor, July 13 (CP) -- Better wages in the United States are attracting Southwestern Ontario residents across the border in such numbers that officials in the U.S. Consulate are snowed under with work, forcing a would-be emigrant from Canada to wait about two months for a visa, Robert J. Cavanaugh, U.S. consul, said today.

Some of the delay is caused by a more rigid investigation of immigrants now being carried out under the terms of the U.S. Internal Security Act which was passed last October.

Across Canada: Crude oil production in Alberta for the week ended July 9 averaged 164,878 barrels daily, less than 3,000 barrels below the record daily average of the week ended June 18....Smoke clouded over British Columbia forests July 15 as the period of "critical" fire danger continued with no sign of major improvement. A total of 538 men were battling 57 fires throughout the Province....Walter S. Thompson, former Director of Public Relations for the Canadian National Railways, has been brought out of retirement to take charge of public relations for the visit of Princess Elizabeth and Prince Philip.

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OTTAWA - CANADA

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Vol. 2, No. 137

Tuesday, July 17, 1951.

Ottawa Possible Site Of NATO Conference: Ottawa, July 16 (CP) -- Ottawa may be the site of a late September meeting of the North Atlantic Treaty Council, its top body, to study how far the alliance has gone towards making Western Europe strong and how much farther the 12 nations have to go.

The name of Ottawa as the site of a late September meeting of the pact powers' foreign and financial ministers cropped up in a news story from London today.

The Department of External Affairs, commenting on the story, said Ottawa "undoubtedly is one of a number of places that have been under consideration." But the report was premature and it might be wrong. No final decision has been made, a spokesman said either on the date or the locale of the meeting.

September, however, looked like a good guess. Ottawa might or might not be a good guess.

It is possible that the Secretary of State for External Affairs, Mr. Pearson, now in Germany, has been discussing a meeting of the Council in his European travels. He is due in Brussels shortly, then goes back to London and finally returns to Canada about July 25.

If the meeting is held here it would be the first pact conference in the Canadian capital.

The London story said the council will discuss three major problems, Germany's contribution to Western defence, command structures in various areas, and an overall budget for North Atlantic defence.

Canada's present programme of aid to Europe, by all past standards, is huge. It includes the arming of divisions in Holland, Belgium and Italy, with more arms to go; building of radar and other equipment to ship over; plans to send an army brigade of 6,000 men and an R.C.A.F. 11-squadron air division, training of British and other pact airmen here.

Past standards, however, are no longer any guide. Canada may in the months ahead have to consider doing even more.

Japan And West Coast Fisheries: Ottawa, July 16 (CP) -- Canada hopes that the proposed Japanese Peace Treaty will remove any danger of Japanese poaching in British Columbia's deep-sea fisheries.

The treaty, announced last week and due to be signed in September, contains no specific guarantees against illegal fishing operations in West Coast waters, but it does require Japan to negotiate with any signatory wanting an agreement on fisheries regulation, limitation and conservation.

Officials here say that boats from Japan never have fished illegally off Canada's West Coast, but they did trespass United States waters off Alaska in the 1930's and British Columbia fishermen long have feared that they might invade the three-mile limit and enter B.C.'s territorial waters.

The draft treaty, product of a long series of negotiations between the United States and the United Kingdom, with Canada and other countries contributing suggestions, includes this clause on fisheries:

"Japan will enter promptly into negotiations with the Allied powers so desiring for the conclusion of bilateral and multilateral agreements providing for the regulation or limitation of fishing and the conservation and development of fisheries on the high seas."

Fisheries Department officials here conceded today that the clause is not as binding as they would like....

(over)

Irrigation For 500,000 Western Acres: Lethbridge, Alberta, July 16 (CP) -- The Minister of Agriculture, Mr. Gardiner, today turned irrigation waters from the \$7,000,000 St. Mary River reservoir onto dry but fertile Southern Alberta land.

He said he viewed inauguration of the irrigation project as "only the beginning of a development which will multiply Canadian homes in the West."

The federal Minister opened valves at the world's largest earth-fill dam to allow crop-nourishing water to flow from the reservoir; a man-made lake 18 miles long and six miles wide. The water poured into a long tunnel, then into the project's main canal and out into the farming country south of Lethbridge through a maze of canals and ditches.

The St. Mary River dam and reservoir are key features of a giant long-term scheme to tap four international rivers and provide irrigation waters for more than 500,000 fertile acres lying from the southwest of Lethbridge to a few miles beyond Medicine Hat.

Federal-Provincial Pensions Conference: Ottawa, July 16 (CP) -- An eligibility test for old-age and blind pensioners was discussed today at a meeting of federal and provincial representatives.

The delegates, meeting privately, considered conditions which needy persons in the 65-69 age group and blind persons 21 and over will have to meet to qualify for pensions.

The federal Government has offered to share on a 50-50 basis with the Provinces the cost of \$40-a-month pensions to needy persons in the 65-69 group.

It also has offered to continue, under more liberal terms, similar pensions to needy blind persons 21 and over. The Federal Government pays 75 per cent of the cost of pensions to the blind and the Provinces pay the remainder.

It is not yet known how many Provinces will accept the Federal Government's offer. The delegates will report to their respective governments before any final decision is reached.

Mr. Pearson In West Germany: Bonn, July 16 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, arrived in West Germany today by air after a visit to Scandinavia.

Canadian officials described his visit as "private," and said he has scheduled no meetings with German leaders.

Tonight, he is guest of the chief of the Canadian Mission to Germany, T.C. Davis, at his Cologne residence.

Across Canada: Thomas E. Simpson, 77, Conservative member of Parliament from 1917 to 1935, and Chief Party whip during the Bennett regime, died in Sault Ste Marie, Ontario on July 15....Eight U.S. ships and 2,400 men of the U.S. Navy arrived in Halifax July 17 to pay a courtesy call until July 20....John M. Innes, 65, Vice-Chairman of Toronto's four-man Board of Control, died July 16....A CP despatch from Vancouver reports the magazine Truck Logger as saying that Castlegar, 300 air miles east of Vancouver, will be the site of a \$75,000,000 pulp and paper development in British Columbia by Celanese Corporation of America.

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Vol. 2, No. 138

Wednesday, July 18, 1951.

Armed Forces Increased 70 P.C. In Year: Ottawa, July 17 (CP) -- The Minister of National Defence, Mr. Claxton, said tonight Canada's armed forces have boosted their manpower to 81,000 or 70 per cent more than the 47,000 men they had when war broke out in Korea.

He coupled that report with a reiteration of his statement that "the end of aggression in Korea, if and when it takes place, must not lead us through a false sense of security to relax our efforts."

"Success in Korea, far from diminishing the need for strength, has shown that we must never again disarm in the face of a potential aggressor who remains fully armed," he said in a free-time CBC political broadcast. "That is why we must continue this combined effort to deter aggression by building up and keeping up our strength."

Mr. Claxton, reporting on Canada's effort in Korea, said the three destroyers there have steamed twice as far as they did during a similar period in the Second World War. Canada's units of all three services had acquitted themselves gallantly. Her expenditure of effort and money had been "tremendous."

"The sacrifice of lives in Korea and the great concerted effort begun a year ago may well be the means of preventing a third world war. A further result of the Korean War has been to drive home to the Western World its relative lack of preparedness.

"In this respect, too, we have moved to repair our deficiencies together with our North Atlantic Treaty partners. The burden of maintaining our armed strength is heavy and will continue to be heavy for some years to come...

"The fact that actual fighting may end in Korea, welcome though that would be to everyone of us, should increase our resolve to be strong enough to prevent another Korea somewhere else.

"We must never forget that the focal centre of global defence lies not in Asia, important though that continent is, and in Western Europe. That is why Canada is helping build up the integrated force in Western Europe under General Eisenhower.

The 27th Infantry Brigade had been raised and more than 9,000 officers and men enlisted.

"When it goes to Europe, it is planned that single men will serve a term of two years overseas and married men a term of one year."

There had been a rapid expansion of the armed forces in the past year. "Today we have in the navy 12,000 men, in the army 44,000 and in the air force 25,000, making a total of over 80,000. In addition, there are 36,000 engaged in direct defence duties, mostly employed at dockyards and in shops, etc. Altogether, we have about 116,000 full-time personnel engaged on defence.

"During the last 12 months we have added to the full time strength of the navy, army and air force, and the civilians working with them, no less than 45,000. That takes no account of the thousands of Canadians engaged in construction, production and the many supply activities for our armed forces."

N.Z. Defence Minister To Visit Canada, U.S.: Ottawa, July 17 (CP) -- Defence Minister T.L. Macdonald of New Zealand is coming to Canada Saturday for a four-day look at the Canadian defence effort as a guest of Defence Minister Claxton.

He is coming from the United Kingdom and will go to New York and Washington from here. Authorities say there is no particular significance attached to the visit and discounted reports that New Zealand might be trying to revive the wartime system of training her air crews here.

(over)

Mr. Macdonald, a veteran of both wars, will visit both Canadair and A.V. Roe aircraft factories, as well as defence bases in Eastern Canada. He is due at Montreal on July 21.

"Full Agreement" With Provinces On Pensions: Ottawa, July 17 (CP) -- Federal and provincial representatives today concluded a two-day closed conference on regulations to govern the payment of old-age assistance at 65 and blindness allowances at 21.

The Minister of National Health and Welfare, Mr. Martin, chairman of the conference, said "full agreement" was reached and considerable progress made towards the common objective of uniformity in the administration of the regulations.

In a brief statement, Mr. Martin said the draft regulations recommended by the interprovincial meeting now await approval by the Federal Cabinet. The new regulations, he said, in many respects parallel those in effect for the present Old-Age Pensions Act.

The provincial representatives will report to their respective governments. It is not yet known how many provinces will accept the federal Government's offer under the new pensions programme.

Hungarian Specialist Taking Sanatorium Post: Toronto, July 18 (Globe) -- Dr. Andor Retfalvi, well-known Hungarian tuberculosis specialist, is on his way to Canada to accept an appointment in the newly established TB section of the St. Joseph Sanatorium, St. Basile, N.B., The International Refugee Organization, which has been assisting Dr. Retfalvi, announced his appointment last night.

Quebec Population Over 4,000,000: Quebec, July 18 (CP) -- Quebec's population now is slightly more than 4,065,000, the Quebec Bureau of Statistics reported yesterday. The figure shows an increase of about 735,000 from a population of 3,331,888 in 1941. The natural annual increase is about 90,000 the Bureau said.

Crop Conditions Excellent: Ottawa, July 17 (CP) -- Apart from Southern Manitoba, generally good to excellent crop conditions prevail in the Prairie Provinces, the Bureau of Statistics said today in a periodic summary of all-Canada crop prospects.

Two Provinces May Join U.S. Forest Fire Protection Compact: Boston, July 17 (AP) -- Two Canadian Provinces bordering New England, may join the seven-state North-eastern Forest Fire Protection Compact, it was disclosed today at the second annual meeting of the compact commission.

Across Canada: The Canadian National and Canadian Pacific Railways in a statement today said they were forced by higher costs to increase menu prices in dining cars approximately 15 per cent....Two federal scientists who examined a massive circular depression in the earth in Ontario's Algonquin Park reported there is no direct evidence that it was caused by a meteor....Stocks of creamery butter in nine Canadian cities July 13 amounted to 19,926,000 pounds compared with 37,788,000 on the corresponding date last year...Miss Evelyn Henry, of Keppock, P.E.I., was reported from Charlottetown to have been the first swimmer of Northumberland strait. She crossed in less than nine hours.



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Thursday, July 19, 1951.

Emigration To U.S.: Ottawa, July 18 (CP) -- An estimated 25,133 persons emigrated from Canada in 1950, compared with 25,083 in 1949, the Bureau of Statistics reported today.

Here in round figures are the emigration figures by provinces, with 1949 totals in brackets:

Newfoundland, 220 (20); Prince Edward Island, 70 (90); Nova Scotia, 880 (830); New Brunswick, 610 (680); Quebec, 3,600 (3,370); Ontario, 11,330 (11,440); Manitoba, 1,650 (1,440), Saskatchewan, 830 (980); Alberta, 1,580 (1,420); British Columbia, 4,300 (4,700).

Most of the emigrants went to the United States--19,470 in 1950 and 18,762 in 1949. Approximately 3,530 went to the United Kingdom last year, compared with 4,000 the year earlier.

(The Globe and Mail reported that Canadian nurses have been emigrating to the U.S. at the rate of about 100 a month.)

Netherlands Royalty To Visit Next Year: The Hague, July 18 (Reuters) -- Queen Juliana and Prince Bernhard of the Netherlands will make an official visit to the United States and Canada next year, it was announced here today.

The invitation to the United States, the communique said, came from President and Mrs. Truman, while that to Canada came from Governor-General Lord Alexander and Lady Alexander.

Dates of the visits will be decided later.

Mr. Eden Reported Sailing July 24: London, July 18 (CP) -- Anthony Eden, deputy Conservative leader, will sail for Canada next Tuesday on the liner Empress of France, it was learned today.

Eden said he will be in Canada only about three or four days en route to Denver, Colo., where he is to address a world affairs institute Aug. 4. He expects to visit Montreal, Port Hope, and Winnipeg.

He will be accompanied by Robert Carr, Conservative member of Parliament for Mitcham, Surrey.

U.S. Army Alaska Highway Exercise: Ottawa, July 18 (CP) -- A U.S. Army regimental combat team will conduct a training exercise along the Alaska Highway next month, the Defence Department said today.

The Canadian Government is co-operating with the United States in that portion of the manoeuvre which will take U.S. forces through Canadian territory, an army statement said.

To be known as Totem Pole, the exercise is to test the ability of troops to move overland under Arctic summer conditions. The operation is to take one month.

Rearmament Discussions Pending: Ottawa, July 18 (CP) -- A series of top-level meetings and movements involving Canada is shaping up with western rearmament the main reason behind them. They include:

1. The two-day July 26-27 visit of a Canadian group headed by Defence Minister Claxton to Washington for Canadian-inspired talks on the split between the United States and United Kingdom over a common rifle.
2. An Ottawa visit by the top U.S. military figure, Gen. Omar Bradley, who is due here from Aug. 1-4 inclusive for talks with the chiefs of staff as well as some fishing.

(over)

3. A late-September meeting of the Foreign and Finance Ministers of the 12 Atlantic pact powers with Ottawa high on the list of likely meeting places.
4. Next week's return of the Secretary of State for External Affairs, Mr. Pearson, after a month in the U.K. and Europe.
5. Arrival in Montreal this weekend of New Zealand's Defence Minister T.L. Macdonald for a visit to seven eastern Canadian centres.
6. Finance Minister Abbott's early-September visit to Washington where he will preside over meetings of the international monetary fund as well as discuss raw materials and other questions with western finance ministers there for the meeting.

London reports that Mr. Attlee may come to this continent caught Ottawa by surprise. Prime Minister St. Laurent was out of town but it was felt likely he would duplicate last year's invitation to Mr. Attlee to visit Ottawa after leaving Washington. Mr. Attlee came here in December.

Other London reports kept insisting that Ottawa will be the site of a late-September meeting of the Atlantic Treaty Council, the top body. The word from the External Affairs Department is that Ottawa is one of the possible sites but no final decision has been made.

The meeting would probably consider German rearmament, inclusion of Greece and Turkey in the pact, sharing of the costs of building airfields and barracks in Europe, and other matters.

Mr. Pearson arrived back in London today from Brussels and went into conference with Foreign Secretary Morrison and others. There was speculation that he was discussing the pact-meeting for Ottawa.

Mr. Macdonald will meet Mr. Claxton and the Chiefs of Staff Monday. No particular significance is attached to his visit but he will likely see both Canada's jet fighters, the Sabre and the Canuck, and Canada would probably be interested in selling some of them to New Zealand.

The British Foreign Office said that American, Canadian and British experts had completed talks on ways to protect secret information about atomic research.

The meetings, a continuation of conferences held by the three countries in Washington last year, ended July 13.

Across Canada: Viscount Alexander will leave Ottawa by air on August 3 for Lethbridge to start a month's combined official tour and holiday in Alberta and British Columbia....Construction of the first 10 miles of the \$8,000,000 Windsor-Toronto highway has been started just outside Windsor, Ontario.... A settlement was announced in the strike of employees of Saskatchewan Government Airways. Work will be resumed immediately.

GOVERNMENT



OF CANADA

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Friday, July 20, 1951.

Atlantic Pact Council Meeting: Ottawa, July 19 (CP) -- It appeared fairly certain tonight that Canada will play host to a vital September meeting of the Atlantic Pact Council that would bring together the most distinguished international gathering this country has seen since the wartime Roosevelt-Churchill-King talks in Quebec City.

(Official comment was that it was "probable," rather than "fairly certain," that Canada would be host. Ed.)

Pending final approval, the External Affairs Department already is sounding out Canada's abilities to cope with the 300-odd delegates plus the dozens of reporters, photographers and others who would attend.

Hotels in Ottawa, Montreal and possibly Toronto have been asked whether they could handle the influx. Their replies will likely settle the location, although Ottawa officialdom hopes it will be possible to have the week-long sessions here because this is where all the files and facilities, all the officials, all the foreign embassies, and idle parliament buildings are.

Under its broadened character, the Council would bring together for the first time the Foreign Finance and Defence Ministers of all 12 pact nations along with advisers for all three categories. Formerly only the Foreign Ministers belonged to it.

The Foreign Ministers would come here directly or indirectly from San Francisco after taking part in the signing of a Japanese peace treaty around September 4. The Secretary of State for External Affairs, Mr. Pearson, due home from Europe next week, is expected to represent Canada in San Francisco and then head home again to direct this country's first experience as host to the pact's top body.

A final decision on the country where the meeting will be held will be made within the next 48 hours by the pact council's deputies who have been sitting in London. But tonight it seemed highly probable Canada would get the nod.

Rotation Plan For Troops: Ottawa, July 19 (CP) -- The army is expected to announce soon the details of a rotation plan to start bringing Canadian soldiers home from Korea whether the fighting stops or not.

The aim is believed to be to have hundreds of Korean veterans home at least by Christmas and other men sent over to take their places. If a ceasefire materializes, the scheme could be developed into a full-scale repatriation movement--if that becomes possible.

Indications are that those returned Korea veterans who don't want to enter the regular army will be offered their discharge after a leave in Canada, regardless of whether they have completed the 18-month term for which they enlisted in the special force.

First to come home would likely be the first who arrived in Korea, that is mainly the men of the 2nd Battalion of the PPCLI who landed there last December.

It still isn't clear whether the Patricias will come home as a unit, in groups or as individuals. That is the sort of question now under study by committees at army headquarters.

Mr. Pearson In London: London, July 19 (Reuters) -- The Secretary of State for External Affairs, Mr. Pearson, addressed a large number of members of Parliament on the international situation tonight.

(over)

The meeting, held in private in the Houses of Parliament, was presided over by Kenneth Younger, Minister of State. It was organized by the United Kingdom branch of the Commonwealth Parliamentary Association.

\$20,700,000,000 Production Forecast: Ottawa, July 20 (Journal) -- Government economists predict that Canadians will produce \$20,700,000,000 worth of goods this year.

Their forecast, based on production for the first half of this year, was three percent, higher than the estimate of gross national output made by the Minister of Finance, Mr. Abbott, in his April budget speech.

Canada's gross national production last year was valued at almost \$18,000,000,000, and this year it will be about 15 percent, higher, economists said. The increase will be mainly due to higher prices.

"While the value of Canada's products will be about 15 percent, higher this year than in 1950", an economists' report said, "the increase in physical volume will amount to less than seven percent."

The increase in physical volume was due principally to higher demand for heavy manufactured goods and textiles.

New Pension Plan: Ottawa, July 19 (CP) -- A start will be made by the end of this month on the registration of some 400,000 additional Canadians entitled to federal pensions of \$40 a month, beginning January 1 next it was learned today.

Application forms now are going out to all parts of the country and will be available in post offices July 30. The plan is to make the forms available simultaneously in all parts of Canada.

Across Canada: Lt.-Col. Lloyd Everett Kenyon, 36, formerly of Beamsville, has been appointed to succeed Col. R.E. Hogarth, 36, of Timmins, as military attaché at the Canadian Legation at Belgrade, Yugoslavia....A rapid rise in the cost of house building was reported by Central Mortgage and Housing Corporation, the Crown agency administering federal housing legislation.... Canada would be faced with an unprecedented economic crisis if it lost the revenue of its tourist trade, Hon. Louis P. Cecile, Ontario's Minister of Travel and Publicity, told Richelieu Club members in Montreal yesterday.... Foreign vehicles entering Canada on traveller's vehicle permits rose 23 per cent to a new high of 292,264 during June.

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Monday, July 23, 1951.

C.P.A. Airliner Missing, 38 Aboard: Vancouver, July 22 (CP) -- An aerial armada criss-crossing the craggy Alaska Panhandle was seen tonight as the only hope of finding the Canadian Pacific Airlines Korean airlift plane which vanished Saturday on a flight from Vancouver to Anchorage, Alaska.

The DC4 carried 38 persons: seven crew members from Vancouver, two Royal Canadian Navy men, three United States Army officers, three civilians attached to the U.S. Army and 23 U.S. Air Force men bound for duty in Japan.

Weak radio signals picked up yesterday had been all but discounted today as possible clues to the fate of the plane. They were heard at Anchorage and Cranbrook, B.C., as well as by ships at sea.

Alaska-Yukon Development Report: Washington, July 20 (Montreal Gazette) -- An Alaskan resource development report sent to Congress on July 20 by Secretary of the Interior Oscar Chapman called for development of Alaska and the adjacent Yukon Territory and Northern British Columbia by joint action with Canada.

Secretary Chapman said that a recent Canadian survey had shown its part of the area to be capable of supporting 6,000,000 persons. The United States survey showed that about 50,000,000,000 kilowatt-hours of energy for industrial and economic development could be obtained from Alaskan streams.

The plan would visualize small scale developments to start with, and as the economy of the area grew, "power giants" such as Hoover Dam. The report said that in ten years if the recommendations are followed out the big developments, which would make possible a vast new source of cheap, light metals, could start.

One giant project, a dam on the Wood Canyon site on the Copper River in the South Central region would be 700 feet high, the report said, and would rank next to the 726-foot Hoover Dam in Arizona-Nevada as the world's largest....

Montreal's Air Development: Montreal, July 23 (Gazette) -- Steady consolidation of Montreal as the air hub of Canada--not only in the civil aviation field but also in the military--advanced another step with the announcement yesterday by R.C.A.F. Headquarters of the shift of Air Transport Command from Ottawa to this city.

Movement of this command, which will handle all military transport aircraft flights and details for Canada, coincides with the recent establishment of Air Defence Command in Montreal. This command controls all fighter aircraft of the R.C.A.F. and plays the No. 1 role in the Canadian air defence network.

N.Z. Defence Minister Visits Montreal: Montreal, July 23 (Gazette) -- New Zealand's Defence Minister, Hon. T.L. Macdonald, paid an informal week-end visit to Montreal, saw the F-86E Sabre jet aircraft in production at Canadair Ltd., watched it in action at Montreal Airport, Dorval, dined with Canada's Defence Minister Brooke Claxton and met senior personnel of the armed forces in this area.

"Reports to the contrary, New Zealand's defence plans do not call for purchase and use of the Sabre," Mr. Macdonald said. "There is no specific purpose to be attached to my visit here, except that it is a logical stopover point in my return home and that I am glad of the opportunity of broadening my knowledge of Canadian aircraft production."

(over)

1,586 Immigrants: Quebec, July 23 (CP) -- The Dutch liner Volendam arrived here Saturday bringing to Canada 1,586 immigrants, most of them from Holland. The new Canadians immediately boarded trains bound for Ontario and the western provinces.

Lieut. Boa Wins King's Prize: Bisley, Surrey, England, July 22 (CP) -- A young Canadian civil engineer Saturday won the King's Prize, most coveted individual award of the annual Commonwealth Rifle Competition.

Lieut. Gilmour Boa, 26, of the 48th Highlanders, Toronto, blazed his way to victory in the outstanding Commonwealth test of marksmanship. He shot 285 out of a possible 300 to win £250 given by the King and the National Rifle Association Gold Medal and Badge.

Nine other marksmen of Canada's team of 18 placed among the King's hundred, winning Empire - wide badges of distinction with the service rifle.

B.C. Lands Parched, Rainmaker Fails: Victoria, B.C., July 20 (CP) -- Rainmaker Donald S. Johnston from Saskatchewan has failed in his attempt to bring rain to the thirsty Saanich peninsula, but his faith in his rain making machine remains unshaken.

Before leaving last night for Regina, he said that lower Vancouver Island conditions had him baffled. "There are no clouds and no thunderstorms in this place," he said.

Today growers faced their 40th successive day without measurable rain, just one day short of an all-time record.

Across Canada: Canadian labour income climbed to a new peak of \$769,000,000 in April from \$758,000,000 in March and \$655,000,000 in April, 1950, the Bureau of Statistics reported. Total for the first four months of this year was \$3,009,000,000 against \$2,585,000,000 in the corresponding period of 1950....A minimum wage of 55 cents an hour for all New Brunswick males, regardless of age, employed in processing fish, vegetables or fruits, was announced Saturday by the Provincial Government....Trade relations between Canada and Spain are expected to reach a record during 1951, according to Vicente Trelles, commercial attaché at the Consulate General at Montreal....International Civil Aviation Organization announced that the Government of Argentina has invited I.C.A.O. to hold two meetings in Buenos Aires.



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Tuesday, July 24, 1951.

Salesman To Washington For Arms Orders, Report: Ottawa, July 23 (CP) -- The Government is preparing to send a "super salesman" to Washington soon in a new drive to boost American defence buying in this country.

(This story appears in Canadian newspapers today but has not been officially confirmed - Editor, D.A.B.)

It was learned today that the man will be chosen from Canadian industry and stationed in Washington under a branch of the Department already established there, if the plan is carried through.

His job will be to concentrate on the needs of American fighting forces and to interest American officials in placing more orders for Canadian-built armament, general electronics equipment, ships, aircraft and aircraft parts, guns and ammunition.

Behind the drive is the steadily climbing gap in American-Canadian defence spending, with the balance heavily in favour of the United States.

The U.S. has spent about \$100,000,000 a year in Canada, and Canada about \$350,000,000 in the U.S. The Canadian Industrial Preparedness Association, criticizing this \$250,000,000 gap, said in its current bulletin that one of the basic causes is that Canadians have not presented their case to the Americans "with sufficient vigor and adroitness."

It also blames the lack of American orders in Canada on high American tariffs and on the belief that some Americans are completely unaware of Canada's defence production machine.

The Association is the spokesman for Canadian armament producers. It called attention to the fact that Canada and the U.S. have signed an economic pact to pool their resources for defence, but so far, it said, there is no visible evidence that pooling of production resources for North America is taking place....

Defence production officials, replying to the criticism, said the Association which is included among the Department's advisers, appears to be premature in its statements.

They felt confident that Canada soon will be selling more defence items to the Americans, possibly up to the new \$300,000,000 ceiling established by Gen. George Marshall, U.S. Defence Secretary.

Canada-U.K. Wheat Agreement: Ottawa, July 24 -- The Minister of Trade and Commerce, Mr. Howe, announced July 24 that the United Kingdom would purchase 95 million bushels of wheat from Canada under the terms of the International Wheat Agreement for registration in 1951-52. In addition, the United Kingdom will purchase from Canada 350,000 tons of flour, which is equivalent to 18 million bushels of wheat.

Mr. Howe also announced that the United Kingdom had expressed an interest in purchasing further quantities of wheat from Canada on a Class II basis, if additional quantities of wheat were available for shipment from Canada. It has been agreed that the two countries will, on September 30, 1951, consider a further purchase and sale of 250,000 long tons (9.3 million bushels) of wheat on a Class II basis.

\$60,000,000 New Defence Contracts: Ottawa, July 23 (CP) -- The Defence Production Department today announced \$60,000,000 worth of new defence contracts, biggest of which is a \$17,000,000 order to modify and repair Merlin aircraft engines in Montreal.

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The contract went to Canadian Wright Limited. Officials said the money will be used in a four-year modification and overhauling programme covering all Rolls Royce Merlin engines, used principally in North Star aircraft.

Assurances On Security: Ottawa, July 24 (Citizen) -- From the security angle, the staffs of Canada's External Affairs Department, National Research Council, and Atomic Energy Control Board are in first-class shape these days.

Positive, emphatic assurances on this point were given to The Citizen yesterday by ranking officers of these three highly confidential branches of the government service....

"I can quite understand The Citizen's concern on the subject of security as to the External Affairs Department staff in the light of recent occurrences in Washington and London," Arnold D.P. Heeney, KC, Under-Secretary of State for External Affairs, stated yesterday.

"It is well known there is constant, careful scrutiny of all government employes engaged in highly confidential work from the security angle," Mr. Heeney said. "I can state, therefore, in reply to The Citizen's enquiry, there have been no suspensions and no interferences with the freedom of movement of any members of the External Affairs staff for security reasons."

S.J. Cook, Public Relations Officer of the National Research Council, and Dr. C.J. Dewar, Assistant Secretary of the Atomic Energy Control Board, both told The Citizen, for the record, that, likewise there have been no suspensions and no limitations placed on the movements of staff members of either of those two government branches on security grounds.

Search Inland For Missing Plane: Vancouver, July 24 (CP) -- Search planes moved inland over Alaskan glaciers yesterday in the hunt for a Canadian Pacific Airlines Korean airlift plane missing since Saturday with 38 aboard.

Search headquarters at Juneau, Alaska, said 21 planes and two ships have "practically completed" their search of 150 miles of the Alaska panhandle coast.

"The weather looks as though it is clearing and we intend to concentrate the search inland over the mountains and glaciers," an official said.

Across Canada: The Minister of Resources and Development, Mr. Winters, was back in Ottawa yesterday from a 6,000-mile, two-week air inspection trip which took him into both the eastern and western Arctic areas of Northern Canada....The Prime Minister, Mr. St. Laurent, will attend celebrations at Pleasant Home, Man., August 3 when Manitoba's Ukrainians mark the 60th anniversary of their arrival in Canada....The fastest flight between Montreal and nearby Dartmouth was recorded yesterday when an RCAF Sabre jet flew the 537 air miles in "little under an hour."....Commenting on a report from Texas, the RCMP said yesterday they know nothing of an international crime syndicate allegedly engaged in smuggling aliens into the United States by plane from Canada....Between 2,000 and 3,000 Ford of Canada workers were sent home yesterday as the production schedule dispute entered its third week.

GOVERNMENT
OF CANADA
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OTTAWA - CANADA

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Vol. 2, No. 143

Wednesday, July 25, 1951.

Mr. Howe To Washington For Price Study: Ottawa, July 24 (CP) -- Canada and the United States will make another attempt Thursday to reach a common ground on means of controlling the impact of inflation on defence speed-ups.

Top officials of both countries will confer at a special meeting in Washington of the revitalized Canada-U.S. Joint Industrial Mobilization Committee.

Canada's top representative will be Production Minister Howe. Charles Wilson, U.S. Defence Mobilization Director, will be chief U.S. representative.

A host of other officials will gather to review rearmament programmes in the two countries, their effect on prices and means of holding down climbing defence production costs.

The meeting is expected to become another chapter in the critical issue of price inflation in the two countries brought to Mr. Howe's attention by Eric Johnston, U.S. Economic Stabilizer, in a meeting here about a month ago.

The U.S. has expressed concern, for example, over a recent six-cent-a-pound rise in the cost of Canadian nickel and a \$10-a-ton increase in the price of Canadian newsprint. Canada is the world's main supplier of both these items.

However, Canada has pointed out to the U.S. that though she virtually sets the world price on these two items, the United States sets the price on a host of other commodities.

In other words, if there is to be any strong rein on rising prices, the initiative had to be taken by the U.S. Mr. Johnston came away from the meeting, expressing satisfaction with Canada's anti-inflationary policies.

He pointed out, however, that though the U.S. had applied direct price controls on commodities, Canada had not.

Mr. Wrong's Detroit Address: Detroit, July 24 (CP) -- Canadian Ambassador Hume Wrong said tonight the West's rearmament programme may have to continue for 20 years.

Despite achievements of the North Atlantic Pact, he said, "we must still be ready to devote a most distasteful proportion of our energy and resources to defence."

The Ambassador to Washington, in a speech at a dinner celebrating Detroit's 250th anniversary, said: "We must strain ourselves to this end today and next month and the year after next and perhaps the decade after next."

Wrong said Western co-operation, as witnessed by the North Atlantic security alliance and the Canadian-United States joint defence agreement, has reached a "scale and character which no one could conceivably have imagined as possible a very few years ago."

"They have been made possible by the leadership rightly and boldly undertaken by the U.S."

Consumer Credit Regulation Changes: Ottawa, July 24 (CP) -- The Minister of Finance, Mr. Abbott, announced tonight a series of changes in consumer credit regulations, effective August 1 next.

None of the changes affect minimum down payments or the maximum period of credit.

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However, trade-ins will be allowed to form part of the minimum down payment on all types of goods after August 1 if the cash price of the goods being purchased is not marked up. Up to now, trade-ins have been allowed only for motor vehicles.

One change affecting goods previously exempted from the regulations is in the case of a motor vehicle which has been the personal property of the seller for six months. The sale of such a motor vehicle now will be exempt only if it is a private deal between the seller and the buyer with no third party entering for the purpose of financing the transaction.

The changes also will bring contracts for rental of goods under control for the first time.

***Magnificent* To Take Sabre Jets To Europe:** Ottawa, July 24 (CP) -- Canada's aircraft carrier, the Magnificent, is going to take the R.C.A.F.'s first F86E Sabre jet fighters to Europe late this fall.

The Navy and Air Force are experimenting at Halifax now with loading arrangements.

F-86 Sabre jet fighters, now in production in Montreal, will be equipped with American-type .5-inch calibre machine guns to be produced in Canada, a Defence official disclosed today.

Canada Asked For More For Europe's Defence, Report: Ottawa, July 24 (CP) --

Canada, whose existing or planned contributions run to hundreds of millions of dollars and call for despatch of some 13,000 soldiers and airmen, is being asked to send more men and money to strengthen the defences of Western Europe.

The chances are she'll do at least part of what she is being asked to do. This may be broken down under two main headings, military and financial:

The 27th Brigade Group, about 6,000 strong, is expected to sail for Germany this fall. But Gen. Eisenhower, supreme Atlantic Pact commander in Europe, wants more men from Canada, just as he wants more men from all other 11 pact powers.

He's been telling Canada this quietly and steadily for some time, just as he's been telling the other powers. From Canada's standpoint the next feasible formation she might send, in the opinion of experts, is a division of from 14,000 to 18,000 men but there's no sign yet the Cabinet intends to go beyond the brigade group.

Canada plans to send, too, a 7,000-man, 11-squadron jet fighter air division within the next two or three years. Gen. Eisenhower has left little doubt that a bigger Canadian air contribution would not displease him.

Across Canada: Charles Gavsie, C.B.E., Assistant Deputy Minister of taxation in the Department of Revenue, has been appointed Deputy Minister, succeeding W.V. Scully, who resigned to become comptroller of the Steel Company of Canada in Hamilton...Montreal's export wheat shortage eased yesterday with the arrival of supplies to load four of the 11 ocean vessels lying idle in port, the Gazette reported. Last night four liner-berth ships and three tramp vessels were tied up waiting for a total of 47,000 tons of wheat for Britain. In addition shippers were trying to find 46,000 tons of export wheat to supply the United Kingdom before the end of July...The crop outlook in the Prairie Provinces remains "optimistic" with some exceptions, the Bureau of Statistics reported July 24.

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Vol. 2, No. 144

Thursday, July 26, 1951.

Mr. Howe, Advisers, Leave For Washington: Ottawa, July 25 (CP) -- The Minister of Defence Production, Mr. Howe, accompanied by four of his advisers, took off for Washington by plane today to meet a U.S. wish to revitalize joint Canada-U.S. industrial mobilization machinery.

With him were M.W. Mackenzie, his Deputy; non-ferrous metals Administrator Frank Hewett, E.P. Weeks, departmental economist, and Mitchell Sharp, departmental prices authority.

They will meet with Charles Wilson, U.S. Defence Mobilization Director, and a group of his officials, including Eric Johnston, U.S. Economic Stabilizer, at an all-day conference tomorrow.

The meeting was called by Mr. Wilson to study means of providing closer links between the two countries on all aspects of defence production and particularly on means of coping with price climbs on defence materials.

\$50,000,000 To \$100,000,000 U.S. Aircraft Orders Heralded: Toronto, July 26 (Globe)

-- Within six months Canada will be delivering at least three types of aircraft to the U.S. Air Force, it was learned last night. Value of the combined orders may reach \$100,000,000.

Two of the contracts are still being negotiated. Only one has been finally signed and sealed. It is with the de Havilland Aircraft Co. of Toronto and calls for 100 Beaver utility transports at \$35,000 apiece.

When authorizations are granted, plants at Montreal and Fort William will swing into quantity production of two trainers, the twin-engined Beechcraft T-36A and the single-engined T-6 Harvard.

Assembly lines are already being set up by Canadair Ltd. at Montreal and by the Montreal and Fort William divisions of the Canadian Car and Foundry Co. Canadair is to build an estimated 300 Beechcrafts and Canadian Car projects an output of 1,000 Harvards.

While the de Havilland contract was small, totalling slightly less than \$2,000,000, it was the thin edge of the export wedge so far as Canada was concerned. It was used to penetrate the formidable barrier known as the Buy-America Act....

(On the same theme, the Ottawa Journal reported last evening, "the United States Air Force may soon place an order for \$50,000,000 worth of training aircraft in Canada, a Defence Production Department official disclosed.)

Says Ontario Stock Sale Curb Rejected In Washington: Toronto, July 27 (CP) --

A plan which might have stamped out the practice of selling stocks in the United States by mail from Ontario was turned down by Washington, it was disclosed yesterday.

O.E. Lennox, Chairman of the Ontario Securities Commission, made the statement yesterday in testimony before the Legislature Crime Committee, investigating the administration of justice in the Province.

Mr. Lennox said the Securities Commission made the offer to the Securities Exchange Commission in Washington in March.

He said he had twice visited the SEC with a proposition for a uniform method of registration which would automatically qualify a stock or bond issue registered under the Ontario Securities Act for sale in the various states.

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Vol. 2, No. 145

Friday, July 27, 1951.

Canada, U.S. Tighten Economic Co-operation: Washington, July 26 (CP) -- Canada and the United States today opened another chapter in economic co-operation by agreeing to strengthen and expand faltering joint industrial mobilization machinery.

In a speedy, one-day session, top-ranking officials agreed to change and increase the membership of the three-year-old Canada-United States Industrial Mobilization Committee which has been relatively dormant for almost a year.

They also agreed to create new sub-committees to deal with on-the-spot problems in the prices and production of defence materials which both countries produce and to exchange economic experts to work in each other's mobilization offices.

Canada's Minister of Defence Production, Mr. Howe, announcing the changes, said they will provide the basis for greater stabilization in prices of essential materials, and possibly an expansion of defence orders in the two countries.

The U.S. has been particularly concerned over the rise in the price of metals. He said one sub-committee to be created will deal specifically with metal prices and production.

The decisions were reached at a meeting attended by Howe; his Deputy, Max Mackenzie and three advisers.

Charles E. Wilson, U.S. Defence Mobilizer, who headed the meeting, was accompanied by his assistant, Dr. W.Y. Elliott; Eric Johnston, U.S. Economic Stabilizer, and Manly Fleischmann, recently-appointed U.S. Defence Production Administrator.

They agreed to reconstitute the industrial mobilization committee increasing its membership to six from four. Mr. Howe and Mr. Wilson will continue on as main members. Sydney D. Pierce Canada's top defence production representative here, will replace Harry Carmichael of St. Catharines, Ontario, one of the original planners of the Committee. Crawford Gordon, jr., Canada's defence production co-ordinator, will become a new member.

First Big USAF Plane Order Confirmed: Montreal, July 26 (CP) -- Canada's aircraft manufacturing industry today landed a contract reportedly worth \$50,000,000 for production of a new-type trainer-transport plane for the United States Air Force and the RCAF.

The contract, understood to be for 300 planes, went to Canadair Ltd., already producing F-86 Sabre jets for the RCAF at its 40-acre plant in suburban Cartierville.

The new plane is the T-36, a twin-engine trainer easily convertible to a transport and able to carry a pay-load of 4,000 pounds. An unspecified number will be produced for the RCAF.

Award of the contract has been a matter of speculation for several days. In Ottawa, reports said the company may get a \$100,000,000 contract to turn out T-33 jet trainers for the RCAF for Atlantic Pact air training.

Production of the new planes by a Canadian firm marks the first time the USAF has placed an order of this magnitude outside its own borders, the company said.

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Canada Still Not Balancing Foreign Trade: Ottawa, July 26 (CP) -- Canada still wasn't balancing her foreign trade in June.

A preliminary summary of foreign trade figures released tonight by the Bureau of Statistics showed total June exports of \$312,500,000 against total June imports of \$361,400,000.

This compared with exports worth \$289,200,000 and imports of \$282,500,000 in June last year.

Canadian exports to the United States rose to \$188,400,000 from \$177,700,000 in June 1950 but imports from that country jumped to \$243,800,000 compared with \$188,300,000.

United Kingdom imports of Canadian products dropped to \$51,300,000 compared with \$52,500,000.

Seaway Decision Comment: Commenting in Washington yesterday on the 15 to 12 decision of the Public Works Committee of the House of Representatives to shelve the St. Lawrence seaway project, the Minister of Defence Production, Mr. Howe, said Canada would study the problem of developing the Canadian side of the seaway without U.S. help.

The Toronto Globe and Mail said editorially on the same subject: "Out of Washington comes good news for every Canadian. The Public Works Committee of the House of Representatives has decisively turned down proposals for United States participation in the St. Lawrence Seaway project. What this means is that Canada is now free--legally, morally and in every other way--to go ahead with the project herself.... Now that the light, so long yellow, has turned to green, we must lose no time.... Ottawa should announce that the arguing is over, the delay is ended, the seaway is to be built by Canada, on the all-Canadian route...."

The Ottawa Citizen said in part: "For strategic reasons alone, the seaway should not be delayed any longer. The Government should lose no time in announcing plans for construction of an all-Canadian route. These plans are already under study, and are probably in an advanced state of preparation."

The Montreal Gazette said, "Canada should now ask the U.S. Government to declare definitely whether it can and will proceed to carry out its (seaway) agreement." An admission that it will be unable to participate, the Gazette says, can hardly be refused, and, "Canadian authorities should carefully review the nature and extent of what Canada will do on its own account to bring the seaway to fruition."

Across Canada: The Ontario and federal Governments yesterday clinched a deal that will mean 5,000 rental housing units for the Province.... The Bureau of Statistics reported that at May 1, the index of industrial employment on the basis that 1939 equals 100, stood at 175.3, up 9.7 per cent from May 1, 1950, and 1.1 per cent above the April figure of 173.3.... Canada's Prairie farmers are shifting their production this year from wheat and summerfallow to coarse grains and flaxseed, the Bureau of Statistics reported.... As a result of a recent order approved by the Cabinet, the federal Government will not be obliged to publish all orders and regulations passed under provisions of the new Emergency Powers Act, the Canadian Press reported.

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Vol. 2, No. 146

Monday, July 30, 1951.

First Quarter Surplus \$336,445,157: Ottawa, July 27 (CP) -- The federal Government, budgetting for a 1951-52 surplus of \$30,000,000, piled up a surplus of \$336,445,157 in the first three months of the fiscal year, it was disclosed tonight.

The monthly treasury report, issued by the office of the Minister of Finance, Mr. Abbott, showed that revenues totalled \$886,738,608 and expenditures \$530,293,451 in the three month period.

In his Budget Speech last April 10, Mr. Abbott estimated 1951-52 revenues at \$3,730,000,000 and expenditures at \$3,700,000,000. When Treasury reports for the first and second months of the year indicated that his estimated surplus of \$30,000,000 would be greatly exceeded, he sounded a note of caution.

He said expenditures in the latter part of the fiscal year likely would wipe out much of the surplus built up in the early months.

May Consider St. Lawrence Power Plan Separately: Ottawa, July 27 (CP) -- As the federal Cabinet prepared to meet twice next week, the possibility arose today that the Government might consider splitting the navigation and power aspects of the St. Lawrence seaway project.

This means Canada, now that the United States Congress again has shelved joint construction of the long-debated scheme, might go ahead alone with the power development and leave the seaway stage in abeyance.

The Minister of Transport, Mr. Chevrier, said today the Cabinet, in a fresh appraisal of its over-all position on the scheme, now might have to consider a separation of the seaway and power production phases, though it long has advocated that the two go together and that Canada and the U.S. develop them.

"I don't like it, but it is one thing that might have to be considered," he told The Canadian Press in a telephone interview from his law office at Cornwall, Ontario.

Purchases From U.S. Reach Record: Ottawa, July 27 (CP) -- Canada's purchases from the United States reached an unprecedented \$1,230,000,000 during the first five months of 1951, the Bureau of Statistics reports. This was more than \$400,000,000 higher than last year's \$817,000,000. Total purchases from all countries reached a record-breaking \$1,742,000,000, up almost \$600,000,000.

Canada's biggest imports from all sources were of commodities made of iron, with purchases of automobile parts, machinery, farm equipment, pipes, tools and other items running to \$567,039,000 for the five months against \$386,030,000 in 1950.

Previously, the Bureau had reported Canada's five-month exports at \$1,446,700,000, up about \$500,000,000 from last year's \$1,156,000,000, bringing total trade in imports and exports to a peak \$3,188,700,000, up more than \$1,000,000,000 from \$2,326,900,000 last year.

However, the increase in imports far exceeded the advance in exports leaving Canada with a trade deficit of \$295,200,000, about 20 times greater than the \$14,300,000 deficit in 1950.

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Report Paratroopers Moving To Korea: Ottawa, July 27 (CP) -- Elements of Canada's crack paratroops now are being moved into the replacement stream for Korea, it was learned today, under a modification of the keep-them-at-home policy which provoked controversy a year ago.

They are men of the 23rd Airborne Brigade, the formation Cabinet refused to send out of the country in mid-1950 when the United Nations was desperately calling for manpower for Korea and the 23rd was the only big fighting unit Canada had available.

Prime Minister, Ministers, Returning To Ottawa: Ottawa, July 29 (CP) -- The federal Cabinet steps up the tempo of its deliberations this week as Prime Minister St. Laurent and a number of his vacationing Ministers return to the capital.

The Council, which has been meeting once weekly since Parliament rose June 30, will hold two sessions this week--Tuesday and Thursday.

Mr. St. Laurent is returning to Ottawa from a three-week holiday. A number of his Ministers, either away on holidays or on business trips, also are expected back at their offices.

First Commonwealth Division: Western Front, Korea, July 29 (CP) -- The first Commonwealth division in history became operational Saturday.

Believed to be one of the most powerful in the world, it is made up of troops from Canada, Britain, Australia, New Zealand and India.

In a simple ceremony on a parade ground hurriedly bulldozed out of a Korean field, Lt.-Gen. James A. Van Fleet, Eighth Army commander and divisional chief Maj.-Gen. J.H. Cassels, broke out the flags under which the new formation will fight.

Colombo Plan Visitors: Ottawa, July 30 (Citizen) -- Indian and Pakistani agricultural experts will leave Ottawa within the next few days for a tour of Canada to study this country's methods in their specialties.

The arrivals here this week, and the pending departures, are parts of Canada's contribution to the Colombo Plan.

On July 29 the first representatives of India under the plan arrived. They are Dr. J.K. Duby of Bhopal and Kanty Raj of Madras.

Across Canada: A start is being made today on the registration of 400,000 Canadians entitled to universal federal pensions of \$40 a month beginning January 1 next. Application forms were made available in Post Offices all across Canada....With North Stars of 426 Squadron lined up at the Montreal Airport in Dorval, personnel of the Korean Airlift, the men who had flown, navigated and repaired the planes that represented Canada's aerial contribution to the United Nations, marched by in a ceremonial parade commemorating the first anniversary of the R.C.A.F.'s Thunderbird Squadron's entry into the Korean War....Clifton H. Carlisle, Chairman of the Board of the Dominion Bank and founder of the Goodyear Tire and Rubber Company of Canada, died in Toronto July 27. He was 81....Canadair's Cartierville plant has been chosen to build a Canadian version of the American T-33A jet fighter, a leading Canadian aviation journal says in its current issue.



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Vol. 2, No. 147

Tuesday, July 31, 1951.

Canada-Built Seaway Would Cost \$35,000,000 Extra: Ottawa, July 30 (CP) -- The cost of the St. Lawrence seaway and power project will go up another \$35,000,000 if Canada decides to go ahead and build it without United States co-operation.

Government experts estimated today this will send the over-all cost of the development into the neighborhood of \$740,000,000 an expenditure that would be spread out over the five to six years it would take to complete the project.

Had the U.S. joined Canada in the construction, the total cost would have been around \$704,142,000, of which the U.S. would pay \$483,915,000 and Canada \$220,227,000. That estimate was made on the basis of prices prevailing in December, 1950.

The financial break-down of the cost of the project likely will be before the federal Cabinet this week when it considers what Canada's position now should be. A U.S. congressional committee last week rejected a bill which would have authorized the U.S. Government to take part in the scheme.

The reason for the higher cost of the development if Canada decided to go ahead alone would be that an all-Canadian waterway would have to be constructed entirely on the Canadian side of the St. Lawrence. The builders thus would lose the advantage of certain geographical and less costly features of the American shore.

Buying 100 Light Bomber Planes From U.S.: Ottawa, July 31 (CP) -- Canada has bought 100 wartime Mitchell Light bomber planes from the United States Air Force to meet the immediate needs of her expanded air force training programme.

An RCAF spokesman confirmed last night that a "considerable number" of the twin-engined Mitchells, used extensively as a bomber-reconnaissance aircraft during the Second World War, have been bought from the USAF. They will be used for bomber-reconnaissance training.

The first of the planes will be delivered to the RCAF base at Trenton next week.

Sales Of British Made Cars Drop 80 Per Cent: Ottawa, July 30 (CP) -- Sales of British-made cars and trucks in Canada dropped 80 per cent in June, the Bureau of Statistics reported today. Sales of Canadian and American makes dropped 20 per cent in the month.

While sales were down in June, they were higher in the first six months of this year than in the corresponding period of 1950. A total of 181,004 new passenger cars were sold in the six-month period compared with 166,387, an increase of 9 per cent. Commercial vehicle sales were up 22 per cent.

In June, sales of new passenger cars totalled 23,025, compared with 35,231 in the corresponding month of 1950. They were valued at \$59,718,051, compared with \$70,038,429 in June, 1950. Commercial vehicle sales totalled 9,642, a drop of 10 per cent.

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Governor-General, Mr. Pearson, Returning August 2: Ottawa, July 30 (CP) --

Two of Ottawa's citizens are coming home together Thursday.

They are the Governor-General and the Secretary of State for External Affairs, Mr. Pearson.

They have been overseas on separate missions for the past six weeks but are joining forces to fly home from the United Kingdom.

Mr. Pearson will report to Cabinet on talks with various European leaders.

Mexico Asks More Newsprint: Ottawa, July 30 (CP) -- Mexico appealed to Canada today for more newsprint to avert a growing scarcity hitting Mexican newspapers and crippling a campaign to wipe out illiteracy in that country.

Antonio Martinez Baez, Mexico's Economics Minister, accompanied by two newspaper publishers, called on Government officials seeking support of an appeal which will be directed to Canadian newsprint producers at a meeting in Montreal Wednesday. He was told it was a matter for the trade.

Martinez Baez, said in an interview that Canadian producers have cut exports to Mexico by about 6,000 metric tons in the first six months of 1951.

British Newsmen On Short Visit Here: Montreal, July 31 (Gazette) -- The largest group of British newspapermen ever to visit Canada at one time arrived at Montreal Airport, Dorval, July 30 for a lightning tour of the country -- and they arrived at the same time that three giant stratocruisers set another record by being on the Dorval tarmac at once.

The 26 newsmen were picked from every branch of journalism in the U.K., from "national" dailies to weeklies, wire agencies and trade periodicals. They are motor correspondents and are here for two weeks to tell Britain how her automobiles are doing in Canada.

Across Canada: The 10,000th soldier to enlist in the 27th Canadian Infantry Brigade for service in Europe joined the Army at Edmonton July 30.... The Prime Minister, Mr. St. Laurent, is heading west Friday mainly to help Ukrainian-Canadians celebrate the 60th anniversary of their first settlement in the Canadian West. He will participate in Ukrainian celebrations in all three Prairie Provinces in the midst of a heavy five-day schedule typical of his past tours across the country.... Governor-General, Viscount Alexander, has been quoted in an interview he accorded in England as saying: "If I were a young man I would go and make my career in Canada. My boys love it so much I believe they will remain in Canada and become Canadians."



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Vol. 2, No. 148

Wednesday, August 1, 1951.

Mr. Claxton On Rifle Standardization: Montreal, July 31 (CP) -- The Canadian Government said today that Canada is through sending major arms shipments to Europe until the British-American split over a common rifle is settled one way or another.

Canada also is halting the flow of U.S. Garand rifles to this country until the situation clarifies.

The Minister of National Defence, Mr. Claxton, drove those points home in a pointed speech only two days before he attends a two-day Washington conference with United States, United Kingdom and French Defence Ministers in an effort to find a settlement or to keep the split from engulfing other small arms.

He also is likely to discuss them in Ottawa tomorrow with Gen. Omar Bradley, visiting Chairman of the United States Joint Chiefs of Staff.

He spoke here as Canada, for the third time, turned over enough British-type arms for a European division, this time to Italy. She is sending them free.

(The following is the partial text of Mr. Claxton's remarks at Montreal: "Canada will go to that (Washington) meeting with the intention of doing everything possible to secure the greatest measure of agreement.

"Our policy on further re-equipment with rifles will depend largely on the outcome of the meeting.

"We have received the delivery of Garands for a division and as we already have a considerable number of Garand rifles this does not further complicate the position. In the event of our deciding to keep the .303 Mark 4 for the time or deciding to adopt some other rifle the Garands could easily be transferred to nations associated with us which are anxious to have them.

"Pending this further consideration, however, we are not taking further Garands as we have in mobilization stores or on issue enough .303 Mark 4 rifles to meet current needs and the needs of immediate mobilization.

"Once this and other similar matters are settled we shall have further equipment to transfer to European countries on a considerable scale, but until these matters are decided upon we are going to keep most of that equipment...")

Committee To Consider St. Lawrence Development: Ottawa, July 31 (CP) -- The federal Cabinet today set up a select committee from within its own membership to consider the St. Lawrence seaway and hydro project and recommend what position the Government should take.

There was no official statement issued after the four-hour meeting, but a government spokesman said the committee will make a survey of the reports of an interdepartmental group which has been studying the project.

Cabinet must decide whether Canada will proceed alone with the multi-million-dollar seaway project.

It was understood also that the Cabinet, in its first well-attended meeting in several weeks, confirmed a number of judicial appointments. However, they must go before the Deputy Governor-General before being made public, probably tomorrow.

(over)

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The council also considered whether the Government should import butter for storage against a possible shortage next winter.

The Prime Minister, Mr. St. Laurent, sat at the head of the council table for the first time since he left the capital three weeks ago for a holiday at St. Patrick, Quebec.

"Personal Protection Under Atomic Attack": Ottawa, July 31 (CP) -- The Government today issued a 10-cent, 48-page booklet with a grim, life-saving message for Canadians. It tells you how to survive the horrors of an atomic attack.

Entitled "Personal Protection Under Atomic Attack," it gives instructions on what to do before, during, and after the three main types of atomic explosion--the airburst, the underwater burst, and the groundburst. It indicates your chances of survival if an atomic bomb is dropped on your town, providing shelters and other precautionary measures have been taken.

Dental Rail Car For Northern Ontario: Toronto, August 1 (CP) -- Some 6,000 children in northern Ontario areas will have their teeth examined and treated in a railway coach.

A new dental clinic, a converted sleeping coach, will carry a dentist and his wife, a trained dental assistant, to areas not served by resident dentists.

The car was turned over yesterday by Dr. Mackinnon Phillips, Ontario Minister of Health.

Across Canada: A 35-year-old sailor from Burma, Capt. Kenneth L. Dyer, was named July 31 to command Canada's biggest warship, the 18,000-ton aircraft carrier Magnificent. The appointment was one of 11 announced by naval headquarters in a big shift of captains and commodores--rank equivalents of the army's colonels and brigadiers....Lieut. Gilbert Boa, 27, of Toronto, winner of the King's Prize at Bisley, Eng., last week, will receive a civic welcome when he arrives in Toronto August 3....The touring group of 36 British journalists arrived in Ottawa by bus from Montreal July 31, took in a ball game, then prepared to catch a Trans-Canada airliner for Vancouver....Horsemeat dealers in Vancouver said today that they have 10,000 customers and to meet the demand supplies are being imported from the United States....Canada will not be out of the picture when international teams compete at leading North American horse shows this autumn, the Globe and Mail reports. Lance Rumble, Chairman of Canadian Horse Shows Association, announced under sponsorship of the Association, that a new Canadian equestrian team has been formed. The new team has already received invitations to compete at the Pennsylvania National Horse Show at Harrisburg, and the National Horse Show at Madison Square Gardens....A report from Washington credited to the Defence Department, says that Canada had accounted for nearly 74% of all cash purchases of United States armaments under the mutual defence assistance programme, the Defence Department disclosed Tuesday. Up to June 30, Canadian purchases valued at \$133,698,000 were authorized out of total sales of almost \$181,000,000....A "Ground Observer Corps" of 150,000 unpaid civilian volunteers to spot enemy planes is to be formed by the RCAF Association at the request of the Royal Canadian Air Force. The RCAF formally requested the Association to organize an aircraft spotting corps to supplement the Radar Warning system being set up and the RCAF quickly accepted the responsibility, the Citizen reports.

GOVERNMENT

OF CANADA

DAILY AIRMAIL BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

(For official use only. This bulletin is intended solely for the information of Canadian Government officials stationed abroad. Its contents are not for publication or distribution.)

Vol. 2, No. 149

Thursday, August 2, 1951.

Mr. Pearson's London Press Conference: London, August 1 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said today the world situation is looking up. But he warned the West against faltering in its drive for world peace and international understanding.

He spoke at a press conference ending a six-week tour of Canada's diplomatic mission in Europe. He was to leave by air tonight for Ottawa.

Mr. Pearson said the improved world situation is largely the result of United Nations' action in Korea. Collective action, he said, caused the Russians to change their tactics.

But we must also know how to use that collective strength, he said.

"Above all, we must avoid the temptation of using it too assertively."

He said he got a fund of valuable information out of conferences on Western defence with Government officials of the Netherlands, Belgium, Sweden, Norway and Denmark.

The impressive recovery of Germany makes necessary a new concept of basic relations with that country, Mr. Pearson said. The people there had faced their problems and were working hard to overcome them.

He predicted a decision will be reached this year on Germany's future contribution to Atlantic defence.

Forego Interest Another 3 Years On U.K. Loan: Ottawa, August 1 (CP) -- The Government announced tonight it will recommend to Parliament this fall that Canada forego for another three years the interest on the balance outstanding from a \$700,000,000 wartime loan to the United Kingdom.

The balance now is \$250,000,000.

This decision, a Finance Department statement said, resulted from discussions between the Governments of Canada and the U.K. Legislation to implement it will be introduced at the fall session of Parliament.

The \$700,000,000 loan was extended in 1942 as a funding of advances made to the British Government in the period preceding wartime arrangements for mutual aid. The loan was to be interest-free until after the war and in 1946 Parliament extended this provision until January 1, 1951.

The Government now will ask Parliament to continue it for another three years, to January 1, 1954.

It also had been arranged that the principal amount of the loan would be reduced by crediting against it the dollars accruing to the U.K. from sales or redemptions of Canadian market securities held by British residents. This was to be offset by the amount of approved classes of certain new direct investments made in Canada by U.K. residents.

The net effect of these repayment provisions has been to reduce the total amount of the loan still outstanding to approximately \$250,000,000 at March 31 last.

Parliament also will be asked to continue the repayment provisions.

Before the end of 1953, tonight's announcement said, the two Governments will enter into discussions on the question of interest and repayment of the balance of the loan then outstanding.

(over)

Atlantic Pact Council Speculation: Ottawa, August 1 (CP) -- Official Ottawa, not without the odd sign of satisfaction, is beginning to doubt that the Atlantic Pact Ministerial Council will meet here this year at all.

The doubt has arisen from the fact that opinion among the 12 member nations on the major issues that were to have been discussed at any meeting here in September may not have crystalized to the point where a September meeting would be advisable.

The issues include German rearmament, inclusion of Greece and Turkey in the pact, and the economic aspects of closing the gap between what armed strength Western Europe now has and what she needs.

The day-by-day wait at External Affairs headquarters for final word from the Council's deputies in London is still going on and word still may come that there will be a meeting here in mid-September.

But Mr. Pearson raised a possibility today in London which may mean any September meeting is out.

He told reporters it still is under consideration but there is a possibility it will be merged with a later meeting in Europe for which arrangements have already been made.

Gen. Bradley's Ottawa Visit: General Omar Bradley, Chairman of the United States Joint Chiefs of Staff, in Canada for about four days' talks and some fishing, gave a press conference in Ottawa August 1. The Canadian Press report, after quoting him as saying Spain could be made an asset to Western military strength, proceeded as follows:

Gen. Bradley said the United States Air Force is studying the problem of building up staging areas for getting warplanes to Europe.

He was answering a reporter's question as to whether the U.S. is planning any new military developments in Canada beyond building and manning radar stations.

There have been reports here that the U.S. is going to expand its facilities at Goose Bay Airport in Labrador as part of the route for planes to Europe--and to Russia if war came.

Gen. Bradley said the U.S. is going to take part in a relatively small Canadian-U.S. winter exercise here this winter, one to test engineering equipment. It is expected to involve about 400 men and to take place in Labrador.

He said the U.S.A.F. is studying the greater need for staging areas now that a great number of planes are going to go to Europe. Whether they have enough to handle the situation he wasn't prepared to say.

From the Parliamentary press gallery he went down Parliament Hill, for a talk with the Minister of National Defence, Mr. Claxton, that was expected to touch on the subject of the U.S.-British split over a common rifle..

Across Canada: The United States presidential citation for "extraordinary heroism" in Korea which was awarded the 2nd Battalion of the Princess Patricia's Canadian Light Infantry was formally presented to the Minister of National Defence, Mr. Claxton, yesterday by Gen. Omar Bradley....The Canadian Army has its first woman medical officer in peacetime history. She is Capt. Ellice Agnes Parmenter, 29-year-old Scottish doctor and mother of two children, who recently was appointed at the Canadian Army Liaison establishment in London, Eng.....Laurier House, home of two former Canadian Prime Ministers, was formally turned over to the people of Canada yesterday by a third Prime Minister, Mr. St. Laurent....Mexico's campaign to wipe out illiteracy will have to be "postponed indefinitely" unless her newspapers receive more Canadian newsprint, Antonio Martinez Baez, Mexican Minister of Economics, told the Montreal Gazette yesterday.

DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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Vol. 2, No. 150

Friday, August 3, 1951.

Gen. Bradley's Ottawa Conferences: Ottawa, August 2 (CP) -- Gen. Omar Bradley gave Canada's military chiefs a comprehensive briefing on United States military policies today and is believed to have found the Canadians in full agreement with Washington's buffer-zone policy in Korea.

They also appear to have been together in the view that dangers of a letdown in Western determination to re-arm because of Korean peace talks should be combatted as effectively as possible because Russia's objectives remain unaltered and because Europe remains the No. 1 point of peril.

The Chairman of the U.S. Joint Chiefs of Staff, top military man in Washington, spent three hours this morning talking with Lt.-Gen. Charles Foulkes, his Canadian counterpart, and the heads of the three Canadian services.

Both U.S. and Canadian sources reported that Gen. Bradley wasn't up here to sell anything, whether it be greater aid for Europe or something else. His primary mission was to put Ottawa completely in the picture on what the U.S. is doing in the military field.

He brought along only two aides, a fact which indicated the talks were general. They not only embraced policies abroad but such matters as production, training manpower and future plans.

He mentioned yesterday that he wanted Canadian views on certain Atlantic Pact matters and he is believed to have gone thoroughly into the pact picture. On Korean matters, he is believed to have found the Canadian chiefs fully in accord with the view that the 38th Parallel is no place to accept a military buffer zone and in agreement with the United Nations opposition to Red pressures to accept one there.

The parallel zone, in the views of both sides, would invite an attack that could drive the U.N. forces into the sea.

Both capitals have been concerned, too, that the Korean peace talks may lull the Western peoples into a false sense of security over Soviet aims and this apprehension is believed to have been reflected in the talks.

Mr. Pearson Returns To Ottawa: Ottawa, August 2 (CP) -- The federal Cabinet today received from the Secretary of State for External Affairs, Mr. Pearson, a report on his six-week diplomatic mission to the capitals of North European states.

There was no official statement following the two-hour session, the Cabinet's second meeting this week and the last before Prime Minister St. Laurent takes off tomorrow on a five-day flying trip to the Prairie Provinces.

Mr. Pearson, who told reporters on his arrival in Ottawa earlier today that he found conditions in Europe "a little more satisfactory," gave the Cabinet a report of his discussions with foreign government leaders.

Big Living Cost Advance: Ottawa, August 2 (CP) -- Another shot from the food-price gun in June boosted living costs in Canada by a near-record 3.5 points.

Biggest monthly advance since last February's record 4.5-point climb, it increased the cost-of-living index to a new high of 187.6 from 184.1, the Bureau of Statistics reported today. In the space of a year the index has jumped 20.1 points. It is based on 1935-39 prices equalling 100.

This time the price-increase concentration was on meat, eggs and fresh vegetables. There were other small increases in such items as coal and coke, drugs, hospital care, tobacco and newspapers.

THE HON. J. G. ...

MAY 1950

The Bureau said that most of the food price advances were normal for the month of June. The exception was meat, particularly pork. The Bureau found the price of meat "larger than seasonal."

Price climbs for food and other items boosted living costs in Canada 86.1 percent since August, 1939, the Bureau said. All sub-indexes are at record highs.

In June, the upward impetus in food prices pushed up the food sub-index by 9.9 points to 249.7. A year ago it touched 214.3.

NATO Council To Meet In Ottawa: (Press Release No. 36, August 3) -- A meeting of the North Atlantic Treaty Organization is to take place in Ottawa beginning September 15. An announcement is being issued simultaneously by NATO on this meeting. The text of the NATO announcement is as follows:

"Two meetings of the North Atlantic Council will be held this autumn, it was announced today by Mr. Paul Van Zeeland, Belgian Foreign Minister and Chairman of the Council. Prior to the ordinary annual session, which is to convene in Rome at the end of October a meeting of the Council will be held in Ottawa on September 15 to consider such problems as may be ready for discussion or action by the Council at that time."

Americans Invest "Risk Capital" In Canada: Ottawa, August 3 (Citizen) -- Although 85 percent of the funds spent on capital expansion within Canada are now coming from Canadians, it is still largely American investors who are putting up the "risk capital" spent within this country, Kenneth Wilson, Ottawa Editor of The Financial Post said in a speech here yesterday.

Across Canada: Viscount Alexander yesterday sent birthday greetings to the Queen, who celebrates her 51st birthday August 4....Twenty Canadian delegates will attend the World Assembly of Youth general meeting at Cornell University in Ithaca, N.Y., August 5-15. The convention is held for the third consecutive year in opposition to the Communist-sponsored World Federation of Democratic Youth gathering in Russian-occupied Germany....Transport Minister Chevrier will leave here August 9 to inspect civil airports in the Prairie Provinces and discuss local problems with departmental officials. He will visit airports at Winnipeg, Regina, Calgary, Edmonton and Saskatoon....Douglas F. Bowie of Montreal has been appointed today as President and General Manager of the Government-operated Canadian Overseas Telecommunications Corp., Ltd.... Industrial employment and payrolls hit all-time peaks June 1, the Bureau of Statistics reported....Group Capt. D.H. MacCaul, 46, of Sault Ste. Marie, Ont., has been appointed commanding officer of No. 6 Repair Depot at Trenton, Ont....The Canadian Congress of Labour said continued price increases are steadily eating into the "real earnings" of Canada's industrial workers.... Maj. H. (Hec) Stewart, a former newspaper man from British Columbia, has been named Director of Public Relations for the Army and given the acting rank of Lieutenant-Colonel.

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OF CANADA

OTTAWA - CANADA

The squadron will be based at Celle, a former permanent German air base near Hannover, 28 miles from Hannover, R.F.A. (CP) of the Second World War.

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President Truman to the King and the Queen, His Majesty King George VI, and the Queen, His Majesty Queen Elizabeth II, on the occasion of the visit of the King and the Queen to Canada.

Vol. 2, No. 151

Tuesday, August 7, 1951.

Arms Talks "Satisfactory": Ottawa, August 4 (CP) -- The Minister of National Defence, Mr. Claxton, said last night the four power talks in Washington

on small arms standardization were "in every way satisfactory." The Minister told The Canadian Press the problem, which relates particularly to the standardization of rifles as between the U.S., the U.K. and France, had been given to a standing committee of North Atlantic Treaty countries. "The problem facing these countries," he said, "is to find the best weapons for the future while, at the same time, building up the weapons we have.

The study of this matter by the standing group to which it has been referred will not cause any delay to either part of the operation.

Friday's Washington meeting, attended by the Defence Ministers of Canada, the U.K., the U.S. and France, was called at the request of Mr. Claxton. It was the first time the question of small arms standardization has been discussed at ministerial level.

The problem has been in the hands of technical experts and Friday's meeting, the Minister said, marked a considerable advance in a project which will, necessarily, take time.

Canada, U.S. Civil Defence Experts Meet: Ottawa, August 6 (CP) -- Communications are expected to be among the subjects discussed here tomorrow when top United States and Canadian civil defence officials come together for the second time in three months.

The Minister of National Health and Welfare, Mr. Martin will head the Canadian delegation. Millard Caldwell, top C.D. man in Washington, will head a group of 18 Americans.

This is the second meeting of the joint U.S.-Canadian C.D. committee and it will review the progress that has been made in integrating the programmes of the two countries as far as possible.

One of the key problems facing the two countries jointly is how best to get to the U.S. the warnings that originate in Canada.

Mr. St. Laurent On Western Tour: The Prime Minister, Mr. St. Laurent, spent the week-end in Alberta and Saskatchewan, where he is participating in celebrations marking the 60th anniversary of the arrival of the first Ukrainian settlers. The Canadian Press reports, in part as follows:

"At Duck Lake, Sask., he told a group of predominantly French-speaking residents that Canada will make greater progress in the next half century than in the last--'provided we can prevent another war.'

"That is why we're making an effort to combine forces and strength with other members of the United Nations.'

"Already the North Atlantic Pact was beginning to have its desired effect: halting aggression. Without mentioning any country by name, the Prime Minister said he believes present-day aggressors will change their tactics if they can find a good face-saving method.

"At Waldheim, 35 miles north of Saskatoon... Mr. St. Laurent told his audience, many wearing overalls and straw hats, that he does not pretend to be a politician--that he is trying to administer Canada so it will be the kind of country in which people will be glad to raise their children and grandchildren...."

DAILY NEWS

STATEMENT

Fighter Squadron To Germany: Ottawa, August 6 (CP) -- The R.C.A.F. said today its 421 Fighter Squadron, based in the United Kingdom, will leave tomorrow to take part in a five-day support operation with the RAF occupation force in Germany.

The squadron will be based at Celle, a former permanent German air force base now used by the RAF and about 25 miles from Hanover. R.C.A.F. units operated from the base in the late months of the Second World War.

Present President Truman's Citation: Edmonton, August 5 (CP) -- A citation from President Truman to the 2nd Battalion of the Princess Patricia's Canadian Light Infantry was presented today to its commanding officer, Lt.-Col. J.R. (Big Jim) Stone.

The Minister of National Defence, Mr. Claxton, visiting Edmonton on a tour of western military posts, handed the citation for "extraordinary heroism" to Col. Stone to take back to his men in Korea. Col. Stone leaves for Korea tomorrow.

"As you return to your gallant regiment, it gives me great pleasure to bring you this citation to add to the glory of Canadian arms," Mr. Claxton said.

The unit was awarded the citation by President Truman for its defensive stand in the Kapyong sector of Korea, April 24-27. Six hundred men, encircled by Communist troops, held the line for three days against all-out attack.

Across Canada: Following a long-standing practise of the Canadian Parliament to elect former Speakers of the House of Commons to the Privy Council, Hon. George M. Black was sworn into that body... It was announced in London August 5 that Maj. Martin Charteris, private secretary to Princess Elizabeth, left by air for Montreal and Ottawa August 5 to make arrangements for the October tour of the Princess and the Duke of Edinburgh... George Drew, Progressive Conservative Leader, in a Toronto speech demanded laws which would treat as traitors persons who strive to destroy freedom in Canada... Premier Duplessis' announcement last week that the Legislature will meet Nov. 7, and presumably run into 1952, is taken as an indication it will be the last session of this Legislature, the Gazette reports.

U.S. Civil Defense Experts Meet
States and Canadian civil defense officials met in Ottawa for the second time in three months.
The Minister of National Health and Welfare, Mr. Lewis will head the Canadian delegation. William Caldwell, top C.D. man in Washington, will head a group of 18 Americans.
This is the second meeting of the joint U.S.-Canadian C.D. committee and it will review the progress that has been made in integrating the programmes of the two countries as far as possible.
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"That is why we're making an effort to combine forces and strength with other members of the United Nations."
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Vol. 2, No. 15210. Issued Wednesday, August 8, 1951.

Mr. Pearson's "Peace" Offensive: Ottawa, August 7. (CP) -- The Secretary of State

for External Affairs, Mr. Pearson, today rejected as another propaganda move the latest Soviet call for a five-power pact of peace.

He told a press conference he is "pretty certain" in his own mind that the Russians are launching a peace offensive as a part of their policy of saying they want to reach a solution of outstanding problems with the West.

"We can't rebuff them," he said, "but we have to be pretty careful in our examination of them."

He was commenting directly on Soviet President Nikola Shvernik's proposal of a five-power pact "for the strengthening of the peace."

There is nothing new in the latest Soviet offer, said Mr. Pearson. It was the same as other Soviet offers placed before the United Nations Assembly and thoroughly discussed there. The Western position hadn't changed.

Anyway, he went on, pacts of peace didn't guarantee that peace would be preserved. There had been many such pacts during the last 25 years and some had done more harm than good by throwing dust into people's eyes.

Mr. Pearson's comment came at a press conference in which he reported on his recent tour of Northern Europe, discussed arrangements for the Atlantic Pact meeting here next month and said defensive arrangements being negotiated by the United States and Spain are something for those two countries to decide.

He said there is no reason to believe that the question of including Spain in the North Atlantic Pact will come up at the pact meeting here in September. It was not an "immediate" problem.

But he did expect that the problem of bringing Greece and Turkey within the scope of the alliance would be discussed, and possibly settled, at that meeting. The Canadian Cabinet would consider its stand on the question this week.

Mr. Pearson said it would not be "wise" to leave the impression that the Ottawa meeting would take big and important decisions. Rather, it would give preliminary consideration to a number of pressing matters, with final decisions to be taken at a later meeting in Rome.

One of the problems to be surveyed here is the rearmament of Germany. It, too, would be considered more seriously at Rome. For the moment, it could be said there is no reason to be pessimistic about the successful outcome of negotiations to bring Germany closer to the west.

He estimated that between 200 and 300 foreign delegates will come to Ottawa for the meeting, which will run from September 15 to 21 which will outstrip any past North Atlantic get-together for size. Each of the 12 pact nations will send three Cabinet Ministers.

He disclosed that he will go to San Francisco for the September 4 signing of the Japanese peace treaty, a document which Canada had found to be "reasonably satisfactory." It later will be submitted to Parliament for ratification.

Canada did not, he added, regard as in the same category as the North Atlantic Pact the three-corner defensive alliance announced recently by the United States, New Zealand and Australia. Canada had not been invited to enter it.

However, if the arrangement took on the aspects of a broader and deeper military alliance, with the inclusion of other Pacific powers. Canada would have to reconsider her position.

Eliminate Border Barriers To Civil Defence: Ottawa, August 7 (Globe) -- All administrative barriers to close co-operation between local Canadian and American authorities on civil defence have now been wiped out.

This statement was made today by the Minister of Health and Welfare, Mr. Martin, and Millard Caldwell, Administrator of the Federal Civil Defence Administration of the United States, after the second meeting of the joint U.S.-Canadian civil defence committee.

This means, it was explained, that no difficulties will now be raised by the federal customs and immigration authorities of the two countries to the free movement of personnel and equipment back and forth across the border for the relief of disasters occasioned by air attack. Civil defence operations remain a matter for the state and local authorities in the United States and provincial and local authorities in Canada, but these authorities are now free to work together as if the international boundary did not exist.

Royal Visit To Last At Least Full Month: Ottawa, August 7 (CP) -- The Canadian tour by Princess Elizabeth and her husband, the Duke of Edinburgh, will run "at least a full month," Maj. Martin Charteris, private secretary to the Princess, said today.

He arrived by air from London last night to confer with Canadian officials on the tour.

"Both are in good spirits and excited about their forthcoming trip."

The Royal couple will sail for Canada aboard the Empress of France September 25, and will break their Canadian tour for two days--October 24-25, to be the guests of President Truman at Washington.

"There is some talk of extending the United States tour to other American cities, but there is nothing definite yet," Maj. Charteris said.

In any case, the Royal pair will return to Canada after visiting the United States.

Bumper Crop Possibility This Year: Ottawa, August 7 (CP) -- Grain authorities today painted a glowing picture of wheat possibilities on the Canadian Prairies and said that signs point to a bumper crop this year.

A bumper crop would place the total harvest at more than 387,000,000 bushels--the annual average during the last 10 years.

Canada reaped 462,000,000 bushels last year, but pre-seasonal frosts marked the quality. About one-half the crop was considered below par.

This year, said officials, the outlook is better and barring weather upsets, Canada may harvest more than 400,000,000 bushels. An official estimate is expected in about 10 days.

Across Canada: The Prime Minister, Mr. St. Laurent, said at Battleford, Sask., that he intends to take official steps to have the halfbreed action on the Prairies late in the last century referred to as an "uprising" and not a "rebellion."... The aircraft carrier Magnificent left Halifax yesterday on a 2 1/2 month cruise of the Mediterranean where she will engage in exercises with ships of the U.K. and U.S. navies... Stanley Woodward, U.S. Ambassador to Canada, back in Ottawa after a month-long trip to Europe, said he found "a new air of confidence" on the Continent... The Canadian Congress of Labour issued a new call for price control as the result of the latest jump in the official cost-of-living index... Criminal charges will be laid against anyone trying to shoot Niagara Falls or the Whirlpool Rapids there in future, says Premier Frost announced as an aftermath to the death of "Red" Hill in a week-end attempt to shoot the Falls in a rubber contraption.

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DAILY AIRMAIL BULLETIN



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OTTAWA, CANADA

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Vol. 2, No. 153 Thursday, August 9, 1951.

Report On Chalk River Atomic Plant: Ottawa, August 8 (CP) -- Canada's scientists, including her atomic investigators, are now engaged in new projects designed to aid in the modern rearmament of the country's fighting forces. This was disclosed tonight in the annual report of the National Research Council, the 3,100-man government-backed research agency which has charge of Canada's big atomic energy project at Chalk River, Ontario. The 1950-51 report of N.R.C. President Dr. G. J. Mackenzie was carefully worded. But it did say that with the growing uneasiness of the world situation, Canadian scientists are turning more and more to projects arising from the requirements of the armed forces.

Then it added: "At the present time, in addition to the atomic energy project, which always has had a dual character, the divisions of electrical engineering, mechanical engineering and, to some extent, building research, applied physics and applied chemistry, have turned almost exclusively to war work." This was the first official indication that the Chalk River atomic plant, 125 miles northwest of Ottawa, might be engaged in war work. The plant is built around an atomic reactor and another pile is to be built. The part of the report dealing with investigations at Chalk River made no mention of specific defence projects. But it did disclose that research chemists there have made a number of new isotopes by successive capture of neutrons. One, it said, was the isotope of phosphorus of mass 33.

Work had proceeded, the report said, on the separation of fission products and methods of separating useful isotopes have been improved.

Isotopes have various uses, mainly in medical research work.

Of the new atomic pile, the report said it "will be provided with special research devices for continuing and extending fundamental investigations."

Other activities of council scientists during the year included discovering a new starting material for the production of valuable, musk-like perfume bases, continuing research into methods for recovery of oil from Alberta's tar sands, and investigating the application of gas turbine engines to locomotives.

Mr. Pearson Reports To Cabinet On Tour: Ottawa, August 8 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, today gave the federal Cabinet a detailed report of his recent swing through the capitals of some of Canada's Atlantic Pact partners.

Mr. Pearson returned from overseas last Thursday and gave the Cabinet a preliminary report that day. However, today he went into greater detail on his talks with Government leaders of Northern European states.

He told a press conference yesterday that, although he had met virtually all of those leaders at United Nations and other international conferences, it had been profitable to talk to them in their home capitals.

The Cabinet, in its three-hour session, also discussed the October tour of Princess Elizabeth, with Mr. Pearson filling it in on some of the details of his meetings with the Princess while in the United Kingdom.

Ask "More Dependable" Immigrant Labour: Ste. Anne De Bellevue, Que., August 9 (CP) -- The Canadian Federation of Agriculture, at the windup of its semi-annual meeting yesterday, called for federal action to secure "more dependable" immigrant labour for Canadian farmers.

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Friday, August 10, 1951.

Royal Visit Itinerary: Ottawa, August 9 (CP) -- Princess Elizabeth and the Duke of Edinburgh will land at historic old Quebec October 2 to open a 35-day Royal tour patterned to let them see as many of the people and children of Canada as possible. The tour will take the Royal couple from one end of Canada to the other, to the 10 provincial capitals and many centres in between and, briefly, to visit President Truman in Washington. They will not go to New York or other American cities.

They will sail for home from another storied Canadian city, St. John's, November 5, in time to get back to London for the third birthday November 14, of their son, Prince Charles. Their Canadian stay will include two brief periods to themselves at private vacation spots still to be selected--one in the west and one in the east--and trips to industrial and defence plants and several military establishments.

All this was disclosed today with the publication of the long-awaited itinerary for their visit, which will cover 18,000 miles from the time they leave the United Kingdom until they return. An official statement accompanying the itinerary stressed one main theme, though not in so many words--that this is not to be the grand Royal Tour of 1939 when the King and the Queen, as the reigning monarchs, visited Canada. There will be no opening of institutions, no receiving honorary degrees, no laying of corner stones. Instead, the statement said, their Royal Highnesses hope their tour will enable them to see as many people as possible, and to be greeted by school children. Still, the release of the itinerary provided the signal for the towns and cities along the route to begin preparations for their welcome to the Royal couple. If the 1939 pattern is followed--and this is almost certain--holidays and other celebrations will be proclaimed across the land.

As made public, the itinerary consisted merely of the bare bones of the schedule, listing the towns they will visit and the dates they will be there. The meat and substance of the tour -- the arrangements for them to see the people and for the people to see them -- will be filled in later.

Stressing the keynote of simplicity, the statement said that local authorities, in preparing programmes, will "no doubt wish to keep in mind their Royal Highnesses' expressed hope that the arrangements will be as simple as possible."

The Princess will hold one press conference in Ottawa.

Six Months' Exports To U.S. Pass Billion Mark: Ottawa, August 9 (CP) -- Canada's exports to the United States in the first six months of 1951 passed the billion-dollar mark for the first time in history.

The Bureau of Statistics reported that shipments in the six-months jumped \$200,000,000 to a new high of \$1,117,700,000--63.7 per cent of Canada's exports.

Shipments to all countries rose to \$1,740,200,000--a \$300,000,000 jump over \$1,430,600,000 in the corresponding period a year ago.

Part of this increase, said the Bureau, was due to price climbs and part to expanded volume. Its earlier reports indicated, however, that Canada was buying from the world a lot more than she was selling and that the gap between exports and imports in the six-month period may run to about \$340,000,000.

In June, said the Bureau, domestic exports maintained its pace increasing to \$312,500,000, up \$23,000,000 from last year's \$289,200,000. Shipments to the U.S. rose to \$190,000,000 from \$179,300,000, but exports to Britain slipped slightly to \$51,300,000 from \$52,800,000. Shipments to Latin-American countries also were down, to \$11,200,000 from \$13,900,000, but Europe, outside of Britain, doubled its purchases to \$32,200,000 from \$16,200,000.

The over-all, six-month export picture with Britain was not encouraging. Though prices had increased sharply the value of Canada's shipments to Britain totalled \$253,500,000, up only slightly from last year's \$235,900,000.

Shipments to the 20 Latin-American countries climbed to \$79,748,000 from \$60,825,000 -- about nine times higher than the 1938 figure of \$9,153,000.

Canada's top export -- newsprint -- rose to \$47,000,000 in June from \$39,200,000, bringing the six-month total to \$248,500,000 from \$235,400,000. Wood pulp, another big export commodity, climbed to \$32,400,000 in June from \$18,100,000, boosting the six-month total to \$163,360,000 from \$91,900,000.

Products in the general category of pulp, lumber and paper accounted for almost one-third of all Canada's exports in the six months, expanding to \$643,123,000 from \$485,324,000 last year.

Chalk River Plant Research: Ottawa, August 9 (CP) -- Both the United States and United Kingdom have told Ottawa Canada's Chalk River atomic project has been "of great value" to their A-bomb programmes and consider it one of Canada's main contributions to joint Western defence, it was learned today.

It also is understood that "quite a bit" of the fundamental nuclear research at Chalk River will contribute to the drive to produce a hydrogen bomb in the U.S.

Across Canada: R.S. McLaughlin of Oshawa, Canadian industrialist long connected with the automotive industry, has donated more than \$1,000,000 for a foundation to promote the health and welfare of Canadians, it was announced yesterday at Oshawa. Known as the R. Samuel McLaughlin Foundation, it will provide financial assistance to graduates of Canadian medical schools who intend to devote their lives, wholly or in part, to medical teaching....

Polish-born Fred Rose, convicted of giving wartime secrets to Russia, was released from St. Vincent de Paul penitentiary yesterday after serving five years and two months of a six-year sentence....

The first grain of what may be a bumper crop is reported to be pouring out the spouts of combines on the Western Prairies but its movement to market will be slowed by limited storage facilities.... The Minister of Transport, Mr. Chevrier, has informed the Halifax Board of Trade that a detailed survey will be made of an airport site on the Halifax side of nearby Bedford Basin.

GOVERNMENT



DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS

OF CANADA

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Vol. 2, No. 155

Monday, August 13, 1951.

Canada's Tank Shell Standard For Allies Ottawa, August 10 (CP) -- The Western Allies have accepted as a standard a new Canadian anti-tank shell that is the most blast word in armor-piercing destructiveness, the Minister of National Defence, Mr. Claxton, said today. Production has already started. The Atlantic pact countries also are close to accepting as a standard both the new Canadian platoon wireless set and a Canadian Arctic cross-country vehicle, the Minister said, in running down the relatively brief list of arms and procedures on which the allies have managed to make standardization work.

At the same time, he told a press conference, Canada is sticking by her interim policy arising from standardization's North failure--the U.S.-U.K. split on a common rifle. That policy is to withhold further major arms shipments to Europe until the rifle situation clarifies, and Canada can decide what she's going to do.

The United States and United Kingdom have agreed, as a result of a conference in Washington last week, to see if they can get together.

Mr. Claxton gave only these facts about the new anti-tank shell: It is called Sabot. It was developed at the Valcartier Quebec weapon-development installation.

It was learned later that it is being produced by the Government's arms firm, Canadian Arsenals Ltd., that they have already produced some thousands, and that it has been evolved from a design Gen. A.G.L. McNaughton, former army chief overseas, was plugging 10 years or more ago. In addition, the Defence Department is understood to be working on a bazooka-type anti-tank weapon to surpass the 3.5 inch U.S. bazooka now in use in Korea.

On defence production, the Minister said Canada's plant at Montreal will hit target production rates for the F-86E Sabre jet fighter soon and that a number of the new anti-sub-escort vessels and minesweepers will be launched in shipyards this fall.

Paratroopers To Korea As Rotation Plan Announced Ottawa, August 10 (CP) -- A one-winter-in-Korea rotation plan for Canada's 25th Brigade was announced today by the Minister of National Defence, Mr. Claxton, who said details will be disclosed in the next few days.

He told reporters Canada has trained 1,600 new paratroopers in the last year--she had between 4,000 and 5,000 a year ago--and this makes it possible to send more of these specialist, primarily home defence troops to Korea as replacements.

At a press conference he said the armed forces now have 82,139 men--75 per cent more than before Korea--that the 27th Brigade has exceeded its original 10,000-man objective and that he is fully satisfied with the manpower situation in the light of Canada's obligations in Korea, Europe and at home.

He gave this broad outline of the rotation plan: "So far as military circumstances permit, we propose to rotate our troops in Korea to ensure that so far as possible, they don't serve more than one winter in that theatre. On the average each man should have a replacement after a minimum of 12 months service in the theatre."

The hope, he said, is to have men of the 2nd Battalion, Princess Patricia's Canadian Light Infantry, home by the end of the year. They got there last December.

TWENTY

His statement indicated that men of the other units in the 25th can expect to spend the coming winter in Korea because they only got there in May.

He pointed out, however, that an armistice could change the picture markedly.

The military situation at the time would largely dictate the policy towards the special force men who enlisted last summer for 18 months and thus will be due for discharge early next year. A lot of them, he predicted, will switch over to the regular army.

Laying stress on the theme that "its all one army"--there have been criticisms that creation of the Special Force 25th Brigade brought about a two-army system--Mr. Claxton said 1,500 men from the pre-Korea regular force units have gone to Korea and more still will go.

Some of them have been drawn from the paratroop units of the 23rd Airborne Brigade, specially earmarked for Canadian Arctic defence, and more would be going. Since 1,600 new paratroopers--the equivalent of two battalions--had been trained in the past 12 months, it was quite possible to send more of them.

Savings Bonds Interest To Be 3 1/2%, Ottawa, August 12 (CP)-- The Government announced last night that the interest rate on its fall issue of Canada savings bonds is being increased to 3 1/2 per cent.

In the five previous issues of savings bonds, the interest rate has been 2 3/4 per cent.

The announcement also said the limit on individual holdings is being boosted to \$5,000. The limit was \$2,000 for the first issue, following the Second World War, and \$1,000 for subsequent issues.

Both moves obviously were aimed at encouraging personal savings as part of the Government's anti-inflationary programme.

Wartime Protection Of Livestock, Ottawa, August 10 (CP)-- The Agriculture Department stepped into civil defence today with the establishment of an organization to protect the country's livestock population against bacterial or biological warfare.

Across Canada: The Canadian Press reports that a federal budget, Canada's second of the current fiscal year, will be brought down by Finance Minister Abbott in the fall session of Parliament. Forest fires flamed over thousands of acres of British Columbia drought-ridden timberlands at the week-end, C.P. reported. Rent control will end in Manitoba September 30, except in municipalities which request the provincial government to continue it.

Labour Minister C. E. Greenlay announced August 10. In week-end sports Marlene Stewart, 17, of Fonthill, Ontario, won the Canadian Ladies Open golf championship, defeating Grace Lenczyk, of Hartford, Conn., one up; the U.S. Davis Cup team defeated Canada in two singles matches to complete a 5-0 series sweep; Hamilton Tiger-Cats defeated Toronto Argos 17-11 in an exhibition of Canadian football in Buffalo; New York Giants professional footballers defeated Ottawa 41-18 in Ottawa, half of the game being played under Canadian and half under American rules.

GOVERNMENT



DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA, CANADA

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Vol. 2, No. 156 Tuesday, August 14, 1951.

Canada To Ask New Gold Deal, Report: Ottawa, August 13 (CP) -- Canada will seek a better deal for her gold-mining industry at financial talks next month in Washington, it was learned today.

Hon. Douglas Abbott, Canada's Finance Minister for the last five years, will take the chairmanship for the first time when delegates from more than 40 countries gather for the joint annual meeting of the International Monetary Fund and World Bank.

The meeting of the six-year-old organizations takes place September 10. The chairmanship is rotated annually.

Two contentious gold topics likely will be discussed: dissatisfaction by producing countries with the world price for gold fixed by the fund; development of a firm policy on the amount of gold the fund will allow members to sell on the so-called "free" market.

South Africa, the world's biggest gold producer, has been critical of the fund's policy to keep the price of gold fixed at \$35 an ounce in United States funds.

Canada, with an eye on her cost-ridden gold mining industry, is preparing to back South Africa for a higher gold price, but only to the extent that such a price will not engender economic chaos.

She is prepared to demand, too, that she get the same concessions granted South Africa which has been selling up to 40 per cent of her production on the "free" market, where gold generally sells for slightly more than the fixed price. Her contention will be that if restrictions are lifted in favour of South Africa, then they should be lifted in favour of Canada as well.

The Canadian gold mining industry has urged the Government to seek a higher world price for gold and to get action whereby operators may dispose of part of their production on the free market.

Canadians In Korea: Ottawa, August 13 (CP) -- The way things look now, a fair number of Canadian soldiers, quite possibly running into the thousands, are likely to find themselves still serving in Korea after their 18-months term of Special Force service is finished.

The reason is that the Army's rotation plan is to be based primarily on time spent in that theatre rather than on the 18-month terms, the basis of Special Force enlistments in the summer of 1950.

No special effort to get men home ahead of the 18-month deadline apparently is envisaged now.

No official figures have been made public, but it is believed roughly half the special force men--that is around 4,000 to 4,500--have indicated they would like their discharge at the end of that term.

Thousands are in Korea with the 25th Brigade--the Special Force's operational name--serving beside pre-Korea regulars and other Special Force men who have elected to join the regular army.

Only broad outlines of the rotation plan have been announced but details are expected in a day or so.

3 1/2% Canada Savings Bonds: The Sixth Series of Canada Savings Bonds will go on sale October 15. It will be dated November 1, 1951, and will mature 10 years and 9 months from date of issue. It will be sold at a price of 100% up to November 15, 1951.

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It will carry 10 interest coupons of 3 1/2%. The first coupon will be payable August 1, 1953, covering a period of one year and nine months (an effective yield of 2% per year during this period). The remaining 9 coupons are payable on August 1st each year thereafter. This will give an average interest rate over the life of the bond of approximately 3.21% per year. Previous issues of Canada Savings Bonds matured in 10 years and paid a straight 2 1/2% per year.

If the new bond is cashed before the first coupon becomes due (August 1, 1953) interest will be paid at the rate of 2% per year calculated to the last full month. After August 1, 1953, interest will be paid at the coupon rate of 3 1/2% per year for each full month which has elapsed since that date.

The limit for holdings in any one name has been raised to \$5,000. The Sixth Series will retain other familiar features of Canada Savings Bonds including redemption at full face value plus interest at any time at any bank in Canada. They will not be transferable or assignable and may be purchased only by residents of Canada.

Broadcasters' Assn. On Freedom Of Information: Ottawa, August 13 (CP) -- The Canadian Association of Broadcasters, representing most of Canada's private radio stations, suggests this country should clean its own house before telling others what to do about freedom of information.

T. J. Allard, the Association's general manager, made this view known in a letter to Escott Reid, Deputy Under-Secretary of State for External Affairs, in commenting on the United Nations draft convention on freedom of information.

Mr. Allard wrote: "Canada is one of the nations which absolutely prohibits the broadcast of news, except such types of news as may be approved in advance by a governmental authority, responsible directly to the executive. Nor is this done directly by legislation, but under means of regulations issued by the CBC."

Sir Gladwyn Jebb's Toronto Speech: Toronto, August 14 (Globe) -- Efforts to turn the United Nations into an anti-Communist organization would, to some extent, defeat the objectives for which the world body was formed, Sir Gladwyn Jebb told a special luncheon meeting of the Canadian and Empire Clubs yesterday.

The United Kingdom's permanent representative to the United Nations spoke to a capacity audience at the Royal York. It was his first address to a Toronto audience.

Sir Gladwyn stressed that developments tending to make the United Nations an anti-Communist organization "are not, in fact, tending to contribute to the strength of the resistance to communism." Apart from the legal disability which makes impossible any expulsion of a permanent member of the Security Council, there were other considerations which would make such a development unwise, Sir Gladwyn said.

Across Canada: Cost-of-living indexes for eight major cities showed increases ranging from 1.8 to 2.8 per cent between June 1 and July 3, the Bureau of Statistics reported.... Alberta crude oil production for the week ended August 6 was up more than 7,000 barrels daily, the Provincial Petroleum and Natural Gas Conservation Board reported.... Farmers of Vancouver Island and the Fraser Valley on the lower mainland, facing a \$10,000,000 crop loss due to two-months' drought, have petitioned the federal Government for immediate aid.... The Winnipeg Tribune today in a front page story quotes a high government official as saying the federal Government is considering abolition of the radio licence fee.... Transit fares in Winnipeg yesterday cost 10 cents for the first time in Winnipeg's history.

The Sixth Series of Canada Savings Bonds will be dated November 1, 1951, and will have a price of 100% up to and 9 months from date of issue. It will be sold at a price of 100% up to November 1, 1951.

GOVERNMENT



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Vol. 2, No. 157

Wednesday, August 15, 1951.

79,785 Immigrants In First Half Of 1951: Nearly 80,000 immigrants entered Canada during the first six months of 1951, the Minister of Citizenship and Immigration, Mr. Harris, announced August 14.

The total of 79,785 newcomers as of June 30, 1951, exceeded by 114 per cent the figure of 37,286 for the corresponding period of 1950, and actually surpassed by nearly 6,000 the total of 73,912 recorded for the entire year 1950.

There was a noteworthy rise in British immigration, with 14,130 British immigrants arriving from overseas as of June 30, 1951, as compared to 6,738 in the same period of last year, a percentage increase of 110. Comparative totals for 1950 and 1951 were English, 4,354 and 8,604; Irish, 721 and 1,153; Scottish, 1,550 and 4,100; Welsh, 113 and 273.

Northern European races contributed 27,427 immigrants to the grand total, as against only 9,751 a year ago. The number of French immigrants was more than quadrupled, the comparative figures being 2,272 and 502, and Belgian immigrants numbered 1,190, as against 229. An outstanding increase was noted in the case of immigrants from the Netherlands, who numbered 11,297, as against 5,306 in the same period last year. More than 8,000 Germans entered Canada during the first six months of the year, the comparative figure being slightly more than 2,000. Marked increases were also recorded by other races. For example, Danish immigrants totalled 2,305 compared to 647; Finnish, 909 over 265; Norwegians, 316 and 106; Swedish, 343 and 54; Swiss, 510 against 219.

An increase in the number of immigrants from the United States was also noted, the 1951 six-months total of 3,688 exceeding by more than 400 that of the corresponding period of 1950.

All other races combined totalled 34,540, compared to 17,553 in the six months ended June 30, 1950, an increase of 97 per cent.

Canada Rejects Freedom Draft: Geneva, August 14 (CP) -- Jean Lesage, chief

Canadian Delegate to the UN Economic and Social Council, today rejected the draft convention on freedom of information as "totally unsatisfactory."

The draft, worked out at an earlier meeting of UN Delegates, outlines certain "permissible restrictions" on freedom of the press and of information.

Mr. Lesage, outlining Canada's position, said that any compromise which might be reached with freedom of the press "would put the seal of international recognition on a set of principles which falls far short of the standard of freedom which is recognized in many countries, including mine."

"We believe it would constitute an invitation to governments to use the convention as a justification for imposing undue restrictions," he said.

"The draft convention has so many loopholes that it could be used to offer unhappily convenient excuses to governments who are currently -- sometimes habitually -- applying press controls in varying degree.

"For other countries like mine, it would mean acceptance in the international field of a limited degree of freedom of information well below the one which we now enjoy."

(over)



With Canadian Destroyers Off Korea: A U.N. Naval Base in Southern Japan, August 14 (CP) -- The Canadian destroyers Cayuga and Huron formed part of a United Nations Naval force which struck last week at the west coast of Korea and now has returned to this base.

In the force were ships from Canada, Britain, Australia, the United States and the Netherlands, including the British carrier Glory and the U.S. carrier Sicily.

Cayuga, setting out for her first patrol since her return to the Far East for her second tour of duty in Korean waters, met with the carrier Glory, and next day was joined by Huron and later by the other ships. It was the Canadian destroyers' task to screen the carriers as they launched their planes to pound the enemy on the coast 70 miles away.

On sallies north to provide advance air warning should the Reds launch an air strike, the Canadian ships made two interceptions. One, investigated by the Cayuga turned out to be a South Korean vessel. The Huron turned up a Russian merchantman, but the Navy didn't say what was done with her.

2,000 Girls For Reserve Air Force: Ottawa, August 14 (CP) -- The RCAF today announced plans to recruit 2,000 girls for the reserve air force beginning September 1.

Recruiting of women for the regular air force began last June and 100 recently arrived at St. Johns, Que., Manning Depot for training.

The 2,000 reservists will be enlisted to work with reserve fighter squadrons, radar and medical units and at reserve headquarters.

Among the open trades are radio and electrical positions, fighter control operators, photographers, clerks, typists, stenographers, aircraft control assistants and mobile equipment drivers.

Across Canada: The heaviest downpour of the year gave some relief yesterday to

Southern Manitoba's late crops and pastures... Maj.-Gen. Henri Alexandre Panet, C.B., C.M.G., D.S.O., 82, one of Canada's most distinguished "old soldiers," died yesterday in hospital at Kingston, Ontario. He had been ill for some time...

Commissioner L. H. Nicholson, who became chief of the R.C.M.P. last fall, is out with several hundred other marksmen in the Dominion of Canada Rifle Association's annual competition. This is his first shoot since he became Commissioner, but he has been in D.C.R.A. competition seven times previously...

William Yalden-Thomson of Toronto has been appointed to a top position with the International Labour Office, it was announced yesterday. He will be chief of the employer relations' division of the International Labour Office at Geneva...

The Army yesterday issued its 44th casualty list of the Korean war, reporting one man wounded...

Factory workers of three Imperial Tobacco Company plants, two in Montreal and one in Hamilton, went out on strike yesterday as a result of a wage dispute.

...Dr. Gordon Jackson, 66, Toronto's Medical Officer of Health for the last 21 years, died of a heart attack August 14 while vacationing at Honey Harbor, Ontario.

GOVERNMENT



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CANADA

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Ambassador To Germany: (Press Release No. 38, August 16) -- The Department of External Affairs announced on August 16 that the Honourable T.C. Davis, K.C., on that date, was presenting to President Theodore Heuss, his Letter of Credence as Canadian Ambassador to the Federal Republic of Germany.

Mr. Davis has been accredited to the Allied High Commission as Head of the Canadian Mission, Bonn, since June 22, 1950. The Mission's new status as an Embassy will mark the resumption of direct diplomatic relations between the two countries.

Record Billion Dollar Crop Possible: Ottawa, August 15 (CP) -- Canada's wheat fields may yield a record billion-dollar crop this year.

In an initial estimate, the Bureau of Statistics today forecast the 1951 wheat crop at 581,678,000 bushels. Barring sudden bouts of storms or frost and providing the wheat turns out to be of high quality, the crop, at current market prices, would be worth more than \$1,000,000,000.

The harvest would be 120,000,000 bushels higher than last year's frost-ravaged 461,664,000 and about 15,000,000 higher than the previous record of 566,000,000 in 1928.

It would be more than sufficient to meet Canada's export commitments of 231,000,000 bushels; domestic needs of some 155,000,000 and the 100,000,000 bushels or so required to bridge the gap between the end of the crop year July 31 next and the beginning of new production some six weeks later.

It could be a headache, too. The lakehead's and country elevators are jammed with some of last year's stocks still unmoved because of a shortage of box cars and lake vessels. The big bumper crop, if realized, would create a new storage and equipment crisis.

A wheat crop of the predicted size, said the Bureau, would be about 47 per cent higher than the five-year, 1946-50 average of 395,000,000 bushels and 50 per cent higher than the 10-year, 1941-50 average of 387,000,000.

Big contributing factor was an estimated record 549,000,000 bushels to come from the Prairies, where acreage is down from a year ago but the yield of 22.4 bushels per acre sharply higher than last year's 16.5. The all-time high yield per acre was 26 in 1928.

The record Prairie crop would compare with 427,000,000 bushels last year and the previous high of 545,000,000 in 1928.

Winter wheat, mostly in Ontario, was estimated at 26,701,000 bushels, a drop from 30,067,000 a year ago.

Wheat acreage for all of Canada was trimmed to 25,731,300 from 27,021,000. Spring wheat acreage declined to 24,820,000 from 26,093,000 and winter wheat to 911,300 from 928,000.

The Bureau estimated optimistic harvests for mixed grains as well.

Statement By Mr. Pearson: The following statement was made by the Secretary of State for External Affairs, Mr. Pearson, at his press conference in Ottawa on August 16:

"Immediately on receipt of a news report on Thursday last, confirmed shortly afterwards by our Embassy in Washington, that the name of a Canadian official had been mentioned in the hearings of a U.S. Senate Sub-Committee on Internal Security, the verbatim record of those hearings was requested. It was impossible to get that verbatim record until Monday afternoon. After examining this record, a message was immediately sent to our Embassy in Washington requesting them to inform the State Department of our surprise that the name of a highly respected and trusted senior official of the Canadian Government had been mentioned in a way which could not fail to prejudice his position.

(over)

"We emphasized our complete confidence in Mr. Norman and requested that the Congressional Sub-committee be informed of this fact, and of our regret and annoyance that his name had been dragged into their hearings by their Counsel on the basis of an unimpressive and unsubstantiated allegation by a former Communist.

"We expressed the hope that the Committee would instruct their Counsel to act differently in future in matters which concerned officials of this Government, adding that we expect that if in investigations by committees of this kind in Washington, names of Canadian officials appeared, that these names should not be made public but that the normal practice should be followed of sending them to the Canadian Government through normal diplomatic channels. The allegations made could then be investigated here and the results of the investigation given to all those concerned. We have our own methods of security investigation in Ottawa, which may not be the same as those employed in Washington, but which we consider to be both fair and effective."

Trade Deficit In Record Export, Import Totals: Ottawa, August 15 (CP) -- Canada

got the short end of the stick on world prices last year. On the whole, she increased the price of exports by five per cent, but other countries shot up the price of goods Canada imported by seven per cent. This, said the Bureau of Statistics today in an 85-page review of 1950 foreign trade, was one reason why Canada recorded a trade deficit when she was doing the biggest foreign trade business in history.

The jump in import prices over export prices, added the Bureau, "has weakened the relatively favourable terms of trade which Canada has enjoyed in the post-war period."

Both exports at \$3,157,200,000 and imports at \$3,174,300,000 were all-time highs.

Other significant trends:

1. Canada was tending more and more to put all her trading eggs in one basket--the United States. She did 66 per cent of all her trade with the U.S., and only 13.8 per cent with Britain and 20.2 per cent with other countries.
2. Though population was increasing, so were exports and imports on a per-capita basis. Last year it was \$225.24, a \$5-per-person jump from \$220.90 in 1949. Imports climbed to \$229.27 from \$203.79.
3. Though Canada was trying hard to become an industrial country, primary products still predominated among exports. Ten primary commodities accounted for more than one-half of total shipments.

Says St. Lawrence Power Needed For Rearmament: Toronto, August 16 (Globe) -- Ontario

Hydro Chairman Saunders yesterday warned "selfish interests" in United States that further blockading of the St. Lawrence River development might jeopardize the U.S. rearmament programme by handicapping important Ontario industries.

"Many highly essential war industries are customers of Ontario Hydro," he said, "Let us not think for a minute that their products are used only in this country. They are highly essential to the U.S. war effort as well."

The hydro chairman spoke on the 26th anniversary of the death of Sir Adam Beck, founder of Ontario Hydro.

"I hope our Government will go ahead with the St. Lawrence development alone," he said, "and also that Ontario will be permitted to proceed with its application for the joint power development with New York."

He said the power demands in Ontario by 1955 would be 107 per cent higher than at the end of the Second World War.

Across Canada: Maj. Desmond Burke, 46-year-old Toronto and Ottawa rifleman,

yesterday won the shoot-off to win the silver medal in the Macdonald Match at the 83rd annual Dominion of Canada Rifle Association shoot at Connaught

Rifle Ranges... Canadians financed 11,777 new automobiles to the extent of \$17,823,756 in June despite government credit restrictions stipulating one-

half down and 12 months to pay the remainder. But the June figures were down 15 per cent in the number of new cars financed and 8 per cent in the

amount of the financing... The R.C.A.F., faced with a shortage of doctors, has gone overseas to make up the deficiency. Nineteen young Britons, mainly Scots and all qualified medical men, have been recruited and given the ranks of flight lieutenant and three-year commissions. A lot more want to come.

GOVERNMENT

DAILY AIRMAIL BULLETIN



INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS

CANADA

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Minister To Head San Francisco Delegation: The Secretary of State for External Affairs, Mr. Pearson, announced in his press conference on August 16, that he would head the Canadian Delegation to the San Francisco conference for the signing of the Japanese Peace Treaty and that the other members of the Delegation would be Mr. R.W. Mayhew, Minister of Fisheries, and Mr. E.H. Norman as Chief Adviser. He added that other advisers might be sent as required.

Canadian Rearmament And U.S. Orders: Ottawa, August 16 (CP) -- Crawford Gordon, Jr., said today that Canada is solving arms-making problems faster than expected and the outlook now is that more than \$1,000,000,000 worth of new orders will be placed in plants by next spring.

The defence-production co-ordinator, assessing rearmament in Canada in view of peace talks in Korea, added in an interview that the possibility of a Korean peace would have no impact on defence production.

The gaps between placing orders and deliveries off assembly lines will be narrowed during the next few months, putting increased pressure on supplies of labour and materials.

"As the programme is accelerated, supplies of civilian goods will become tighter," he said. "This will mean, particularly, that there will be less steel, copper, aluminum and brass available for civilian goods."

The 38-year-old Toronto industrialist, who six months ago helped launch a three-year \$5,000,000,000 defence programme, made these other points:

1. Though most production problems have been ironed out, there is still a big headache in machine tools. A shortage is being overcome through recent changes to the Canada-United States Joint Industrial Mobilization Committee.

A new sub-committee will study how the two countries can best work together to overcome the shortage.

2. The road now has been opened by which Canada can get more arms orders from the U.S., but whether she actually gets them will depend on initiative.

The defence co-ordinator expressed satisfaction with a directive by Gen. George Marshall, U.S. Defence Secretary, lifting the ceiling on U.S. arms purchases in Canada to \$300,000,000 a year from \$100,000,000.

3. Canada's arms orders in the U.S. are well ahead of U.S. orders in Canada, but the co-ordinator hopes that by the time the three-year programme is over, the placing of orders will have evened up.

4. At the rate Canada's defence-production programme now is growing, it would reach maximum output by the end of 1952.

On an industrial planning basis, he said Canada's relations with the U.S. are "excellent." But that does not preclude the U.S. from thinking more in terms of U.S. equipment rather than Canadian.

"If we want more orders, it is up to us to get out and get the business," he said.

U.S. Senate Sub-Committee References: Ottawa, August 16 (Globe & Mail) -- Anger mounted in the East Block of the Parliament Buildings today as Canada's protest against last week's mention of Herbert Norman, senior Canadian diplomat, in connection with Communist associations before a subcommittee of the U.S. Senate, was followed by reports of similar references to two unnamed Canadian officials. For the second time in a week the Department of External Affairs sent the Canadian Embassy at Washington hunting for the verbatim record of proceedings before a congressional committee in order to find out just what, if anything, was said about its employees, so that it could investigate and act.

Today the Embassy's task appeared to be more difficult than before because the references to two officials were reported by a Hearst paper in New York to have been made in executive session, and there may be no public record. Yet it was felt any publication of suggestions that some Canadian officials had Communist contacts tended to reflect on Canada as a whole and on the reputations of officials who have no way of defending themselves.

The Secretary of State for External Affairs, Mr. Pearson, at a press conference this morning, said he had instructed the Chargé d'Affaires at Washington, W.D. Matthews, to tell the State Department of the Canadian Government's regret and annoyance at the way Mr. Norman's name was treated in the senate Sub-committee on internal security last week.

Mr. Pearson said this was not a protest in the diplomatic sense of the term since it was not conveyed in writing, but by word of mouth and in a friendly way. Yet the message is the sharpest observers here can recall having been made public as sent from the Canadian to the U.S. Government. If there have been any sharper messages in recent years they remain locked in secret files.

A few hours later some American papers carried a report that two unnamed Canadian officials had been mentioned as having had associations in an executive session of the committee, apparently yesterday.

Mr. Pearson described this as "rather nasty" and ordered an immediate effort to track the statement down. The fact that no names were mentioned in the new report was even more annoying to the Department than the direct reference to Mr. Norman, the head of the American and Far Eastern Division of the Department and acting Canadian Delegate to the United Nations last week.

Wheat Flood and Shipping Controls: Ottawa, August 16, (CP) --

The possibility loomed today that the Government may soon implement shipping controls to avert the threat of the greatest transportation crisis to hit Western grain producers.

The shipping shortage, acute throughout the summer, grows more ominous with the prospects that Canada may harvest a record 582,000,000-bushel crop this year.

Transportation authorities said the controls could be imposed by the appointment of a controller with power to requisition ships, break shipping contracts and force operators to haul grain only.

However, officials were gloomy over prospects that even this move would alleviate a Great Lakes haulage squeeze. The crux of the problem was lack of ships, with no possibility of getting more before the freeze-up next winter.

Officials said if more ships are switched to grain, less transport will be available for priority iron ore and coal needed in Canadian and American defence production. This could lead to possible shut-downs and pockets of unemployment in heavy industries.

French Speaking Canadian Major-General: Ottawa, August 16, (CP) --

The Army announced today it is promoting a French-Canadian to the rank of Major-General for the first time since 1948. The appointment will make Brig. J.P.E. (Paul) Bernatchez, C.B.E., D.S.O., C.B., 40, the only French-Canadian among officers in the two top ranks of all three armed forces.

Across Canada: Lieut. Gilmour S. Boa, 27-year-old 48th Highlanders officer from

Toronto, yesterday won the shoot-off to win the qualifying round of the Governor-General's Prize at the 83rd annual Dominion of Canada Rifle Association shoot.... A 25-year old Toronto housewife, Winnie Roach Leuszler, mother of three, yesterday became the first Canadian woman ever to swim the English Channel when she finished second in the £7,000 Daily Mail race, the Canadian Press reported from Dover, England.... A large Dutch immigrant movement to Canada this summer will reach an average of 100 persons per day when the S.S. Volendam arrives at Quebec City this morning, August 17, the Montreal Gazette reports.... A touring group of 50 teen-age girls from the U.K. called on the Prime Minister and dined with him at his new home on August 15.

GOVERNMENT



DAILY AIRMAIL BULLETIN

INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA, CANADA

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Vol. 2, No. 160

Monday, August 20, 1951.

Replacement Drafts For Korea: Ottawa, August 19 (CP) -- Defence Headquarters
announced today the first two replacement drafts will leave Canada in September or early October to relieve Canadian troops being transferred home from Korea. Disclosing some details of the army's plans for rotation of its Korean troops, a Headquarters statement said the replacement drafts will include two rifle companies from the 1st Battalion, Princess Patricia's Canadian Light Infantry, followed by the Headquarters Company and a quota of miscellaneous personnel. The support company of the 1st Battalion and a company to be formed from the P.P.C.L.I.'s 3rd Battalion will follow later.

The first troops to return home under the rotation policy will be men of the 2nd Battalion of the Patricias, who have been in the Korean war theatre since last December.

Seek Veterans For Paratroop Training: West Sector, Korea, August 19 (CP) -- Canada's 25th Brigade has been told the first of its men will head home on "rotation" leave in September and that hundreds of others can get home early, too, if they volunteer to become paratroopers. More than half the 800 to 900 men of the 2nd Battalion of the Princess Patricia's Canadian Light Infantry qualify for a return to Canada before Christmas under details of the rotation plan announced here yesterday. They were jubilant men tonight.

But for the bulk of the Brigade, here only since spring, the announcement meant their year in Korea won't be up until after the coming winter. Then, the announcement said, they'll go home, too. In two important ways, the plan links the 25th with the home-defence 23rd Brigade, the specialist Arctic-airborne formation Canada declined to send to Korea last summer, on the grounds it had to be kept at home because it was specially trained for home defence. They are: Roughly half the 1st Battalion of the Patricias, one of the three battalions in the 23rd, is heading for Korea in September or early October to replace the Patricias of the 2nd Battalion entitled to go home. The Defence Department has announced it would like to have 600 of the 25th's battle-wise soldiers volunteer to go home for paratroop training. This would help along a plan to have two instead of one mobile striking groups -- the 23rd is one -- for Canadian defence.

Reported Evidence Unconfirmed: Ottawa, August 17 (CP) -- The Canadian Embassy at Washington has been unable to obtain any Congressional Committee evidence linking two Canadian officials with Communist espionage agents in the United States, an External Affairs Department spokesman said today.

The Embassy spent the whole day fruitlessly trying to track down the source of a report in the New York Journal-American yesterday that "two Canadian Government officials of high rank" had been listed before a Congressional Committee as associates of Red espionage agents.

The Embassy, it was understood, was able to get a copy of the transcript of the reported evidence before an "executive" -- secret -- session of the United States Senate Sub-Committee on Internal Security.

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"They haven't been able to find out a thing," said the spokesman after a day of telephone talks with the Washington Embassy.

Polish Consul Resigns Post: Ottawa, August 17 (CP) -- A recent purge of high Army officials in Communist-dominated Poland tipped the scales for Zygmunt Ziemiński, Polish Consul in Canada. He announced today that he has resigned his diplomatic post and intends to stay in Canada.

Latest of a wide group of diplomatic representatives from Poland and a number of other Russian-dominated countries to take the step, the 59-year-old Consul said he took the decision "after thinking of it for a long time."

Mr. Ziemiński, until yesterday Polish Consul at Winnipeg, was Polish Consul in Montreal from May 1946 until November 1947 when he was transferred to Winnipeg.

Mr. Ziemiński left Winnipeg Wednesday, conferred with Government officials here, and announced his decision in a 200-word typewritten statement to the Canadian Press.

The Canadian Government, he said, has granted him permission to stay. His resignation went by cable yesterday to the Polish Minister of Foreign Affairs in Warsaw. Officials of the Polish Legation, which has been without a Minister for some months, were not available for comment.

Count de Bernonville Leaves For Brazil: Montreal, August 18 (Gazette) -- Count Jacques Duge de Bernonville, sabre-scarred nobleman under sentence of death for wartime collaboration in his native France, left Montreal Airport quietly last night on a one-way ticket to Rio de Janeiro, Brazil.

An official said de Bernonville's travel permit carried a Brazilian visa which stated he was being admitted "for permanent residence."

De Bernonville, who has been living illegally in Canada for the past five years, refused to discuss his journey with reporters. "All I will say is that I like Canada and Canadians very much," he said.

\$21,000,000 Paper Mill Expansion: Quebec, August 17 (CP) -- Premier Duplessis announced today that Howard Smith Paper Mills Limited will spend \$21,000,000 on expansion of its wood products plants at Windsor Mills, Quebec, and Crabtree Mills, Quebec.

The company will spend \$7,000,000 on a five-year plan of enlarging its pulp mills at Windsor Mills, in the Eastern Townships.

Across Canada: A committee in charge of arrangements for the October tour of Princess Elizabeth and Prince Phillip will begin an aerial trip along the Royal Route this week to confer with local officials. ... Canada's mineral production is heading for a new all-time dollar-value record this year.

If production is maintained at the rate established for the first five months of the year and metal and mineral prices hold, as is altogether likely from present indications, a figure of \$1,100,000,000 or more is predicted. This would compare with the 1950 record of \$1,040,000,000, the Globe and Mail reports. ... Cost of fighting forest fires in British Columbia this year to date is \$641,348, more than six times the amount to the same date last year.

Harold C. Gunter, 19-year-old Saint John, N.B., cadet officer, won the Governor-General's gold medal prize Saturday at the 83rd annual Dominion of Canada Rifle Association shoot. ... Seeking publicity for his Eastern Townships "pearl" town, Mayor Ernest Simard, of Magog, Quebec, parachuted on Sunday from a plane into Lake Memphremagog.

GOVERNMENT



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CANADA

OTTAWA - CANADA

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Vol. 2, No. 161 Tuesday, August 21, 1951.

Reds Suggest Truce And Party In West-Central Sector, Korea, August 21 (CP) -- Eight Chinese infantrymen today suggested to patrolling Canadians that they cease hostilities during the Kaesong peace talks. They also suggested a party between the lines. (The Associated Press reported yesterday in a dispatch delayed by censor that such notes are being sent and that possibly they are aimed at damaging morale and causing Allied troops to relax their vigilance.)

The proposal, which rocked staff officers at Canadian Brigade, Commonwealth Division and the United States Corps Headquarters with surprise, was transmitted by a Korean woman civilian. She handed a glazed yellow envelope to a Royal Canadian Regiment corporal and disappeared while the troops opened it and read the contents. Written in good handwriting on fine quality plain paper, the letter was assigned by battalion commander Ching Che of the Chinese People's Volunteer Forces, and by Donj Quie on behalf of a "delegation of the privates." It said the Kaesong talks now are a month old and still "you are forced to be here carrying on this war, to do every day such senseless bloody affairs, every moment you have a danger of getting killed if unfortunate, then you will never be able to see your loved ones." It said "we are willing to meet you so that there may be something good for peaceful settlement of Korean problems and make the obstinacy of the peace talks slow down. Therefore the peace talks can be continuation and meanwhile casualties on both sides may be eradicated while the peace talks goes on."

Report Objective Of Two Battle - Trained Formations: Ottawa, August 20 (CP) -- The long-range aim of the rotation policy for Korea is to switch the manpower of the 23rd and 25th Brigades so that campaign experience will at least yield Canada the harvest of two battle-trying formations.

Both eventually will be paratroop formations capable of defending Canada under the special conditions that would apply here in any major war.

The world situation could alter the plan, but at present the aim appears to be this: During the next six to eight months, the men of the specialist, Arctic-airborne home defence 23rd Brigade are going to Korea to gain battle experience. During the same period, the men of the 25th Infantry Brigade are coming home.

In time, both the 23rd and 25th would be paratroop brigades, changing the so-called mobile striking group for home defence from a one to a two-brigade outfit--except that, as long as the Korea war continues, one will be tied up there.

Says Trade Pattern Worrisome: Toronto, August 21 (Globe) -- In spite of the fact that Canada is in the midst of both a domestic business and a foreign trade boom, there is plenty to worry about, John A. Marsh, General Manager of the Canadian Exporters' Association, said in a speech prepared for address to the Sarnia Rotary Club yesterday.

"We are worried that whereas we used to buy and sell with nearly all countries of the world--almost a hundred of them--that now we are trading with comparatively few, and one country alone, the United States, is taking seventy per cent of our total exports--most of it raw materials, little of it consumer goods."

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High-Pressure Stock Selling Probe: Toronto, August 21 (CP) -- United States

officials who complained about high-pressure stock selling across the international border have decided against coming to Canada to elaborate on their complaints.

Harry A. McDonald, Chairman of the U.S. Security Exchange Commission, sent word yesterday that he and his colleagues will not appear before the Ontario Legislature's crime committee, which resumes hearings today.

Rt. Hon. Arthur Henderson's Visit: Ottawa, August 20 (CP) -- Rt. Hon. Arthur

Henderson, British Secretary of State for Air, is to arrive in Canada August 23 for a week's visit, the Defence Department announced today.

Mr. Henderson's itinerary includes visits to air force stations in the Maritimes, Quebec, Ontario and Manitoba. He will also tour aircraft plants in Toronto and Montreal, and will hold brief talks with the Cabinet Defence Committee and the Chiefs of Staff Committee.

The British Air Secretary will be accompanied by Air Chief Marshal Sir Leslie Hollinghurst, member of the Air Council, responsible for personnel.

Across Canada: River crossing facilities at Windsor should be closed except for civil defence personnel, equipment and food in case of disaster, it was agreed yesterday at a meeting of border authorities and civil defence officials of Windsor and Detroit.

The British Columbia forest fire hazard worsened yesterday as drought-ridden timberlands scorched under a boiling sun. Industrial employment and average weekly wages and salaries in Canada reached new highs in June, the Bureau of Statistics reported.

The Army was reported by C.P. to be searching for a vast year-round training area between a third and half the size of Prince Edward Island. Canadians bought more new cars in 1950 than in any previous year. The Bureau of Statistics reported that the sales totalled 324,903 new cars, compared with 202,318 in 1949.

Report Objective of the Little - Trained Personnel: (CP) August 20 (CP) -- The long-range aim of the rotation policy for Korea is to switch the manpower of the 23rd and 25th Divisions so that campaign experience will be least field Canada the benefit of two Pacific-front formations. Both eventually will be ported to the Pacific front in any major war. The world situation could alter after the plan is presented to the Atlantic Airborne Home Defense 23rd Divisions are going to Korea to gain battle experience. During the same period, the rest of the 23rd Infantry Division are coming here. In time, both the 23rd and 25th would be ported to Korea, changing the so-called mobile striking group for home defense to a two-division outfit - except that, as long as the Korea war continues, one will be held there.

Maya Trade Pattern Worsens: Toronto, August 21 (CP) -- In spite of the fact

that Canada is in the midst of a hectic business and foreign trade boom, there is plenty to worry about, John A. Murray, General Manager of the Canadian Exporters' Association, said in a speech prepared for delivery to the Carina Rotary Club yesterday.

"We are worried that whereas we used to buy and sell with nearly all countries of the world - almost a hundred of them - that now we are trading with comparatively few, and one country alone, the United States, is taking seventy per cent of our total exports - most of it raw materials, little if consumer goods."



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Vol. 2, No. 162

Wednesday, August 22, 1951.

Imports From U.S. Main Factor In \$340,000,000 Trade Deficit: Ottawa, August 21

(CP) -- An unusual \$5,000,000 deficit in Canada's world trade in the first half of 1950 snowballed into a \$340,000,000 deficit in the first half of 1951, the Bureau of Statistics reported today.

The deficit--compared with surpluses in past years--developed partly from these problems:

1. An upsurge in purchases from the United States with no countering balance in sales.
2. A weak, meandering trade with Britain resulting in a sharp slump in trade surpluses.
3. A continuing demand in Canada for raw materials and finished goods partly to help Canada become a more powerful industrial country.

Canada's total trade for the first six months reached a record \$3,865,000,000, up almost \$1,000,000,000 from \$2,901,200,000 in the first half of 1950.

Imports, mostly from the U.S., rose to a record of \$2,102,400,000, up almost \$700,000,000 from \$1,453,100,000 in 1950. Exports did not maintain the pace, climbing only \$300,000,000 to a postwar record of \$1,762,600,000 from \$1,448,100,000.

June told the same story as previous months. Imports climbed to \$360,400,000 from \$282,500,000 a year earlier. Exports increased only to \$315,800,000 from \$291,800,000, causing a monthly deficit of \$44,600,000, compared with a small surplus of \$9,300,000 last year.

Purchases from the U.S. in June climbed to \$241,500,000, a sharp, 28.8 per cent jump from \$188,300,000 last year, bringing the half-year total to a record \$1,471,000,000 from \$1,004,500,000.

June exports to the U.S. increased to \$290,500,000 from \$179,800,000, bringing the six-month total to \$1,126,900,000 from \$916,900,000.

The resulting deficit rose to \$344,100,000, about four times the \$87,600,000 deficit in 1950, but still \$144,000,000 below the \$488,000,000 unfavourable balance in 1947.

On the other hand, sales to Britain in June declined to \$51,400,000 from \$52,600,000 last year, bringing the six-month total to \$254,200,000 from \$237,100,000.

Imports from Britain, however, were moderately higher at \$39,900,000 against \$37,100,000, increasing the six-month total to \$224,600,000 from \$187,200,000.

The result was that Canada's usual surpluses in trade with Britain which in 1947, for example, reached \$269,000,000 for the half year, dropped to a mere \$29,600,000 in 1951.

J.S. Asks Law Change To Curb Stock Frauds: Toronto, August 22 (Globe) -- Ontario's crime committee was told yesterday that swindling of U.S. citizens by Toronto-based fraudulent stock-pushers can only be stopped through a complete revision of the U.S.-Canadian extradition treaty.

Richard B. McEntire, a Commissioner of the U.S. Securities and Exchange Commission, told Ontario investigators in an 8,000-word letter that the present treaty, drawn up early in the century, would have to be broadened to include security frauds, as they have developed in recent years, as extraditable offenses.

"The criminal laws of our two countries have kept up with these developments," he wrote. "Our treaties have not."

... ..

His letter, outlining SEC operations and proposals, was read into evidence by Attorney-General Porter, while O.E. Lemnox, Ontario Securities Commissioner, was in the witness chair.

Mr. McEntire said activities of a small group of telephone and mail-order dealers in Toronto had been so widespread that a general distrust of investment in any Canadian stocks had grown in some sections of the United States.

Grain Tie-Up Held Critical From Defence Standpoint: Ottawa, August 21 (CP) -- A Commonwealth official said today that Canada's transportation shortage becomes a matter of urgency in view of the potential threat of war in Europe.

A slowing-down in grain movements to Canada's traditional European markets, he said, could bring chaos if the Communists decided to launch a war in Europe this fall.

The official, who asked not to be identified, said he had been watching the shortage develop since last spring. Providing no war developed it would not at the moment greatly affect Canada's European wheat customers, including Britain.

Britain had a "fairly good" stock-pile of wheat and could get along so long as there was a "minimum" movement of Canadian wheat overseas. But there could be a calamity if a war suddenly broke out. "And historically," said the official, "war in Europe breaks out in the autumn--right after the autumn harvest."

Under the International Wheat Agreement Canada has an export quota of 231,000,000 bushels of wheat to be filled by July 31 next. Of this about 115,000,000 will go to Britain.

Premier Frost Urges Lone Action On Seaway: Ottawa, August 21 (CP) -- Premier Frost of Ontario said today he is convinced Canada can go ahead alone with development of the St. Lawrence seaways and power project.

In an interview following discussions with the Prime Minister, Mr. St. Laurent, and the Minister of Finance, Mr. Abbott, Mr. Frost said the St. Lawrence projects are not too big for the people of Canada.

The Premier said he discussed the credit situation generally with the federal authorities. During the discussions reference was made to the financing of the St. Lawrence seaway and power projects.

The people of Ontario, he said, are interested as Canadians in the development of the seaway. But they are fundamentally interested in the power end of the project.

While the total cost of the power development would be great, it would still be more favourable per horsepower than any power project now contemplated by the Province.

He declined to say whether he had received any indication that Canada may go ahead alone with the seaway project. It was his view that Canada could go ahead alone.

Permanent Defence Board Discusses Arctic: Edmonton, August 21 (CP) -- The Joint Permanent Defence Board of Canada and the United States met Monday to discuss defence at the top of the world.

Gen. A.G.L. McNaughton, Chairman of the Canadian section of the Board, said the party of 11 military government officials will study defence problems in the Canadian Northwest.

Across Canada: Eleven candidates have been nominated to contest an election aimed at giving residents of the sprawling Northwest Territories some measure of responsible government. Three of the candidates will be elected to an eight-man Council of the Northwest Territories. The remaining five members will be Government appointees... The Winnipeg Ballet will present a command performance at the Civic Auditorium for Princess Elizabeth and the Duke of Edinburgh during their visit to Winnipeg October 9... A silver casket containing the ashes of a British Columbia totem pole will be presented to the winning team in the England v. Canada test match opening in Vancouver Friday. The totem ashes, comparable to the famed Ashes for which England and Australia compete, will be a permanent symbol of cricket supremacy between Canada and England.

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Thursday, August 23, 1951.

27th May Move To Germany This Fall, Report: Ottawa, August 22 (CP) -- General Eisenhower would like to see Canadian troops in Europe this year. Present signs are that he will get his wish.

Parliament, due to resume sittings October 9, is expected to be asked for early approval of movement of the Army's 27th Brigade group to Germany before snow flies.

An R.C.A.F. fighter squadron, forerunner of an 11-squadron air division, would leave about the same time as the soldiers, probably in October or November.

With those movements, Canada's manpower commitments for the great Atlantic Pact experiment in deterring war through strength applied at a strategic spot would be really on their way to fulfillment.

Korea has hovered like a shadow over them. This week's announcement that both the 23rd and 25th Brigades are to be linked together in the Korean commitment does not entirely remove it from consideration.

The possibility that the armistice negotiations may give way to savage fighting is one that has kept Cabinet from jumping in and making any quick decision about movement of the 27th, third and last Brigade in the Army. The reason is that it is conceivable some of its men may be needed in Korea.

So far as is known no final decision about the movement to Europe has been made by Cabinet but the question is very much in the wind. The Army is anxious for definite orders, one way or the other and has advised that the Brigade should move either this fall or next spring, not during the winter.

The 27th now has 10,800 men. Between 6,000 and 7,000 of those would go to Europe. The balance would stay in Canada as a replacement group to train for rotation purposes. After a year abroad, married members of the 27th would come home and someone else would go over. For single men, the term is two years.

Two headaches affecting the movement are shipping space and accommodation in Germany. Neither now is considered insuperable. In fact, if the 27th stayed in Canada, the Army itself would have space problems.

U.S. Ambassador Speaks On Defence: Ottawa, August 22 (CP) -- Stanley Woodward, United States Ambassador to Canada, today told an international-day luncheon at the Central Canada Exhibition that Canada and the United States must "keep musket and powder horns ready."

He said the continent must be prepared to defend itself from an enemy "that has exactly the same designs on us as did the Red Indians 100 years ago."

Mr. Woodward said the Pax Britannica, protection of the North American continent by Great Britain, was merely a "nostalgic memory and the continent could no longer enjoy such security."

"A new enemy, like the Redskins of old, would kill us if he could. We are back where we started."

He said that if North America did not keep its defences there would be "small hope for world salvation."

"We are not doing a bad job," he said, "but years of effort still lie ahead of us."

(over)

Crimes Committee On Fraudulent Stock Sales: Toronto, August 22 (CP) -- The existence of mysterious "Mr. Bigs" behind broker-dealers who have persistently "given trouble" to the Ontario Securities Commission was disclosed today by Commission Chairman O.E. Lennox.

Testifying before the Legislature Crime Committee, investigating crime conditions in Ontario, Mr. Lennox said many fraudulent stock sales responsible for criticism from the United States "could be traced down to a very few people, if you got the man behind them."

He indicated that more than one "Mr. Big" exists and charged that the group of shady broker-dealers were split into two factions, with different heads manipulating each.

Pact Conference Security: Ottawa, August 22 (CP) -- The Army and R.C.M.P. are co-operating in preparing security arrangements for the meeting of the Pact Council, Ottawa's biggest international gathering in years. They have two aims--protection of people and protection of secrets.

Already civil servants involved with the sessions, are being asked to fill in security forms, telling about their background, where they go to church and other things. The same sort of check is reported being made of certain groups of hotel employees.

Mounties both in uniform and plain clothes are expected to be on duty along with members of the parliamentary protective staffs. Behind the scenes, the Army and Mounties are expected to watch closely for any signs of illegitimate interest in proceedings.

Mr. Mutch Visiting London D.V.A. Office: Ottawa, August 22 (CP) -- Leslie Mutch, Parliamentary Assistant to Veterans Minister Lapointe, is leaving for England this week to visit a Veterans Department office that sends cheques, among other places, behind the Iron Curtain.

He will visit D.V.A.'s London office, one which mails out cheques worth \$4,500,000 a year to former Canadian servicemen entitled to war pensions and living in many countries.

Of these overseas pensioners, 7,143 live in the United Kingdom, 19 in Russia, 36 in Africa, others in Greece, Pakistan, Denmark and Norway. Most of them are veterans of the First War who emigrated to Canada, enlisted in the Canadian forces and later went back home.

B.C. Forest Fires In New Fury: Vancouver, August 22 (CP) -- Forest flames exploded tonight with renewed fury across British Columbia timberlands.

The fires threatened the homes of dozens of families, raced across hundreds of acres of timber as more than 2,000 firefighters fought the flames.

Many of the fires were uncontrolled, ranging from Vancouver Island, one a scant 25 miles from Victoria; along the Fraser River, where fishing communities were threatened; and into the southern interior, 300 miles from Vancouver.

Millions of feet of timber have been destroyed, and logging and mill machinery ruined by flames.

Across Canada: Six RCN patrol craft, manned by naval reservists from the Great Lakes, will travel from Kingston to Ottawa through the Rideau Canal system this month, naval headquarters announced.

The cruise will mark the first time warships have navigated the waterway linking the two cities....John P. Bickell, Toronto mining financier, died in New York City August 22....Fifty Canadian "Ambassadors" just returned from a tour of Britain were feted at Royal Victoria College yesterday.

The "Ambassadors"--50 school-girls, aged 16 and 17 years, from across Canada --were welcomed back by W. Garfield Weston, who had sponsored their tour. Mrs. Weston was also on hand to greet the group.

GOVERNMENT



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Vol. 2, No. 164

Friday, August 24, 1951.

Canada, U.S., Japan In Fisheries Treaty: Ottawa, August 23 (CP) -- Canada, the United States and Japan are joining in a three-power treaty for the protection and conservation of West Coast fisheries.

The negotiations opened some weeks ago, officials here disclosed today, and the Minister of Fisheries, Mr. Mayhew, now is on the West Coast discussing the treaty provisions with representatives of British Columbia's fisheries industry.

The treaty is being negotiated under the newly-drafted Japanese peace treaty, which requires Japan to enter promptly into negotiations for fisheries agreements with signatory countries so desiring.

Canada, as one of the Allied nations which defeated Japan in the Second World War, is going to San Francisco for the peace treaty signing conference opening there September 4.

A Washington dispatch today suggested the fisheries treaty might be ready for signing before the end of the year.

However, Government sources here expressed doubt that it would be ready that soon.

The treaty will call upon each of the three countries to recognize the rights of the others and the integrity of their coastal waters. It also will deal with conservation problems.

Congressional Security Probe: (Press Release No. 39, August 24) -- The following statement was issued by the Department of External Affairs on August 24:

In reply to repeated enquiries that have been made, the Department of External Affairs wishes to state that in spite of constant efforts, it has been unable to obtain any information from the Senate Sub-Committee on Internal Security about charges which, according to reports in some United States newspapers, have been made before the Committee against high but unnamed officials of the Canadian Government. It is to the Department as unsatisfactory as it is surprising that, a week after they were given currency in the press, no opportunity has been given of considering charges which, if they had any foundation at all, would be of grave consequence to those concerned and to the Canadian Civil Service.

Ontario Legislature Crimes Committee: Toronto, August 23 (CP) -- At the sitting

of the Ontario Legislature's Crimes Committee today, O.E. Lennox, Chairman, said the Toronto fly-by-night brokers who flood the U.S. with literature promising overnight wealth from Canadian speculations find their victims through long "sucker" mailing lists which they obtain at high cost from New York and Chicago concerns.

He said the smartest of the long-distance telephone stock salesmen were Americans operating from Toronto.

Colombo Plan Aid To Ceylon: Ottawa, August 23 (CP) -- Donald Haywood, fisheries expert from British Columbia, will leave Canada soon for Ceylon to study possibilities of expanding the fishing industry there.

The 43-year-old native of Vancouver, an executive of British Columbia Packers, Ltd., has been selected as the first Canadian expert to go to Ceylon under technical assistance provisions of the Colombo Plan for aid to South and Southeast Asia.

(over)

GOVERNMENT



DAILY AIRMAIL BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

CANADA

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Vol. 2, No. 165

Monday, August 27, 1951.

4 Months' Surplus \$409,000,000 - Ottawa, August 24 (CP)

The federal Government piled up a surplus of nearly \$409,000,000 in the first four months of the 1951-52 fiscal year, a year in which the surplus was not expected to be more than \$30,000,000.

In his Budget Speech April 10 last, the Minister of Finance, Mr. Abbott, forecast revenues of \$3,730,000,000 and expenditures of \$3,700,000,000 for a surplus of \$30,000,000. But today a report from the Treasury disclosed that in the first four months of the year ending March 31 next, revenues totalled \$1,202,991,533, and expenditures \$794,012,373, leaving a surplus of \$408,979,159.

In the first four months of the 1950-51 fiscal year, the surplus totalled \$252,000,000. The Government ended the year with a surplus of \$203,000,000, although only \$15,000,000 had been forecast.

Canada's record surplus was compiled in 1947-48 and totalled \$670,000,000. The Treasury report said the increased revenues reflected some of the higher taxes imposed last year and some of those in the 1951 budget.

The revenues of approximately \$1,203,000,000 for the four-month period compared with \$861,800,000 for the corresponding period of last year, an increase of \$341,200,000.

Individual income tax collections were \$96,600,000 higher at \$331,400,000 due, said the Treasury report, to higher personal incomes.

Corporation income tax receipts were \$127,100,000 higher at \$323,300,000, reflecting higher 1950 profits and the increased tax rates imposed in the September, 1950, budget. Customs import duties were up \$43,900,000 as a result of a continuing high level of imports.

Excise taxes were \$105,200,000 higher due to increased consumer expenditure, higher prices and increased tax rates imposed in the last budget.

The expenditures of approximately \$794,000,000 compared with \$609,000,000 in the first four months of 1950-51, an increase of \$185,000,000.

A jump of \$160,600,000 in defence expenditures largely accounted for the increase.

The report said expenditures of the Defence Department have been increasing month by month and now "are beginning to reflect the accelerated programme approved by Parliament."

Expenditures of the Department totalled \$25,500,000 in April and \$98,900,000 in July.

The report showed that revenues for July totalled approximately \$336,300,000 and expenditures \$263,700,000, leaving a surplus of \$72,500,000 for that month alone.

14 Nations' Representatives Visit Defence Establishments: Ottawa, August 26 (CP)

The military eyes of 14 countries will be on Canada's central defence establishments tomorrow. Significantly absent will be those of Russia and her satellites.

The Defence Department announced today that 18 foreign military attachés and service advisers to Commonwealth High Commissioners here will take part in a three-day tour of Navy, Army and Air Force installations in Ontario.

The tour starts tomorrow. Only communist country represented will be Yugoslavia, friendly to the West, and stronghold of East European independence against Russian aggression.

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The United States will have the greatest number of representatives-- three--while Italy and India both will send two, and Britain, one. Other observers will represent such countries as Pakistan, Brazil, Turkey, Denmark, Switzerland, South Africa and France.

The group will leave tomorrow by R.C.A.F. plane from nearby Rockcliffe Airport, making its first stop at the expanding R.C.A.F. air training command at Trenton.

From there the observers will go to Toronto to see harbour installations and visit H.M.C.S. York. Tuesday they will lunch at the R.C.A.F. Staff College and visit the Canadian National Exhibition.

The final hop will be to Camp Borden.

Gen. Marshall's Toronto Address: Toronto, August 25 (Globe) -- Freedom-loving people of the world must not regard war in Korea, or any turn that conflict might take, either favourably or unfavourably, as anything more than a phase of a world struggle which must be won before peace comes to all men. So said Gen. George C. Marshall, United States Secretary of Defence, former Secretary of State and former Commander-in-Chief of the allied forces in the Second World War. In both across-the-table conversation, and in the address with which he opened the 72nd Canadian National Exhibition, General Marshall witheringly described the Soviet as opposed to all democratic objectives. He then stressed the need of recognizing a "complete world crisis."

Under no circumstances, the General urged, should any seemingly favourable trend in any one sector be accepted as cause for relaxing vigilance or slowing preparations for defence.

Securities Fraud Discussions: Ottawa, August 26 (Globe) -- Canada is awaiting the next move from Washington, and is ready at any time to formalize the tentative agreement to provide for extradition in cases of fraud and false pretenses. The move is directed particularly against the type of securities fraud now under the spotlight of Ontario's Crime Committee.

The agreement on extradition initiated last spring at the three-way conference here between Washington, Ottawa and the Ontario authorities has been carried a step further in later exchanges on an official level between the two countries.

Ottawa today is ready to start drafting on the exchange of notes which would establish the extradition convention as soon as Washington gives the word. Early developments are expected.

Japanese Liquidating Commission: (Press Release No. 40, August 27) -- The Department of External Affairs has been informed that a Public Notice has been issued in Japan by the Japanese Government whereby the final date for filing of claims with the Japanese Liquidating Commission against the head offices, branch offices and other offices in Japan proper of Closed Institutions has been extended to October 16, 1951.

Across Canada: More American cars entered Ontario in July than in any single month before, Ontario Travel Minister Cecile announced yesterday. The number was 309,637. The previous record was 296,761--12,876 less--set in July, 1950....More Canadians were working at the start of June than at any previous time in Canada's history, the Bureau of Statistics reported August 24....Premier Duplessis of Quebec announced plans for a \$15,000,000 hydro-electric development in Northwestern Quebec and for a phosphorous plant, near Montreal, in which initial investment will be \$5,000,000....Total revenue of \$238,713,729 for the Province of Quebec fiscal year which ended March 31, 1951, were reported. The overall surplus is \$4,181,326, exclusive of \$33,825,174 spent for capital purposes, which would make the surplus of revenue over ordinary expenditure, \$38,006,501.

GOVERNMENT



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CANADA

OTTAWA, CANADA

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Vol. 2, No. 166

Tuesday, August 28, 1951.

New Import Export Control Powers: Ottawa, August 27 (CP) -- Canada prepared today through double-barrelled action to "black out" trade with Russia and her satellites if the "cold war" should suddenly wax hot.

The Trade Department announced it has obtained power through order-in-council to impose sweeping import controls on shipments from any country.

An official explained that through this power Canada could cut off imports even from such sources as the United States, but this would not be done.

The main reason for the imports action, he said, was to prepare Canada in the event economic warfare was undertaken by the democracies to beat back and weaken communist aggression.

There was the possibility, he added, that either the United Nations or the North Atlantic Organization may consider application of economic sanctions against the Reds. If it was the consensus among the democracies that such action should be undertaken, then Canada would be in a position to impose trade embargoes at once.

The Department, at the same time, announced a general tightening of export controls on strategic goods, plugging loopholes and preventing possible "leaks" of shipments to countries within the Communist orbit....

The main purpose, said the Department, for revamping export permit regulations is "to provide more precise and effective scrutiny of the ultimate destination for all Canadian exports."

Under its new export restrictions, the Department ordered:

1. Cancellation of all previous exemptions. From now on, permissions must be obtained to cover shipments to Government offices outside the country, casual gifts and personal effects.
2. Barring of licences in any case where the final destination for the Canadian vital metals and materials cannot be ascertained.
3. Documentary evidence to be provided by exporters to prove that the final destination of the shipment is in accordance with applications to the Department.
4. No foreign exporters to get Canadian export licences. Shipments will have to be made by a Canadian resident. The permit applicant must be the shipper of the goods.
5. More detailed scrutiny of shipping documents by customs. All customs officials, both in Canada and at trans-shipping countries, will be required to make sure documents concerned with a shipment agree and contain complete information before clearance is granted.

The import controls, if applied, could have little effect on Canada's standard of living. Imports from Red countries have been steadily dwindling to about \$10,000,000 a year from \$15,000,000. Canada now gets virtually no commercial goods from Russia, Bulgaria or Rumania.

Another aspect of the import regulations is that they will act as a certificate of good faith by Canada in obtaining strategic goods from other countries.

Before exporting essential materials -- such as arms, metals and machinery -- to European points, Canada requires that the governments of these countries certify that the goods will not be trans-shipped to Russia or one of her satellites.

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Canada, under the new regulations, will reciprocate by giving European countries the same certificate covering goods imported from these countries. Emphasis was given by trade officials that the import controls will not be used to offset a climbing deficit in foreign trade.

July Shows First Trade Surplus In 7 Months: Ottawa, August 27 (CP) — Canada put on a big successful export drive in July to gain her first monthly trade surplus in seven months.

The Bureau of Statistics today reported that exports outpaced imports by \$7,800,000, pulling down the total, over-all deficit for the seven months of 1951 to \$332,000,000 from \$339,800,000.

Both imports and exports were at peacetime highs for the month. Shipments to the United States jumped by \$34,200,000 to \$204,900,000 from \$170,700,000 in July last year.

A bigger surprise was a sharp climb in exports to Britain. Shipments rolled to \$74,100,000, double the \$35,300,000 a year ago. It was the highest monthly total in three years.

Exports to all other Commonwealth countries increased to \$27,000,000 from \$16,400,000, and to all other foreign countries to \$72,600,000 from \$34,300,000.

These heartening boosts brought total exports for the month to \$378,600,000, an increase of about \$122,000,000 from \$256,700,000 last year.

Imports, still buoyant, were more in line with exports, totalling \$370,800,000, a \$111,300,000 boost from \$259,500,000 in 1950.

This gave Canada a small surplus of \$7,800,000 in monthly trade, a sharp reversal of continuous deficits in the first six months of 1951.

The deficit in monthly trade with the United States was about balanced by the surplus obtained in trade with Britain.

No Slowdown On Defence, Says Mr. Claxton: Toronto, August 27 (CP) -- A cease-

fire in Korea would not fundamentally change the international situation, the Minister of National Defence, Mr. Claxton, said tonight.

Nor would it slow down Canada's defence preparedness programme, the Minister said in an address prepared for delivery at a dinner of the Air Cadet League of Canada.

"Nothing has happened in the last few months to change the general situation," he said, "nor will it be changed fundamentally by a cease-fire in Korea.

"The basic reason for the build-up of our national defence--the threat and the possibility of communist aggression -- remains unchanged.

"The objectives of our national defence continue to be the defence of Canada against attack; the prevention of war by deterring aggression in carrying out any obligations we assume under the United Nations Charter or the North Atlantic Treaty; and the provision of men and equipment to produce the maximum effort in the shortest possible time in the event of a Third World War."

Mr. Claxton, noting that Canada is stressing air power in its defence preparations, said even heavier emphasis will be placed on that arm in the future.

"This year," he said, "about 50 per cent of our total expenditures on defence will be on air defence, a greater proportion than in any country, and next year it will be even greater."

Across Canada: Higher rates on telegrams were sought by the two railway telegraph companies in an application filed with the Board of Transport Commissioners

....Health authorities yesterday sealed off dysentery stricken Mennonite communities in Saskatchewan. The affected area is in the vicinity of Hague,

40 miles northeast of Saskatoon. Health officials said no travel would be allowed in or out of an area comprising 30 square miles....A Brazilian

aviatrix, Miss Ada Rogato, of San Paulo, who has completed 20,000 miles of a 25,000 mile flight through the three Americas, and who carries a message

of greeting to the youth of the Americas from the wife of the President of Brazil, Getulio Vargas, was a visitor in Ottawa today and was entertained

by Mrs. Pearson, wife of the Secretary of State for External Affairs.... Barbara Ann Scott will replace Sonja Henie as star of the 1952 Hollywood Ice

Revue, at a salary "considerably in excess of \$100,000 a year."



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Vol. 2, No. 167

Wednesday, August 29, 1951.

Busy September Forecast: The Canadian Press, in an Ottawa dispatch forecasting a busy month ahead in governmental activities, writes as follows:

"Activities will quicken as Cabinet Ministers prepare for the fall session, the visit of Princess Elizabeth and the Duke of Edinburgh, a series of international meetings and for the handling of a number of domestic problems.

"One big domestic problem is the handling of the bumper wheat crop. The Minister of Transport, Mr. Chevrier and his top officials are faced with the task of supplying sufficient transportation facilities to get the crop to market or to storage points.

"While Mr. Chevrier is wrestling with that problem, some of his colleagues will be preparing for international meetings.

"The Minister of Defence Production, Mr. Howe, is due to go to the United Kingdom about mid-September to attend a conference of Commonwealth Supply Ministers. The conference will discuss the supply of raw materials and manufactured goods. It is believed Mr. Howe will press for removal of restrictions to trade between Canada and Commonwealth countries.

"Canada, accustomed to a favourable balance of trade with the world, had an unfavourable balance of nearly \$350,000,000 at the end of the first six months of this year. A reopening of some Commonwealth markets, it is believed, would reduce the size of the unfavourable balance.

"The Minister of Finance, Mr. Abbott, will go to Washington late in September for meetings of the International Bank and the International Monetary Fund. He is expected to press for a higher price for Canadian gold. The industry now has to be subsidized by the Canadian Government at a rate of almost \$12,000,000 a year.

"The Secretary of State for External Affairs, Mr. Pearson and the Minister of National Defence, Mr. Claxton, probably will be Canada's main representatives at the meeting of Foreign and Defence Ministers of North Atlantic Treaty Organization countries here next month.

Transport Controller Heralded: Ottawa, August 28 (CP) -- Unprecedented peacetime shipping controls, to avert a western grain transportation crisis, may be invoked by the Government within the next few days.

Terming the Western grain movement situation an "emergency," the Minister of Transport, Mr. Chevrier, said in an interview today that he will ask his Cabinet colleagues to appoint a two-man team--a transport controller and a deputy--to untangle the shipping tie-up.

The recommendation will go before Cabinet tomorrow, Mr. Chevrier said. The Cabinet's decision will be announced Thursday, the day a special transportation conference convenes here to study the Canadian Wheat Board's grain movement programme for the fall.

Observers believe that the recommendation will be received favourably by the Cabinet and that an order-in-council will be passed naming some Canadian transport authority to the tough job of finding enough ships to move an anticipated record wheat crop of 582,000,000 bushels.

C.G.E. President On Industrial Development: Toronto, August 29 (Globe) -- If international tensions increase, it will have the effect of speeding the development of basic productive capacity which, if peace finally prevails, will provide tremendous industrial and household benefits to Canadians, Harold M. Turner, President of the Canadian General Electric Co., told guests at the Canadian National Exhibition luncheon yesterday.

Envisioning a 2,000,000 increase in Canada's population 10 years hence, a country with vast developments in power production which would be serving homes containing a great increase in labour-saving devices, Mr. Turner stressed that this potential becomes available to Canada as a war potential as much as a peacetime benefit.

Ten years hence, he said, with St. Lawrence power undoubtedly reaching its peak, with numerous devices only coming into production and with increased production of currently used products, Canada would achieve standards far advanced beyond those known at present.

Securities Probe: Toronto, August 28 (CP) -- The United States Securities and Exchange Commission often orders the U.S. Mails barred to Canadian brokers on "technicalities" without giving the Canadians a hearing, the Ontario Legislature's Crime Committee was told today.

William Wismer, a former solicitor for the Ontario Securities Commission and Manager and Secretary of the Ontario Broker-Dealers' Association since its formation in 1948, said 35 Toronto brokers have been barred from sending business mail to the United States. Of the 35, 20 or 23 have been subject to U.S. fraud orders, he said.

Greetings From The Youth Of Brazil: A letter of greetings from Mrs. Getulio Vargas, wife of the President of Brazil, was presented to Mrs. L.B. Pearson by Miss Ada Rogato of Sao Paulo, Brazil, who is touring the Americas in her private plane.

The message, expressing good will wishes from the youth of Brazil to the youth of Canada, was received by Mrs. Pearson on behalf of Mrs. Louis St. Laurent.

Present at the ceremony, which took place at the home of the Secretary of State for External Affairs, Mr. Pearson, were the Brazilian Ambassador, Dr. Acyr do Nascimento Paes, and H.F. Feaver, Chief of Protocol.

Across Canada: A nine-per-cent drop in the number of new dwelling units started in the first six months of this year was reported by the Bureau of Statistics....Manitoba's Hydro-Electric Board indicated it will recommend government purchase of the Winnipeg Electric Co. for almost \$60,000,000.... Dr. George F. Laing of the Essex Country Club of Windsor, Ontario, won the Canadian seniors' golf championship for the third successive year....Group Capt. E.A. (Ernie) McNab, 45, first R.C.A.F. pilot to shoot down an enemy plane and to win the D.F.C. in the Battle of Britain, has been appointed Director of Postings and Careers at Air Force Headquarters.



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Thursday, August 30, 1951.

R. W. Milner Held Likely Transport Controller: Ottawa, August 29 (CP) -- The Cabinet has agreed to accept Transport Minister Chevrier's recommendation to appoint a Transport Controller in an attempt to untangle a critical Western grain transportation tie-up, it was learned tonight.

The first peacetime shipping controller in Canada's history will be announced tomorrow. Though officials were mum on the appointment, it appeared likely that it would go to Roy Wilfred Milner, 59-year-old member of the Government's Board of Grain Commissioners.

Mr. Milner, one-time President of the Winnipeg Grain Exchange, has been linked with Canada's grain trade since 1909 and probably is one of Canada's most experienced authorities on the grain movement and selling business.

Gen. Worthington Urges Civil Defence Speed-Up: Ottawa, August 29 (CP) -- Maj.-Gen. F.F. (Fighting Frank) Worthington, told Canada to get solidly behind a strong civil defence programme or else scrap the idea.

Gen. Worthington indicated to a press conference that he is meeting opposition and lethargy in making Canada civil defence-minded.

The former champion of tanks in modern warfare, now federal civil defence co-ordinator, challenged Canada to do one of two things--either speed a civil defence programme for the country or "kill" it completely.

Seaway Optimism At Ottawa, Report: Ottawa, August 29 (Globe) -- There is a more optimistic atmosphere around Ottawa these days in regard to the St. Lawrence seaway than has been apparent at almost any time since the war.

The optimism probably finds its basis on two distinct grounds, one negative and the other positive. First, there is little indication that the Truman administration is disposed to delay development of an all-Canadian project by making any further attempts to revive the 1941 seaway agreement in Congress.

In the second place, talks are going ahead steadily and smoothly between Cabinet subcommittee members and Ontario, working out allocation of costs and other details of the power project. These discussions, it is understood, were carried a step further yesterday in talks between Hydro Chairman Robert Saunders and the Minister of Trade and Commerce, Mr. Howe. While nothing has been said officially, the same sort of talks are presumably taking place with Quebec in regard to power in the Lachine section.

All this is leaving the impression that new developments can be expected, perhaps in the next month or two, which may point to an actual start on the project after the years of quibbling and delay as a result of Congress stalling. In any event it is plain now that the action of the Public Works Committee of Congress in turning down the seaway agreement, rather than marking any setback, was the first real ray of hope.

Paradoxically, there has been no decision by the Canadian Cabinet to go ahead with the seaway, although all the straws point now in that direction.

Alexander Ross To NATO Committee: Ottawa, August 29 (CP) -- Alexander Ross, C.M.G., Scottish-born Associate Deputy Minister of National Defence, has been appointed to represent Canada on the Budget Committee of the North Atlantic Treaty Organization, it was announced today.

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The 62-year-old veteran of the First World War, will sail from Montreal shortly to take up his new-full-time post. He will make his headquarters in London. His successor in the Defence Department here has not been named.

Report Polish Sailors May Leave Sweden For Canada: Ottawa, August 30 (CP) -- An Immigration Department official said yesterday consideration is being given to applications from 12 Polish sailors for admission to Canada.

"But no decision has been reached," he said.

He was commenting on a dispatch from Stockholm, Sweden. The dispatch Tuesday night quoted the Stockholm newspaper Aftonbladet as saying that 12 Polish sailors, eight of them mutineers, will leave shortly for Canada where they have been given asylum as political fugitives.

Women, Children Evacuated In B.C. Forest Fire: Vancouver, August 29 (CP) -- Women and children were evacuated today from a logging settlement at the mouth of the Britain River as a forest fire advanced on the community of 150 persons.

The settlement is on Jervis Inlet, about 60 miles up-coast from Vancouver.

Some 30 women and children were removed by boat to another camp while the men stayed behind to fight the onrushing flames.

The fire, started by lightning, has burned 13,000,000 feet of felled timber.

Across Canada: The funeral of Mayor Goodwin of Ottawa is taking place with full civic honours this afternoon....Hamilton Tiger Cats defeated the highly regarded Montreal Alouettes 37 to 6 at Hamilton last evening in the opening contest of the 1951 Big Four Union season....Rt. Hon. Arthur Henderson United Kingdom Secretary of State for Air is visiting Valcartier Army Camp where Canada's 27th Brigade is in training. Accompanied by Air Chief Marshal Sir Leslie Hollinghurst, he will also visit the Canadian Army research establishment at Valcartier.

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Friday, August 31, 1951.

U.S. Restrictions On Importation Of Dairy Products: (Press Release No. 41, August 31) -- The Secretary of State for External Affairs, Mr. Pearson, made public on August 31 the text of a Canadian Note that was handed to the Department of State in Washington earlier this week. The text is as follows.

"The recent announcement of the United States Department of Agriculture with regard to the control of imports into the United States, of fats, oils, and other dairy products has created a situation which is of urgent concern to the Canadian Government. The restriction of the imports of dried milk products, and cheese in particular, will cause immediate damage to Canadian trade with the United States.

"In the case of cheese, the new import quota will reduce United States imports substantially below the levels which have prevailed in the immediate past. This reduction cannot fail to have a serious prejudicial effect upon the position of the Canadian dairy industry.

"While the impact of the new restrictions upon particular producers is of immediate concern, the Canadian Government wishes also to call the particular attention of the Government of the United States to the more far-reaching implications of this action. The new restrictions announced by the United States Department of Agriculture are contrary to the obligations which the two Governments have assumed toward one another in the General Agreement on Tariffs and Trade. The latter provides clearly that quantitative import restrictions of this kind shall not be imposed except in certain stated circumstances which cannot be held to exist at present in respect of these commodities. These new import controls, furthermore, will nullify the value of certain of the tariff concessions which were negotiated at Geneva in 1947 and at Torquay, these concessions having been bound by the United States until January 1, 1954...."

The note concludes with an expression of hope that the U.S. Government will review its action.

First Steps For U.S. Approval Of Canada-Built Seaway: Ottawa, August 30 (CP) -- Canada has taken the first, tentative steps towards getting the United States' okay on this country going ahead alone with the \$800,000,000 St. Lawrence seaway project.

With prospects for joint Canada-U.S. action killed for at least another year in Congress, the Canadian Government has sent out feelers on Washington's attitude towards all-Canadian construction of the big navigation-power project.

The Secretary of State for External Affairs, Mr. Pearson, disclosing this move at a press conference today, did not indicate what attitude the U.S. is taking. He emphasized that the talks are in a very early stage and that Canada herself has not yet decided on building the seaway without U.S. participation.

Either way, the U.S. will have to at least give consent before the project can go ahead.

The Cabinet has set up a committee of Ministers to bring in a recommendation on whether Canada should undertake the job alone. The committee is expected to report to Cabinet this fall.

Essentially, a Canadian-built seaway would not be greatly different from a Canada-U.S. undertaking. The electricity would be split largely between Ontario and New York State under proposed plans for the waterway. Both Ontario and New York have indicated willingness to bear the cost of the power work.

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This week, R.H. Saunders, Chairman of the Ontario Hydro Commission, conferred here with Production Minister Howe, ranking member of the Cabinet committee considering an all-Canadian start. Government sources said they talked of the seaway but did not make known the upshot of the discussions.

Today, Mr. Pearson said there had been no recent international developments on the seaway but made clear that the discussions at Washington had been initiated by Canada after the U.S. Congressional Committee killed joint action on the matter for this year.

He said Canada's diplomats in the U.S. capital had "done no more than discuss the possibility" of Canada launching the seaway by herself.

R.W. Milner Named Transport Controller: Stating that "the demands of the grain trade and of the defence effort are placing an added strain upon certain of the transportation facilities of Canada", the Minister of Transport, Mr. Chevrier, announced August 30 the Government's decision under the Emergency Powers Act, "to provide for a limited control of railway and water transportation".

In making the announcement, the Minister named Roy Wilfred Milner, of the Board of Grain Commissioners, Winnipeg, and formerly General Manager and Director of Alberta Pacific Grain Co. Ltd., as Transport Controller; and W. Jackson Fisher, Director of Traffic Services Branch of the Canadian Maritime Commission, as Deputy Transport Controller.

The basic problem with which the Department of Transport has to deal is not altogether one of lack of equipment to handle commodities. It is largely a matter of timing the movement to obviate bottlenecks occurring. The present large stocks of grain at the Lakehead terminal, and the number of cars tied up en route and awaiting unload, present the most immediate problem.

Canada To Buy European Butter: Ottawa, August 30 (CP) -- Canada has completed negotiations to build up a stockpile of 14,500,000 pounds of imported butter, about enough to bring stocks to last year's level, the Agricultural Products Board announced today.

The Board gave no indication what prices it paid. It disclosed, however, that of the 10,000,000-pound purchase, only 3,000,000 will be provided by New Zealand. The remainder will come from Europe: 3,000,000 from Denmark, 3,000,000 from Sweden, and 1,000,000 from The Netherlands.

NATO Council Meeting: Ottawa, August 31 (CP) -- Parliament Hill is going to be the centre of top secret security arrangements for the NATO council meeting which is to open here September 15, the Secretary of State for External Affairs, Mr. Pearson, said yesterday.

There would be plenty of confidential documents about, he said, and every effort was going to be made to protect security. The meetings will take place in one of the rooms of the centre block of the Parliament Buildings.

He said the Government had taken over virtually all of the Chateau Laurier for the conference and many rooms in the Lord Elgin.

There would be no outsiders in the Chateau at all, he said, except a few permanent residents.

Across Canada: Reuters reported from London, England that Princess Elizabeth and the Duke of Edinburgh will be the guests of the Canadian High Commissioner, L. Dana Wilgress, at a private dinner party the night before they sail for their visit to North America....Formation of the Canadian Committee to assist the Governor's Jamaica Hurricane Relief Fund was announced yesterday in Montreal....A heavy, sustained rain August 30 brought new fears for Southern Alberta's bumper grain crop. In Saskatchewan a three-day rainfall halted harvesting operations and made many roads impassable.

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Tuesday, September 4, 1951.

Mr. Henderson's Visit: Montreal, September 1 (Gazette) -- Arthur Henderson, Secretary of State for Air in the United Kingdom, said yesterday that Russia has numerical superiority in the air, but that in two years the "North Atlantic countries" should be able to neutralize this advantage.

Mr. Henderson spoke following an inspection of the Canadian plant at Cartierville and R.C.A.F. Squadrons 410 and 441 at Dorval. His Montreal visit wound up a tour of R.C.A.F. flying schools and air defence installations across Canada. He was accompanied at the aircraft plant and the inspection of squadron personnel, and their Sabre jet fighters by the Minister of National Defence, Mr. Claxton.

Stressing that high priority in defence build-up must go to effective radar coverage, and fighter and bomber forces, Mr. Henderson said:

"Once Russia's numerical superiority in the air is neutralized by the ever-increasing strength of the North Atlantic countries, I believe that the danger of war will recede."

Later in his brief address he said: "If we can get through the next two years, the danger of war will be lessened."

Mr. Claxton said that Squadrons 410 and 441 were the first squadrons anywhere outside the United States to be equipped with F-86E (Sabre jet) aircraft, "the fastest operational aircraft in the history of aviation."

He said he and Mr. Henderson had been pleased to see the speed at which the jets were being produced at Canadair.

"They're rolling off the line, and we're going to keep 'em rolling until we meet all our requirements...soon we shall be producing each month enough F-86 and CF-100 aircraft to provide the equivalent of the front-line strength for a squadron."

(The CF-100 is a twin-engined, long-range jet fighter being produced by A.V. Roe, Canada Limited, at Malton, Ontario.)

Mr. Claxton said that as a move towards fulfilment of Canada's pledge to contribute a fighter air division of 11 squadrons to the North Atlantic Treaty air forces under General Eisenhower in Europe, 410 Squadron would go to the United Kingdom "within two or three months" to be followed "shortly" by No. 441.

"These will be joined by a third squadron to form a wing which will later be located on the continent as part of the R.C.A.F. fighter air division under General Eisenhower," he said.

Mr. Gregg On Controls: Toronto, September 3 (CP) -- The Minister of Labour, Mr. Gregg, told Canadians today they can beat inflation by individual action without banking on the Government for direct price control.

But, while making clear the Government is reluctant to clamp on controls, he suggested there might be no alternative to them.

Meanwhile, he advised producers to turn out more goods, purchasers to use buyer resistance against rising prices and sellers to use restraint in pricing their goods.

Mr. Gregg spoke in an address prepared for delivery at the Labour Day luncheon of the Canadian National Exhibition.

After outlining the Government's objections to price controls, Mr. Gregg said his remarks "should not be taken as meaning the Government will not under any circumstances impose controls over the cost of goods and services."

(over)

"In some circumstances, there may be no alternative," he said. "But they will only be imposed if the Government believes they will work."

Without such action, he said, it is within the power of the public itself to hold down prices without reams of directives and an army of Government enforcement officials."

Donald Gordon Re-Appointed: Ottawa, August 31 (CP) -- Donald Gordon, President of the nationally-owned Canadian National Railways, has been re-appointed as Chairman and Director of the C.N.R.'s Board of Directors for a three-year term, the Minister of Transport, Mr. Chevrier, announced today.

Wilfred J.T. Gagnon, well-known Montreal manufacturer, and James A. Northey, Toronto industrialist, also were re-appointed for a three-year period as company directors.

The extensions become effective October 1.

N.Z. High Commissioner On Butter Prices: Ottawa, September 2 (CP) -- T.C.A. Hislop, New Zealand High Commissioner to Canada, today took issue with press reports about high prices which New Zealand was reported to have asked in negotiations with Canada for the sale of butter.

In a statement issued from his office, he said the reports were "erroneous" and "created a false impression of the course of the negotiations." He noted that Canada's Dairy Products Board, in announcing plans to purchase 3,000,000 pounds of New Zealand butter, made no reference to prices.

Across Canada: William Green, President of the American Federation of Labour, addressed the Labour Day Rally at the C.N.E.....Premier Frost warned Toronto dairies that if they did not introduce better merchandising methods which would benefit the consumer, someone else would....The Bell Telephone Company wants to raise the standard charge for local calls on public telephones from five to 10 cents. This increase would be put into effect next year....Week-end Sports, Ottawa Rough Riders made an unsuccessful opening of their 1951 Big Four grid campaign when they absorbed a 36-17 defeat at the hands of Toronto Argonauts at Lansdowne Park....Argonauts were defeated 27-6 by Hamilton Tigers at Hamilton on Labour Day....Balmy Beach opened the ORFU season by defeating Windsor 16 to 0....In the West, Calgary Stampeders lost their third straight game of the season when Edmonton triumphed, 18-17....In golf, Walter McElroy, of Vancouver, became the new Canadian amateur champion when he defeated Toronto's Phil Farley, 2 and 1, in a dramatic final at the Royal Ottawa on Saturday.



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Vol. 2, No. 171

Wednesday, September 5, 1951.

No Direct Controls For Canada Yet; Mr. St. Laurent; Ottawa, Sept. 4 (CP) -- Canada is not going to have direct price controls now, Mr. St. Laurent told the country tonight in a radio address.

He said overall price control might be necessary again in some circumstances, and the Government would not hesitate to impose any controls that would really work in the interests of Canadians generally.

"But we are not going to recommend any form of control unless and until we can honestly tell the public we believe it will work," he said.

(While the Prime Minister was delivering his address, Mr. M.J. Coldwell, issued a statement calling for government action to combat rising costs.

Mr. St. Laurent said that "the most constructive thing we can do is produce more." This suggestion, he said, came originally in a recent British Labour Party pamphlet. He coupled it with two other things which he said Canadians could do to hold down the cost of living.

"The first is to do what we can individually and in co-operation with others to produce more and to keep down production costs; the second is to save everything we can--both money and materials; and the third is to postpone the buying of things we can get along without."

Meanwhile, he indicated, the Government is going ahead with its policy of indirect anti-inflation controls such as discouraging bank credit and curbing instalment buying. They were aimed at the root cause of inflation and their effect should increase with time.

He gave no suggestion of any relaxation, in the instalment-buying restrictions on automobiles, as sought in the automobile City of Windsor, where unemployment has risen in the wake of decreasing car sales.

"We realize," he said, "that credit restrictions has made it difficult for some people to buy motor cars, refrigerators and other costly things as soon as they would have liked.

"But by limiting demand, the credit restrictions have certainly discouraged the upward trend in the prices of such goods, and some of them are actually being offered now at prices lower than those of five or six months ago."

While price control had operated successfully in the Second World War, the situation today was very different.

"What we now are trying to do is to prevent another war," Mr. St. Laurent said. "That may require a generation of defence efforts on a large scale. A stop-gap policy which might serve for three or four or five years would be quite unsuited to conditions which may last for a generation or more."

Cost Of Living Index Up, Wholesale Prices Down; Ottawa, Sept. 4 (CP) -- The cost of living index jumped 1.3 points to a record 188.9 to mark the ninth consecutive climb in nine months, DBS reported today. The index, based on 1935-39 prices equalling 100, stood at 187.6 in June.

On the wholesale side, the Bureau reported price drops for a group of essential materials pushing its weekly index for 30 industrial materials down to 288.2 on August 24--a 7.8 decline from 296.1 for July 27.

Wholesale prices for farm products also dropped, due mainly to a decline in the Wheat Board's initial or first payment on wheat deliveries by Western farmers.

(over)

Most family budget items rose in July, particularly foodstuffs. There were higher prices on pork, beef, veal, lamb, eggs, milk, bread, sugar, turnips, canned vegetables and jam, over-powering the effect of price drops for potatoes, carrots, onions, oranges, lemons and vegetable shortening.

These food price climbs were responsible for one third of the total 1.3-point boost. But all other sub-groups showed advances, too, except rents which were not surveyed. A wide range of clothing items, including footwear, boosted the clothing sub-index by 1.7 points to 204.6 from 202.9.

Higher prices for textile furnishings, hardware, glassware and telephone rates, jumped the home-furnishings and services group 1.6 points to 199.0 from 197.6.

Coal became a high priced commodity, pushing the fuel and light sub-index to a record 148.2, a gain of 1.0 points from 147.2 in June.

There were other price climbs for street car fares, health charges, theatre admissions and newspaper rates, advancing the miscellaneous sub-group 1.5 points to 143.7 from 142.2.

Rents, surveyed on a quarterly basis only, remained unchanged at the record 139.8. The next survey will be included in the index for August.

The total index climb, while not as high as the June advance of 3.5 points and well below the record 4.5-point advance in February, was higher than the 1.0-point climb in the corresponding month last year.

Wholesale prices for August were substantially reduced from their range in July. There was insufficient strength in higher prices for sulphite pulp, structural steel shapes, raw rubber, cottonseed oil and western oats to offset drops for raw sugar, hogs, beef hides, raw wool, spruce lumber, lead, zinc and tin.

These declines weakened the industrial materials index to 288.3 on August 24 from 296.1 on July 27.

The index for farm product prices at terminal markets dropped to 256.9 on August 24, down 10.9 points from 267.8 on July 27. This was due, said the Bureau, to lower initial prices for wheat, and lower prices for potatoes and livestock, including hogs.

Atomic Energy Declassification Conference: (Press Release No. 42 of Sept. 4) -- The Department announced that the fifth in the series of conferences between the U.K., U.S., and Canada to discuss the principles of declassification of atomic energy information will be held in the Washington headquarters office of the Atomic Energy Commission Sept. 14 - 16.

The three nations use uniform declassification guides in determining what information arising from their atomic energy research and developmental work may be published and what information is to be classified and restricted in circulation. These guides were initiated during the period of wartime co-operation and have been revised and co-ordinated at subsequent meetings of the representatives of the three Governments at Washington, D.C. in November 1947, at Harwell, England, in September 1948, at Chalk River, Canada, in September, 1949, and at Harwell, England in February, 1950.

Dr. W.B. Lewis, Director of the Division of Atomic Energy Research, Dr. L.G. Cook, Head of the Chemistry Branch, and Mr. C.W.E. Walker, will represent the Canadian Atomic Energy Project.

RCAF Building Up 2 New Squadrons Of Fighter Planes: Ottawa, Sept. 4 (CP) -- The RCAF announced today the formation of two new regular fighter squadrons in the drive to build up a strong fighter air force as the keystone of Canadian defence and contribution to European defence.

One of the new squadrons will be stationed at Bagotville, Que., and will first fly British-type Vampires and later switch to long-range, all-weather CF 100 Canuck jet fighters made in Canada. The other will come into being at Uplands airport, Ottawa, this month and will be the second stationed there. It will fly F86E Sabres, the day-fighting jets being built at Montreal.

Other regular squadrons are stationed in England, at Montreal and Uplands.

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Thursday, September 6, 1951.

Canadian Warships Together In Korea: With Canadian Destroyers off Korea, Sept. 5 (CP) -- The three destroyers Canada originally sent into United Nations service off Korea are back together again.

They are the Cayuga, Sioux and Athabaskan, which first sailed from Esquimalt, B.C., in July, 1950. The Athabaskan has just returned to this theatre after a spell in Canada.

Two other destroyers, Nootka and Huron, have come and gone after spelling the three originals for periods at home.

The ships are still doing what they have been doing for months, patrolling the coast, sharing in bombardments, doing odd jobs such as picking up mechanics sent to an island to repair a damaged aircraft.

Opposition To Demand Living Cost Cuts: Ottawa, Sept. 5 (CP) -- Government action to hold down the cost of living will be demanded by Opposition parties in the Commons when Parliament meets next month.

This was made clear today in statements by Messrs. Drew, Coldwell, Low, commenting on Mr. St. Laurent's radio broadcast on the cost of living.

Mr. Drew said in a statement that Parliament will have an opportunity to vote on the question.

He added:

"Between now and the time that Parliament meets in October, everything possible should be done by all Canadians throughout the whole of Canada to impress upon members of Parliament that the people of Canada want immediate action, and vigorous action, to hold down the cost of living. . . ."

Mr. Coldwell said immediate action by the Government is warranted. Mr. Low said the Government should take the lead in showing Canadians ways of combatting inflation. Government taxes pyramided prices and discouraged production.

Mr. Drew said the Prime Minister had made it clear the Government does not plan to do any more than it already has done.

"The Government's decision to do nothing further at this time is likely to bring still further inflation by invitation, because there will naturally be a widespread demand for increased wages and payment for services to meet the still higher cost of living during the winter months."....

Mr. Coldwell said that a "government which fails to act now should forfeit the confidence of the people."

"Parliament should so record its opinion when it meets in October.

Among other things, Mr. Coldwell called for the payment of subsidies to "compensate farmers for rising costs of production and to lower food prices."

Mr. Low said the Prime Minister "certainly expects a great deal of the Canadian people when he thinks they can take action to control inflation." The Government itself contributed more to inflation than anyone else with its hidden taxes that pyramided prices.

If the Government took the lead, there might be some inducement to the Canadian people to produce more and to buy less.

(over)

Living Costs To Be Debated By Labour: Ottawa, Sept. 6 (CP) -- Wages and the soaring cost of living will be the dominating theme of Canadian labour's two big annual gatherings this month.

The Trades and Labour Congress of Canada and the Canadian Congress of Labour, holding conventions this month in Halifax and Vancouver, are expected to lay down the line for new demands by close to 1,000,000 union members for direct price controls.

Policy declarations by the conventions on the relationship of living costs to wages -- currently the hottest issue before Canadian labour -- probably will be followed up by joint action by the two bodies and other groups before the Government later in the year.

With labour's housecleaning of Reds at an advanced stage, that issue of the last few years likely will take a back seat in the wage-costs issue this month. However, there will be scattered outbreaks.

Both conventions are likely to hear discussion on the question of a unified front for all Canadian labour, now split into several camps. However, the prospects are there will be no move beyond the current stage of co-operation, which is the furthest labour has gone towards common action in this country.

The set-up now is that there is a co-ordinating committee for the two biggest Congresses, the 90,000-member Canadian and Catholic Confederation of Labour and the independent Railway Brotherhoods. The committee drafts action on common objectives, such as the drive for controls.

Another topic that will be before both Congresses will be that of furthering the aims of the new International Confederation of Free Trade Unions, formed by labour groups of about 50 countries to replace the Communist-dominated World Federation of Trade Unions. Both the TLC and the CCL are leading members of the ICFTU.

Canadians To Study Forest Fire Control: Ottawa, Sept. 5 (CP) -- Canada will send two representatives on a United Nations-sponsored forest fire study of the U.S. it was announced today.

The men are J.C. McLeod, Chief of the forest protection section of the forestry branch at Ottawa and T.E. Mackey, Chief of the forest protection division of the Ontario Lands and Forests Department.

Forest protection experts from 25 countries will travel throughout the U.S. to determine the most modern methods of forest fire fighting and prevention. The tour opens Sept. 4 in Washington, D.C. and ends there on October 12.

RCAF Fighter Wing In U.K.: No. 1 RCAF Fighter Wing will be established Oct. 1 at North Luffenham, England, RCAF Headquarters announced yesterday.

Fighter Squadron, No. 421, which has been in the U.K. since last January, based at Odiham, will return to Canada for Christmas. It will be replaced before its return by 410 Squadron. Two more RCAF Fighter Squadrons will follow 410 overseas next year. These three squadrons will comprise the RCAF Fighter Wing at North Luffenham and will be equipped with Canadian-built F-86 Sabres.

No. 1 RCAF Fighter Wing will carry out operational training with the RAF, and will form part of the air division which the RCAF will establish overseas to operate as part of the integrated force under General Eisenhower.

Across Canada: Approximately 550 Hollinger miners, most of them off work since July 9, will be back on the job today with 950 more returning next week.... R.W. Milner, new Transport Controller, has "every hope that no transfer of ships from the iron-ore trade to the grain trade will be necessary".... Sale of 14,900,000 bushels of wheat to India under the International Wheat Agreement was announced Sept. 5 by the Department of Trade and Commerce.... Jacques Greber, town planning expert, is expected in Ottawa from Paris, and is scheduled to hold a number of conferences with the National Capital Planning Committee and Federal District Commission in connection with the Federal Capital Plan....The Army's 47th casualty list of the Korean war gives 58 dead, 158 wounded, 19 injured in action.

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Friday, September 7, 1951.

New Technical Assistance Administrator: Ottawa, Sept. 6 -- Mr. R. G. Cavell, Chairman of the Executive Committee of the Canadian Institute of International Affairs, has been appointed Administrator of the International Economic and Technical Co-operation Division, Mr. C. D. Howe, Minister of Trade and Commerce, announced today.

Under his direction, the new Division will be responsible for supervision of all Canadian commitments under the Colombo Plan for the Economic Development of South and South-East Asia. This includes the capital development programme of tangible assistance, amounting to approximately \$25,000,000, as well as the technical training and guidance provided through the Technical Assistance Service of the Department of Trade and Commerce.

A world traveller and international businessman, Mr. Cavell's wide knowledge of Asian affairs was gained through 20 years practical experience in the East, in both government service and private business.

"Mr. Cavell's intimate personal knowledge of the East will be specially valuable in his new post" Mr. Howe said. "I am very glad that we have been able to enlist his services to administer the important contribution which Canada is making to the development of those areas through the Colombo Plan".

Combat Inflation By Controls: Coldwell: St. Catharines, Sept. 6 (CP) -- Mr. M. J. Coldwell, suggested tonight that controls both internally and internationally must be instituted if Canada and the democracies are to lick inflation.

He criticized international action to allocate materials as unsuccessful and termed results of a Canada-U.S. agreement to pool economic resources for defence as "disappointing."

He said:

"If we are to maintain public support for essential preparations for defence, the intolerable burdens which high prices have placed on the great majority of our population must be eased immediately.

"This is a problem which can, in part, be dealt with by approximate measures in our country, but if we are to maintain the unity of the democratic nations, international action is essential."

Training For Civil Defence: Ottawa, Sept. 6 (CP) -- Mr. Paul Martin, Minister of National Health and Welfare, said today Canada will need hundreds of thousands of persons trained in first aid for civil defence and announced that the Government is going to finance a special training programme to meet the need.

He said:

"Literally hundreds of thousands of persons must be trained in this essential service if civil defence objectives are to be met. This is in addition to people estimated at 55,000 a year that the association trains in its regular programmes in first aid. The additional persons to be covered by this new plan will all be volunteers in local civil defence forces."

(over)

GATT Delegation Announced: Ottawa, Sept. 6 -- The Department of External Affairs today announced (Press Release No. 43) the composition of the Delegation to the Sixth Session of GATT opening at Geneva Sept. 17.

Chairman: Mr. Howe, Deputy Chairman: Dr. C. M. Isbister, Parliamentary Adviser: Mr. James Sinclair, M.P. (Parliamentary Assistant to the Minister of Finance), Delegates: Mr. L. Couillard, (External Affairs), Mr. W. J. Callaghan, (Finance), Mr. S. Reisman, (Finance) Mr. M. Schwarzmann, (Trade and Commerce), Secretary: Mr. K. Goldschlag.

In its announcement, the Department stated that:

"Under the General Agreement provision is made for the Contracting Parties to meet periodically for the purpose of giving effect to those provisions of the Agreement which involve joint action and, generally, with a view to facilitating the operation and furthering the objectives of the Agreement. The Canadian Delegation will support measures aimed at strengthening the GATT in view of its achievements to date in bringing the important trading countries into a common agreement on the conduct of trade. In addition, tariff negotiations under GATT have provided for the reduction of tariffs on products accounting for a large proportion of the world's trade.

"At their forthcoming session the Contracting Parties will give particular consideration to proposals providing for the continuing administration of the Agreement and designed to improve the effectiveness of the GATT organization in the light of the decision not to proceed with the establishment of an International Trade Organization."

Across Canada: TCA has ordered five new Super-Constellation planes and three North Stars....Princess Elizabeth will broadcast from Ottawa during a state dinner October 3....Anglers from many countries are converging on Wedgeport, N.S. for the eighth international Tuna Cup match Sept. 12-15....Dr. J. B. Maudsley, Head of the Geology Department of the University of Saskatchewan describes the uranium ore around Lake Athabasca as a "phenomenal concentration".



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Monday, September 10, 1951.

Principles Governing Colombo Aid: The Department announced Sept. 10 (Press Release No. 45) that the Governments of Canada and India have agreed on a Statement of Principles for the co-operative economic development of India under the Colombo Plan. The principles were confirmed by an exchange of diplomatic notes in New Delhi. Active consideration is now being given to the way in which the available money will be spent in Canada, and it is anticipated that a statement on this subject will be made in the near future.

The Department also announced Sept. 10 that the governments of Canada and Pakistan had agreed on a statement of principles for the co-operative economic development of Pakistan under the Colombo Plan, confirmed by an exchange of diplomatic notes in Karachi. The principles provide that Canadian aid to Pakistan may be provided on either a grant or loan basis, depending on the nature of the projects to be financed. Projects of an essentially commercial nature would be eligible for loans; others of a basic public utility or developmental character would be eligible for grants.

In addition, the governments have tentatively agreed on the projects to be undertaken in Pakistan with Canadian assistance during the first year of the Colombo Plan. These projects, amounting in all to some \$10 million, include capital works and equipment (dump trucks, motors, pumps, etc) in connection with a large settlement scheme in the Thal Area, experimental and demonstration work in the field of live stock, and some electrical and transport equipment.

If, for any reason, any of these projects prove impracticable others will be substituted in the programme.

Canadians In China: The Department announced Sept. 10 (Press Release No. 46) that the U.K. Chargé d'Affaires in Peking made representations on Sept. 1 to the Minister of Foreign Affairs of the Central People's Government of China expressing the grave concern of the Canadian Government at China's policy towards Canadians and requesting that measures be taken in the near future to bring about an improvement in this situation. Seven Canadians are known to be under arrest in China.

Representations were made in April about the arrest of U.K., Australian, Canadian and U.S. nationals and their detention incommunicado often without any explanation of the reason for their arrest. However, the position has in fact deteriorated since that time. Arbitrary arrests and detention for indefinite periods without access to families, friends or national representatives have continued. Harsh treatment has been inflicted on missionaries of all denominations and on other people who have for many years been engaged in humanitarian work in China. In addition continual difficulties and delays are placed in the way of all classes of foreign nationals wishing to obtain entry and exit permits.

New Anglican Head: Victoria, B.C., Sept. 7 (CP) -- Rt. Rev. Walter Foster Barfoot, who won the Croix de Guerre as an infantry captain in the First World War, tonight was installed primate of the Church of England in Canada.

The 58-year-old Bishop of Edmonton, who automatically became an archbishop after his installation, was elected to the church's highest office today by the electoral college of the Anglican General Synod, sitting in Christ Church Cathedral here.

(over)

Preparations For NATO Meeting: Ottawa, Sept. 9 (Globe & Mail) -- Next week Canada's Parliament Buildings become international territory occupied by the North Atlantic Treaty Organization.

Canadian members of Parliament will be allowed in the building only by courtesy of NATO and will require passes for the purpose. In fact, members and senators are being asked to stay away from Ottawa during next week unless they have urgent business.

The public generally will be excluded and all newspapermen and others who have business inside will be accredited by the NATO secretariat. T. A. G. Charlton, senior member of the secretariat, arrived in Ottawa on Saturday and started in at once co-ordinating his own security arrangements with those already completed by Canada. NATO security officers will reinforce the RCMP and members of the Commons protective staff.

The railway committee room of the Commons, to be used for the plenary sessions of the Council, has been transformed. Great lengths of green baize covering 50 or more tables placed end to end in a double row down the length of the great room have made an impressive conference table. A narrow strip of red carpet encircles the room and 285 chairs are stacked ready to be placed in position for the delegates.

The National Gallery has supplied typical Canadian paintings for the conference room. Lauren Harris, Lismer, Comfort and others will decorate the walls.

Four other committee rooms have been set aside for meetings of the deputies, the financial and economic boards, the defence production board or other committees that might be established.

All ministerial suites in the building have been commandeered to provide offices for the delegations. The U.S., the U.K. and France are being allotted suites on the main floor. Canada's own delegation will have its quarters on the fifth floor. Both cafeteria and restaurant will be open for the delegates during the day with restaurant lunches served at a flat rate of \$1.50.

The security arrangements being laid on for the Parliament Buildings to guard secrecy of the NATO meetings will not be extended to the Chateau Laurier where 350 rooms have been reserved for the delegates from the 11 visiting countries. These rooms are scattered through the hotel and guests occupying them have been informed that they must vacate.

One army major has been assigned to each delegation as a liaison officer.

A fleet of 30 army vehicles will be allocated among the delegations with special cars for the Cabinet Ministers. A special dispatching service has been arranged at the main door of the buildings with telephone communications with a parking space at the rear. The walk from the Chateau to the buildings is short and at this time of the year pleasant and it is expected that most of the 300 delegates will move on foot a good part of the time.

Across Canada: Four agricultural specialists from India have arrived in Ottawa under provision of the Technical Co-operation Programme of the Colombo Plan and will start a 10-week tour....The Trades and Labour Congress of Canada, whose convention opens in Halifax September 10, is expected to turn its main efforts to a campaign to force the Government to some form of price control....Efforts by a considerable part of the Church of England in Canada to have the name of the Church changed have the support of the newly elected Primate....Sixty motor cars will be provided by three Canadian manufacturing companies for the use of the royal couple during their visit to Canada.

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Tuesday, September 11, 1951.

Labour Attacks High Living Cost: Halifax, Sept. 10 (CP) -- The Trades and Labour Congress of Canada today tackled the federal Government on the issue of high living costs.

Opening the T.L.C.'s annual convention, delegates representing 500,000 workers adopted a declaration censuring the Government for "lack of interest" in the Welfare of Canadians in not putting Federal price-rent controls into effect.

It said the Government's "stubborn attitude" is responsible for lack of price controls.

The policy statement adopted by the Congress also suggested the Combines Act should be used to hold down prices, particularly in preventing manufacturers from setting retail prices of their products.

At the starting session of its week-long convention, the approximately 400 delegates plunged immediately into a full day's work of dealing with resolutions covering policy in a wide range of national, social and labour matters.

Swiftly and without debate, too, the delegates dealt with one phase of the issue of communism within the Congress, upholding the action of its credentials committee and executive council in barring a left-wing delegate from the meeting.

The delegate was Alex Gordon, head of the United Fishermen and Allied Workers' Union in British Columbia and a former T.L.C. vice-president for that region. He was refused credentials by the committee yesterday.

Today, the committee's report on Gordon's rejection was adopted in routine fashion. The quick disposal of the issue was in striking contrast to violent internal convulsions that have racked the big Congress over communism in the T.L.C. ranks during recent years.

The offhand adoption of Gordon's heave from the convention left little doubt that the once-powerful Red-line minority in the Congress has all but vanished. Only a lone dissenter chimed in with a "no" as the big meeting approved his dismissal.

Meanwhile, the credentials committee tonight had the axe waiting for two more suspected Communist sympathizers -- both also from British Columbia -- but by this evening they hadn't turned up to try to get their credentials.

Another victim of the T.L.C. leadership's toughened anti-Red stand was Charles Sims, editor of the Canadian Tribune, Toronto Communist weekly. Barred from the press table for the first time in T.L.C. history, he watched the proceedings today from the public galleries.

Peers Appointment: Ottawa, Sept. 10 (CP) -- Roy G. Peers, Montreal Trading Co. president, today stepped into Canada's biggest salesmanship role--to boost the flow of Canadian arms to the United States. Mr. Howe appointed him vice-president of the Canadian Commercial Corporation.

Mr. Peers, who heads an international trading company bearing his name, will attempt to build up greater interest among American officials for Canadian-made arms.

The way has been cleared, through an order by Gen. George Marshall, U.S. defence secretary, for increasing American arms orders in Canada to a maximum \$300,000,000 a year. No official estimate of the value of orders placed in Canada has ever been disclosed, but informants say orders are running well below that figure and lower than the orders place by Canada in the U.S.

(over)

As one official put it:

"The Americans now have the authority to buy up to \$300,000,000 worth of Canadian armament each year. Formerly they could buy only about \$100,000,000. Now it's up to us to sell them on the idea of buying the extra goods in Canada. That will be Mr. Peers' job."

His work will be made easier by the fact that the Defence Production Department already has established a liaison office in Washington under the chairmanship of Sydney D. Pierce, also of Montreal, and former Canadian representative on the Organization for European Economic Co-operation.

Mr. Peers will work with Mr. Pierce. He also will work in close liaison with the Canada-U.S. Joint Industrial Mobilization Committee, set up to expand the flow of arms both ways across the international border and to pool economic resources for defence against aggression.

Mr. Peers will be giving the arms segment of planning detailed consideration. He will be pointing up for example, the advantages of placing orders in Canada for electronics, ships, aircraft and guns--defence equipment which Canada already has shown marked ability to produce in large quantities.

Two U.K. Destroyers For Canada: Ottawa, Sept. 10 (CP) -- Canada was given two British destroyers today and took it as a sign that mutual aid under the Atlantic pact works both ways.

It was announced in London that the 1,700-ton warships Crusader and Crescent--in Canadian hands on a loan basis since they were commissioned in 1945--are officially being given to the Royal Canadian Navy. They cost about \$4,000,000 apiece.

The Minister of National Defence, Mr. Claxton, said, "The transfer is warmly accepted as further evidence of the way in which the North Atlantic Treaty Organization nations are working together."

He promised that substantial alterations will be made "to convert them to the most modern type of anti-submarine destroyers."

The RCN's entire group of destroyers--eight in service, three in reserve--is being modernized for the navy's main role, anti-sub warfare.

The Crescent is on the Atlantic coast, the Crusader on the west coast. Both are training ships.

The \$8,000,000 gift marked the first time Canada has been on the receiving end of NATO mutual aid. She has sent hundreds of millions of dollars worth of arms to Europe and will soon be sending manpower.

Maritimes Oppose Freight Rates Charge: Ottawa, Sept. 11 (CP) -- Strong Maritime opposition shaped up yesterday as the Board of Transport Commissioners launched a public hearing into possible ways of equalizing freight rates between Eastern and Western Canada.

At the brief hearing, later adjourned until Jan. 10, F.D. Smith of Halifax, counsel for the four Maritime Provinces, including Newfoundland, said the Maritimes would oppose any equalization plan which would adversely affect the Maritime rate structure.

Mr. Smith, counsel also for the Transport Commission of the Maritime Board of Trade, spoke briefly as Canada's two transcontinental railways formally filed a voluminous study on freight-rate equalizations. He believed the plans outlined would be unacceptable to the Maritimes in their present form.

Under federal legislation there is a 20% reduction from Ontario-Quebec rates given some freight shipments in the Maritimes.

K.D.M. Spence, counsel for the Railway Association of Canada and the Canadian Pacific Railway, said this concession to the Maritimes would present an obstacle to equalization.

J.J. Frawley, representing the prairies and British Columbia, said the railways' submission was long and involved and pressed for a "very considerable" adjournment in order that a careful study could be made by the provinces.



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Wednesday, September 12, 1951.

Labour Alliance Severed: Halifax, Sept. 11 (Globe & Mail) -- The common front formed by Canada's four major labour groups to present the joint view of organized labour on legislative and public issues fell apart today when the Trades and Labour Congress of Canada voted at its convention to pull out of the partnership.

In a close vote the delegates backed the decision to end the brief alliance and era of co-operation with the Canadian Congress of Labour, the Canadian Catholic Confederation of Labour, and the railway running trades.

The decision by the TLC to steer its own course was made up of a number of factors, but perhaps most important was the feeling that the older and numerically largest body was lending its prestige to the other groups and receiving nothing in return.

In the background of the split was also the factor of local rivalries and disputes between TLC affiliates and those of the CCL and Catholic syndicates.

Another and major factor is the affiliation of the CCL with the CCF and the feeling by the TLC that some of the rival congress views are influenced by its political affiliation.

The convention action will mean the end of the continuing joint committee of the four organizations, of which TLC president Percy Bengough is chairman and CCL president A.R. Mosher was vice-chairman.

The committee was formed last February after the 1950 congress convention commended the TLC for its co-operation with the other labour bodies during the railway strike, and recommended extension of the alliance among the labour groups.

The four groups engaged in a joint campaign for price controls, and for the first time in the history of the Canadian labour movement submitted a single brief to the government on behalf of Canada's 1,000,000 trade unionists.

Although the recommendation adopted today ended any formal co-operation among the labour bodies, it gave the TLC executive discretionary powers to make joint presentations if warranted by circumstances.

In calling for a reversal of the policy of co-operation, the committee on officers' reports held that relations on the lower levels in the congresses had deteriorated in some sections of the country.

The committee took an almost identical view to that of the AFL when it broke up its partnership with the CIO in the United Labour policy committee last month.

"In analyzing the results achieved by coalition with other major labour bodies, it would appear that whilst each of them has gained considerably by association with us, we, on the other hand, have gained little," the committee stated.

Without mentioning the CCF Party by name, the report declared that little could be gained by joint action with a group affiliated with a particular political party.

It also held that in the presentation of a joint brief each of the groups would be required to weaken some points which might be of particular interest to them, in order to attain joint agreement.

The TLC, which has a membership of 500,000 almost 150,000 more than its closest rival, the CCL, has always been jealous of what it considers is its paramount position in the labour movement.

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RCAF Recruiting Drops: Ottawa, September 11 (CP) -- R.C.A.F. recruiting, particularly of ground crew candidates, is in a slump, a spokesman at Headquarters said today.

The Air Force, with a present strength of roughly 27,000, has announced no target figure, the spokesman said, but is open to a total of 1,200 recruits monthly, including women.

Headquarters is reported to be concerned about the low enlistment figures for ground crew as well as by the fact that air crew candidates are not coming forward in impressive numbers.

British American Finds New Oil Pool South Of Bashaw: Calgary (Globe & Mail) --

British-American Oil Co., has made its first important oil discovery in Alberta at a well drilled near Clive, about 30 miles northeast of Red Deer. The well, known as Clive No. 1, was drilled jointly by British-American and Cities Service Oil Co., and this team has a block of ground in excess of 1,000 acres in the area of the new discovery.

The announcement from BA said that the two companies had discovered "what appears to be a new oil field."

This is the tenth Devonian oil strike in Alberta during the past few months and the third Devonian discovery in the past ten days. The well site is 15 miles southwest of the Bashaw discovery of American Leduc.

Big Grain Harvest: Ottawa, Sept. 11 (Globe & Mail) -- If preliminary estimates of the Prairie crop are fulfilled there will be a new crop of wheat surpassing anything seen in Canada for the past 40 years or more. The latest estimate is 581,000,000 bushels. Added to this is the fact that frost damage last year which reduced the greater part of Canada's crop below the milling grades, plus very bad harvest weather, combined to slow up sales and shipments.

Canada's sales of this low grade wheat under the International Wheat Agreement have been remarkably high but she has ended the crop year with IWA sales 30,000,000 bushels below her quota. Domestic disappearance of wheat has been about 9,000,000 bushels less than the average consumption. All this has resulted in a carryover of 186,400,000 bushels of low grade wheat or the highest carryover since 1945.

This means that Canada after the harvest is in, may have a total wheat supply of 768,000,000 bushels or 100,000,000 bushels above the average for the past 10 years despite the fact that five of these years have produced the largest supplies in history.

Canada's quota for export under the International Wheat Agreement this year will be more than 230,000,000 bushels, all of which, barring accidents, can be supplied easily from the new crop.

Export sales this year will be gauged by Canada's ability to get her crop to seaboard and, if the new transport controller is able to meet his objective, may run as high as 340,000,000 bushels or higher than any year since 1945-46.

Across Canada: The world's rarest and most valuable stamp, a British Guiana one-cent issue, will be shown at the Canadian International Stamp Exhibition in Toronto Sept. 21-29....A 200-foot high column of oil spewed on the Edmonton district today from a wild well in the Acheson Field 12 miles north west of the city. RCMP cordoned off the area to prevent a repetition of the Atlantic No. 3 Leduc fire....Canadian National Exhibition attendance totalled 2,699,000 in 1951 compared with 2,723,000 in 1950. Bad weather towards the end kept attendance from reaching an all-time high....The report of the Special Committee on Uniform Standards for admission of barristers and students from one common-law province to another has been approved in principle by the Conference of the governing bodies of the Canadian legal profession....A flotilla of fishing boats will escort the royal couple to the Empress of Canada when they end their tour at Bay Bulls, near St. John's, Nfld., Nov. 5....A Calgary geologist says that natural gas reserves in Alberta have been increased 800 billion cubic feet by recent discoveries. CP predicts that Parliament will approve the movement of the 27th Brigade to Western Europe by December 1.

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Thursday, September 13, 1951.

Centre Block Fortress Of Secrecy: Ottawa, Sept. 12 (Globe & Mail) -- The centre block of the parliament buildings, normally the most public of all public buildings, was being turned into a fortress of secrecy today as officials prepared for the meeting of the council of the North Atlantic Treaty Organization on Saturday.

All today visitors were turned away from the doors by polite but firm guards. Only persons with business were allowed in and tomorrow no one will be allowed in without a pass.

Hundreds of tourists, many of whom were in Ottawa only for the day and some of whom came just to see the place where Canada's parliament meets, were disappointed. They took a dim view of the elaborate security arrangements. Canadian officials, however, had little choice but to do things as the NATO staff wanted them done. Since Canada had offered to provide a place for the meeting, Canada had to fix things as they are fixed up for such meetings in other places.

Belgium's Foreign Minister, Paul van Zeeland, as chairman of the council, will open proceedings with a statement on Saturday and preside throughout the meeting. Since the chairmanship rotates in alphabetical order by countries it is expected that the Secretary of State for External Affairs, Mr. L. B. Pearson, will preside at the next one later this year in Rome.

Heads of all delegations are expected to make brief talks for the record and afterward go into executive session when the highly confidential details of what each nation is doing to increase its defences will come under review.

The Minister of National Defence, Mr. Claxton, will be ready to announce that Canadian troops will move to Europe to form part of the Western European defence force under Gen. Dwight Eisenhower by Dec. 1, subject to the approval of parliament at the forthcoming session.

The meeting will discuss and probably agree to the admission of Greece and Turkey, thus broadening the security alliance to territories somewhat outside the North Atlantic region, but bringing new guarantees of help to two countries threatened by Soviet aggression and occupying strategic areas.

There will be a good deal of talk about ways and means of sharing the burden of combined defence in terms of money, economic advantage and human living standards.

Late today the Department of External Affairs announced the composition of the Canadian delegation. It will consist of the three Ministers directly concerned, Mr. Pearson, Mr. Claxton and Mr. Abbott.

Their principal advisers will be--From the Department of External Affairs: Under-Secretary Arnold Heeney; Dana Wilgress, High Commissioner in London and Canadian member on the permanent NATO Council of Deputies; Jean Désy, Ambassador to Italy; H.O. Moran and C.S.A. Ritchie, Assistant Under-Secretaries; R.A. Mackay, Head of the Department's Defence Liaison Section.

From the Defence Department: R.O. Campney, MP, Parliamentary Assistant; C.M. Drury, Deputy Minister; Lieut.-Gen. Charles Foulkes, Chairman Chiefs of Staff. From the Finance Department: Dr. W.C. Clark, Deputy Minister, R.B. Bryce, Assistant Deputy. From the Defence Production Department: M.W. MacKenzie, Deputy Minister; H.R. MacMillan, Canadian representative on NATO's Defence Production Board.

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Exports To U.K. And U.S. End Deficits: Ottawa, Sept. 12 (CP) -- A sharp climb in sales to Britain and the United States boosted Canada's total exports in July to a record \$374,500,000, the Bureau of Statistics reported today.

Shipments to the U.S. jumped almost \$50,000,000 to \$203,900,000 from \$169,600,000. Exports to Britain doubled to \$74,700,000 from \$35,200,000.

This bright turn to Canada's foreign trade picture provided a 47.6% gain over last year's \$253,700,000 worth of exports and helped boost the seven-month total for 1951 to \$2,114,700,000--a half-billion-dollar increase from \$1,684,300,000 last year.

It was the first surplus in a six-month pattern of trading deficits. In a previous preliminary statement, the Bureau estimated July imports at \$370,800,000 and foreign exports at \$4,100,000 (plus domestic exports of \$374,500,000), making for a surplus of \$7,800,000. This brought the over-all, seven-month deficit down to \$332,000,000 from \$339,800,000 at the end of June.

The sharp climb in exports was significant in another way. Mainly because of the increase in sales to Britain the proportion of total shipments to Britain fell to 53.9% from 66.3 a year ago. In the seven months, the proportion was 62% to last year's 63.8.

There were gains in both the value and volume of shipments. Prices increased by about 13% from July, 1950, but volume was 30% higher than any previous peak month in the post-war period.

Largest dollar gain in the month's shipments to the U.S. was in wood and paper products, which rose to \$100,129,000 from \$86,113,000, followed by agricultural and vegetable products with a jump to \$22,304,000 from \$13,763,000.

The animals and animal products group advanced to \$23,813,000 from \$22,524,000, non-ferrous metals to \$23,660,000 from \$21,490,000, and iron and products to \$14,796,000 from \$11,113,000.

Non-metallic minerals rose to \$7,498,000 from \$4,953,000, chemicals and allied products to \$5,151,000 from \$3,918,000, and miscellaneous commodities to \$3,114,000 from \$1,958,000. The fibres and textiles group fell in value to \$1,463,000 from \$2,363,000.

Exports to the United Kingdom in July were at the highest level in recent years. The value doubled to \$73,935,000 from \$35,169,000, raising the seven-month total to \$327,458,000 from \$271,086,000. Sharp gains in agricultural products, wood and paper, and non-ferrous metals accounted for a large part of the month's increase, the Bureau said.

Shipments to the rest of the Commonwealth also moved higher in July, totalling \$26,718,000 against \$16,293,000. This raised the total for the seven months to \$131,978,000 from \$111,063,000.

Exports to Latin America in July rose to \$16,349,000 from \$10,610,000, and in the seven months to \$96,099,000 from \$71,435,000. There were large gains in July shipments to Brazil, Chile, Cuba, Mexico, Panama and Venezuela, but reductions to Colombia and Bolivia.

Production Of Jet Trainers To Begin: Montreal, Sept. 12 (Globe & Mail) -- The huge Canadair plant at suburban Cartierville has finally been given the official green light to begin production of 575 American-designed jet trainers for the RCAF.

Announcement of the \$100,000,000 contract is expected tomorrow from Defence Headquarters in Ottawa. Final arrangements were completed early this week. Preliminary estimates place the price of each aircraft at \$200,000.

Across Canada: The Canadian Bar Association urged a Royal Commission to probe provincial courts to eliminate delays and cut litigation costs....New Zealand's top butter man, William Marshall, is in Ottawa to seek clarification of Canada's position on New Zealand butter sales....Observers at Queen's Park say they would not be surprised if Premier Frost decided on an election Nov. 5 or shortly after....The Minister of National Health and Welfare, Mr. Martin, in a speech addressed to the Canadian Catholic Historical Association said that industry is under an obligation to do more for unemployed workers.... Sugar Ray Robinson scored a technical knockout against Randolph Turpin in the tenth round to regain his middleweight title.



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Friday, September 14, 1951.

Inflation Said Gravest Peril: Ottawa, Sept. 13 (CP) -- Inflation has become as big a threat as bombs to the Western World, the Secretary of State for External Affairs, Mr. Pearson, said today in disclosing that both the short and long-range economic aspects of rearmament are going to be examined by Western leaders here in the next week.

There is a "very real feeling" among those leaders, he told his biggest press conference in weeks, that inflation has become a major menace to Western security. For that reason, the Atlantic Pact Council would devote a lot of its time to studying the relationship between rearmament and the economy of the free world.

But he indicated, too, that Canada is going to work for and likely get some sort of reaffirmation of Canadian-fathered article two of the pact charter. That is the one that pledges the 12 member nations to work for long-range economic and social integration with a view to creating a single Atlantic community.

Canada's stand is believed to be that if this aspect is overlooked it could be lost sight of completely or North America could be confronted with an integrated Europe once the perils of this period clear. In originally pressing for article two to be in the charter, Canada argued that something deeper than immediate security should be its aim.

Article two is this:

"The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them."

Canada probably considers this point of particular importance now because Greece and Turkey are expected to be admitted to pact membership here, thus projecting it well beyond the real Atlantic community.

Mr. Pearson, one of 32 Cabinet Ministers of all the powers who will attend the meeting, said the dangers of inflation, shortages and other short-range repercussions of rearmament tend to obscure long-range economic aims. But, he predicted, this meeting will pay more attention to the objectives of article two than any other NATO meeting in the past.

He said he wouldn't go so far as to say Canada has any concrete proposals to put forward for extending economic co-operation but indicated that some form of resolution in that field may be expected to emerge before the sessions end Thursday.

They start Saturday at 12.30 p.m., EDT., with a public--in the sense that 200 newspaper men and delegates' wives and officials will be allowed in--meeting in the Commons chamber with the Ministers up front and their 250 aides in members' seats behind them.

The Prime Ministers of Italy and Luxembourg, State Secretary Acheson of the U.S., Foreign Secretary Herbert Morrison of the U.K. will be among the men who make it probably the most distinguished group ever to gather here. It is the first time the Foreign, Finance and Defence Ministers of all 12 states have met simultaneously.

Belgium's Foreign Minister Paul Van Zeeland, chairman, who reached Ottawa today, will deliver a public address at this opening. From then on, the meetings will be secret, the secrecy underlined by security arrangements such as Ottawa has never known.

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Mr. Pearson said the question of Greece and Turkey is the only one likely to be finalized here but hinted the resolution on article two might be another.

There would be discussions on the international situation and on the problem of closing the gap between the arms and forces now available and those needed to deter communism from aggression.

But an October meeting of the Council in Rome would be the one where decisions would be taken.

Ottawa Is Hit On Price Rises: Halifax, Sept. 13 (CP) -- The Trades and Labour Congress of Canada, calling for direct price controls, today attacked the federal Government for "indifference" and a "callous attitude" towards controls.

With the Minister of Labour, Mr. Gregg listening from the platform, the TLC's annual convention adopted a resolution critical of the Government and heard several individual speakers also denounce the Government's attitude.

The resolution demanded:

1. A rollback of prices accompanied by the restoration of the wartime policy of subsidies on basic foods.
2. Re-imposition of the wartime 100% excess profits tax.
3. Establishment of a price control board, which would pass on any applications for price changes.

"The enormous increase in the cost of living has resulted because of the Government's indifference," the unanimously-adopted resolution said.

A short time before the resolution was adopted, the convention heard Mr. Gregg in his annual address to the delegates repeat the government's policy of no direct controls now. He said the rise in prices could be beaten by the exercise of restraint by consumers in purchasing, by business in holding prices down and by labour in not trying to get all the wages "that the traffic will bear."

Mr. Gregg's outline of Government policy drew a critical reception from some delegates. One--Les Hood, Toronto postal worker--said labour has no choice about exercising "restraint," since it could not afford to buy at today's prices.

Max Swerdlow, Montreal TLC organizer, suggested the Government call a national referendum vote on the price control issue.

As the only delegate to mention the possibility of price controls being accompanied by wage controls, he said he felt sure a "reasonable agreement" could be reached on "controls generally."

Douglas Hamilton of the Toronto District Trades and Labour Council and E.J. Small, Toronto machinist, suggested labour work for the defeat of the present Liberal administration.

"They've lost the confidence of the people when they sidestep such important issues as price control and the cost of commodities," Small said.

E. King, Vancouver office worker, said there should be a capital gains tax in Canada and that curbs should be placed on "gamblers" operating on commodity exchanges.

Bar To Aggressor Seen In Strength: Toronto, Sept. 13 (CP) -- The Prime Minister, Mr. St. Laurent, told the Canadian Bar Association at its annual dinner:

"Whether or not there is a constitutional veto in the charter of the United Nations, there is, in fact, only one way to restrain a would-be aggressor if that aggressor is a world power. That is by being prepared, if the worst comes to the worst, to use force.

"We can hope that by building up the combined strength of those who genuinely want peace, we will deter any aggressor, but in the final analysis, the deterrent effect of power depends upon its sufficiency and also upon the willingness to use it."

Across Canada: W.R. Miller, of the Bureau of Statistics, reported that in the first half of this year spending abroad by Canadian travellers was 38% higher than in the first half of 1950 and may exceed spending done by foreign tourists in Canada....Premier Frost has announced that his government will seek to work out some practical plan at hearings of the Natural Gas Conservation Board in Alberta for Ontario to get gas by pipeline.



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Monday, September 17, 1951.

Economic Planning For NATO Given Priority: Ottawa, Sept. 16 (Globe & Mail) -- The secrecy which surrounds the North Atlantic Council sessions here has not hidden the fact that the "have-not" nations are extremely anxious to discuss the economic impact of the military defense programme, with particular reference to a much-needed improvement in their own economies.

Article 2 of the North Atlantic Treaty commits the 12 member nations "to eliminate conflict in their international economic policies and to encourage economic collaboration, between any and all of them."

Preliminary discussions along these lines now have been given immediate priority. Long-range economic planning, as envisaged in article 2, will come up briefly at tomorrow's session and a committee will be named to bring in a report for round table discussion later in the week.

Decision to give priority to long-range economic planning resulted from proposals made yesterday by Dean Acheson, U.S. Secretary of State.

The military aspect is certain to receive plenty of attention when the council gets down to business tomorrow. The standing group, the senior military committee of NATO, will present its report on the degree of military preparedness so far attained by the North Atlantic countries, and in doing so, it may relay the views of Gen. Eisenhower, supreme allied commander. But little credence is given to the belief that the council will be asked to deal with a specific report from Gen. Eisenhower asking for a speed-up in military contributions from the member nations.

The review of the defence programme in the various NATO countries which will be contained in the report of the standing group is likely to reveal that some nations are well abreast of their commitments while others are lagging behind. The section dealing with the United Kingdom may disclose that the preparedness programme there is further ahead than was expected.

What the smaller nations want is more overall economic aid from the United States, which is the one country in a position to extend its aid programme. The price of presenting a strong military front to the threat of communism is a high one, and the smaller North Atlantic nations are fearful of what inflation will do to their economies.

At the same time these nations are anxious to retain their full autonomy and freedom of action within the framework of the treaty. They need the benefits which they feel will flow from long-range economic planning, and they want these benefits to cushion the impact of carrying out defence obligations.

The meetings were launched with a solemn warning that the moment of supreme crisis for peace or war is nearing and that the West has much to do to face it adequately.

Belgium's Foreign Minister Van Zeeland said: "We are still a long way off our objective of balancing western armed might with that of Russia.

"Deeply conscious of the imminence of danger, we feel the critical moment approaching at which the scales of fate will return irrevocably toward peace or war. That is why we continually turn an eye on the delays, on the deficiencies and on the enormous task which remains to be accomplished."

The Prime Minister, Mr. St. Laurent, struck again a keynote on this latter point that is expected to emerge in a resolution that will act as sort of a charter of NATO's future.

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Noting that Canada's two main races had found they not only could live side by side but could profit by so doing, Mr. St. Laurent said "we believe the same results can be achieved in the wider sphere" of a North Atlantic community.

The resolution is expected to reiterate NATO's primary aim of peace, to bespeak continued efforts to weld a single community and to enunciate economic principles on which that community might develop.

Mr. St. Laurent suggested that the theme of the meetings should be "to allocate the price of peace and determine how better to maintain it."

To that was added Mr. Van Zeeland's emphasis on deficiencies--on the gap between NATO's required strength and its existing strength--and his statement that "it is our duty to make good the deficiencies and to concentrate on the best means of reaching our goal--above all, on reaching it in time."

Following the reception, the delegations returned to the railway committee room in the Parliament Buildings and sat until 11 p.m. General statements from delegation heads were given, each being a review of economic, military and political conditions in their respective countries. Still to participate in these preliminary reviews are Italy, The Netherlands, Iceland and Luxembourg.

Increase In Newsprint Production: Ottawa, Sept. 17 (Gazette) -- Production of newsprint in Canada during August this year amounted to 484,563 tons, an increase of 18,120 tons or 3.9% over the comparable month last year, according to the Newsprint Association of Canada. Production per working day averaged 17,947 tons, a gain also of 3.9% over the daily average of August, 1950. Rate of production for the month was 103.1% of rated capacity, as against 103.2% last month and 101.5% in August a year ago.

Canadian shipments in August were 480,581 tons, an increase of 62,992 tons or 151.1% over August, 1950. Canadian shipments to U.S. consumers were 408,830 tons or 85.1% of the total and 9.6% higher than in August, 1950. In each case these comparisons are distorted because of the Canadian railway strike which curtailed shipments (but not production) in the latter part of August, 1950.

Ottawa Should Help Educate Immigrants: Saskatoon, Sept. 16 (CP) -- Dr. E.A. Hardy of Toronto Saturday told School Trustees' Association convention in his presidential address that the federal Government must share responsibility for educating new Canadians.

Dr. Hardy is sick in Toronto and his speech was read.

He said he agrees with the Prime Minister, Mr. St. Laurent, that Canada's population may be expected to increase 25,000,000 in 50 years.

School trustees were faced with finding millions of dollars for new buildings, equipment and teaching staff to care for youngsters from all parts of the world. It was important these children be trained and developed as Canadian citizens.

The federal Government shared this tremendous responsibility and should be told so, Dr. Hardy said.

George Fitton of Brandon, Man., who presided, said federal aid for education is a vital issue. The federal Government recently had given aid for higher education but the lower strata needed it just as badly.

Across Canada: The Vienna art treasures on exhibition at Toronto during the past forty-three days was seen by 127,845 persons...Results of Saturday's football games: Alouettes 8, Toronto 6; Hamilton 11, Ottawa 6; Winnipeg 21, Saskatchewan 12; Edmonton 30, Calgary 15....A U.S. clergyman broke up a small Communist demonstration before the Parliament Buildings on Saturday by moving into the path of the marchers and with shouts and shoulder pushing forced them to split and disperse.



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Tuesday, September 18, 1951.

Sub-Committee To Dovetail NATO Work: Ottawa, Sept. 18 (Citizen). -- The Secretary of State for External, Mr. L.B. Pearson, was named on the five-man sub-committee set up by NATO council yesterday "to recommend specific proposals for closer co-operation on the social, economic and political development of the 12 member countries of the organization."

The committee-established following suggestions of U.S. Secretary of State Dean Acheson--was instructed to make a preliminary report before the close of the Ottawa meeting and then continue its work to submit a further report at the Rome meeting of the council the end of October. The sub-committee began its work in business-like fashion at its first meeting last night.

Canada has been given credit for initiating inclusion of Article 2 in the original NATO treaty stating that "the promotion of the stability and well-being of the Atlantic community constitutes an integral part of the ideological defence of the area." Thus it was considered only appropriate that Mr. Pearson be named on the sub-committee on an aspect of NATO in which this country has always taken a special interest.

Other members on the sub-committee as named are: Halvard Lange, Norwegian Foreign Minister; Dr. D.U. Stikker, Netherlands Foreign Minister; Paul van Zeeland, Belgian Foreign Minister; and Premier Alcide de Gasperi, Italian Foreign Minister. For sub-committee meetings after Ottawa before Rome the Foreign Ministers can name other representatives. C.M. Spofford, United States, chairman of the council of deputies, is a sub-committee member ex-officio.

Through installation of a simultaneous translation service in English and French, NATO's two official languages, the council made much more rapid progress at its sessions yesterday.

NATO council business meetings discussions yesterday also dealt with the following:

1. Prime Minister de Gasperi of Italy concluded the series of speeches by delegation heads in a general survey of the world situation. Mr. de Gasperi spoke along the lines covered at his press conference yesterday noon.
2. Received reports from its various subordinate bodies, including the Standing (Military) Group, Defence Production Board, Financial and Economic Board, and the Council of Deputies.
3. Began discussion of a resolution proposed by Mr. Dean Acheson of the United States for the admission of Greece and Turkey to full membership in the NATO alliance.

Despite reported objections by Norway and Denmark, there were indications the two Mediterranean countries will be recommended for admission to NATO. However, the legislative bodies of all 12 member countries would subsequently have to approve such action.

U.K. Foreign Secretary Morrison, French Foreign Minister Schuman and Netherlands Foreign Minister Stikker all supported the Acheson resolution for the full admission of Greece and Turkey before the council adjourned at 8 p.m. until 10 a.m. this morning.

Admission of Greece and Turkey, both of which want to join NATO, would require amendment to article 10 of the treaty on the territory wherein an armed attack by an aggressor would bring the treaty into full play.

Amongst the arguments advanced for the admission of the two countries were the following:

1. Full membership would be the simplest and fastest way of dealing with the matter.
2. Both countries are now members of the Organization for European Economic Co-operation and the Council of Europe.

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3. Both countries have shown a determination to maintain their own sovereignty.

4. The two countries have troops under arms numbering between 600,000 and 750,000 men and this would add defensive strength to NATO.

5. Inclusion of the two countries would make clear where everybody stands and avoid a possible miscalculation by Russia.

6. General Eisenhower has frequently described Western Europe as a peninsula involving for its defence, control of the north and south flanks, and Greece and Turkey are important on the south flank.

It had generally been agreed that no military matters would be brought up at the Ottawa meeting for action and thus the Standing (Military) Group report yesterday was of "a factual nature." It embraced "a progress report" from General Eisenhower, commander of SHAPE (Supreme Headquarters Allied Powers Europe).

General Eisenhower's report was described as "an obvious one, what he has been saying all along, urging faster action in the establishment of the NATO integrated force in Europe."

It was pictured as "the job of the military to ask for more men and equipment, for faster action, and the job of the council representatives to see how such recommendations can be met as expeditiously as possible, having regard for the economy of their respective countries."

General Eisenhower will attend the Rome meeting of the council for further discussion and action on military questions.

Yesterday the council discussed the old problem of keeping the nine countries not directly represented on the Standing Group which includes United States, United Kingdom and France up to date on its day to day and week to week decisions. This problem also will be further discussed at the Rome meeting.

Henri Jame, Belgium, chairman of the Defence Production Board and William R. Herod, United States, board co-ordinator, told the council its two chief problems concerned finance and raw materials.

General Paul Ely, France, Standing Group chairman and General Omar N. Bradley, chairman of the U.S. joint chiefs of staff, addressed the council briefly on military questions. The Minister of National Defence, Mr. Claxton, and the Defence Ministers of Belgium, the U.K., Italy, The Netherlands, Norway, the U.S. and France, also spoke.

Paul Leroy, France, chairman of the Financial and Economic Board, submitted a 70-page report on "the board's purpose of most effectively mobilizing the financial and economic strength of the member nations." The board stated "it is seeking to distribute the economic burden of NATO on an equitable basis, and to assess the economic capacity of each country to contribute its maximum to the common effort."

Charles M. Spofford, United States, chairman of the council of deputies, reported for that body on its work since the last council meeting in Brussels eight months ago. This progress has embraced reorganization of the top structure of NATO, establishment of the Defence Production Board and the Financial and Economic Board, recruitment of an international staff for civilian agencies and a budget therefor, agreement on sharing of the cost of SHAPE and other military commands, agreement on the status of armed forces when in any member country, arrangement of a programme for NATO statistics, and examination of the pros and cons of the problem of the admission of Greece and Turkey.

Mr. Spofford indicated "the council of deputies had agreed that Greece and Turkey should be associated in some way with NATO," whether it be by full accession to membership, a Mediterranean military pact, or some other form.

From the tenor of the speeches of the Minister of Finance, Mr. Abbott, and of the Finance and Defence Ministers of other countries who spoke on the reports of the Defence Production Board and the Financial and Economic Board, the comment came out of the business meetings during the day. "Things are tough everywhere."

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Vol. 2, No. 182

Thursday, September 20, 1951.

Committee To Survey Defence Needs: Ottawa, Sept. 19 (Montreal Gazette) -- The North Atlantic Council has agreed to set up a short-lived super-committee charged with marshalling the resources of all members of the alliance between now and Dec. 1.

During its brief life, the new committee will not be concerned merely with manpower, but with everything that goes into the waging of modern war.

One dominant factor has led to the decision.

It is now recognized that the defensive strength of the alliance so painstakingly built up since its inception falls short of the requirements of fulfilling a militarily acceptable plan for the defence of Western Europe.

Following the close of the Ottawa conference tomorrow, each country will hasten to appoint a representative to take his place on the super-committee.

Most of the men appointed will be specialists in questions of defence production. All of them will be either of Cabinet Minister rank or men "closely associated" with their respective governments. They will be "particularly qualified" to assist the committee in its tasks.

These qualifications have led inevitably to reports that Canada's appointee will be Defence Production (and Trade) Minister C.D. Howe--if he can be spared.

The 12-man committee will be confronted with two main tasks. It must prepare an analysis of the issues involved in reconciling Western Europe's defence requirements with the political and economic capabilities of member-nations. It will also recommend ways and means of closing the gap.

The new body will have to work in great haste. It will be required to make a progress report to the North Atlantic Council at its next meeting. This had been tentatively slated for Rome, beginning Oct. 29. Because of the British election developments, however, it may be set over until November, with a change of site.

NATO Rome Meeting: Ottawa, Sept. 19 (CP) -- The calling of a United Kingdom election for October 25 has raised "some question" as to whether the North Atlantic Council can meet in Rome October 29 as planned, an official informant said tonight.

He disclosed that the question had come up briefly at this afternoon's meeting of the Council after announcement of the election was made officially in London.

The Secretary of State for External Affairs, Mr. Pearson, had suggested that the matter might be solved by calling the Rome meeting on Britain's election day, October 25, when Britain's present Ministers would still officially be in office.

The informant said no decision had been reached on the question, but indicated it will be discussed again by the Council tomorrow.

The four-day lag between the British election date and the Rome meeting at NATO presented the problem that unless Britain's Labour Government were returned to power, it might take some time to organize the portfolios in any new government.

Mr. Schuman On Federation: Ottawa, Sept. 19 (CP) -- Foreign Minister Schuman of France said tonight it is premature to envisage a federation of the 12 countries in the North Atlantic Treaty Organization.

(over)

Federation, he told a press conference, is something which comes at the end of evolution. The Atlantic Pact Organization is at the start of its development and it is too early to envisage a federation where a super organization would govern the 12 NATO members.

Technical Aid For Chile: Technical assistance for Chile will be provided through the co-operation of the Bureau of Statistics, which is making available the services of Mr. W.F. Ewert, Chief of the Livestock and Animal Products Section, Agricultural Division, who will leave Ottawa September 20, by air for Santiago. There he will join the Technical Assistance Group of the Food and Agriculture Organization (FAO), a specialized agency of the United Nations, which requires someone of his experience to assist in agricultural estimating procedures and methods. The services of Mr. Ewert were secured through the International Economic & Technical Co-operation Division, Department of Trade and Commerce, on receipt of a request from the United Nations for technical assistance of this nature.

Temporary Migration Of Unemployed: Ottawa, Sept. 19 (Globe) -- On the instructions of his Windsor committee on employment, Deputy Labour Minister Arthur MacNamara is exploring with employment authorities in the United States the possibility of a temporary migration of unemployed from Canada's Motor City to Detroit, Cleveland or Buffalo.

At the moment the U.S. Immigration Department is reluctant to allow any such movement across the border and, in any event, men would be allowed into the United States only for a limited period.

The proposed migration would be confined to unskilled workers who have been laid off from the Ford plant in Windsor and have been unable to find employment elsewhere.

Airman Equerry For Princess: Ottawa, Sept. 19 (CP) -- A decorated Air Force officer who commanded a Pathfinder squadron in the Second World War, has been named equerry to Princess Elizabeth for her royal tour of Canada with Prince Philip next month.

He is Wing Cmdr. Richard M. Cox, D.F.C., A.F.C., 35, of Sioux Lookout, Ont., and Fort Garry, Man. Air Force Headquarters said he is the only Canadian to be appointed equerry for the royal visit.

Across Canada: Suburban districts of Nanaimo were threatened by a giant forest fire. Police forestry and civil defence officials were prepared to evacuate 300 persons from suburban Extension, seven miles from the heart of Nanaimo... Saskatchewan Wheat Pool is urging Transport Controller Roy Milner to avert a situation in which hundreds of thousands of bushels of soon-to-be-harvested grain will have to be dumped, the Canadian Press reported from Regina... A government-sponsored housing programme that will enable workers to buy homes on a low down payment was demanded by the annual convention of the 350,000-member Canadian Congress of Labour.

GOVERNMENT
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Vol. 2, No. 183

Friday, September 21, 1951.

North Atlantic Council Conclusions: Ottawa, September 20 (CP) -- The North Atlantic Council shrugged off Russia's empty words about peace today and took steps to make its anti-Communist alliance bigger and broader.

The 12-nation coalition, concluding the Ottawa meetings, pushed its military front into the oil rich Middle East by voting to admit Greece and Turkey.

The most distinguished international gathering Ottawa has seen broke up at 4:07 p.m., EDT. Vast problems still faced the 32 Cabinet Ministers who met here.

But the delegates left here proclaiming their growing strength and confidence and agreed to meet in Rome in late November to map new military plans that will include some form of participation by West Germany and more rearming.

Their last act was to turn over to Canada the chairmanship of the council for the next year. The Secretary of State for External Affairs, Mr. Pearson, will fill the role.

United States State Secretary Dean Acheson, probably the dominant figure, told a press conference later, "We are very happy about this meeting... it showed that the organization is strong and virile and that it is moving ahead."

A meeting called mainly for discussion and not for decisions could look back on these accomplishments:

1. The admission of Greece and Turkey which Mr. Acheson called "the big, concrete achievement."

2. Publication of a 500-word statement regarding the North Atlantic community which told Russia she can't split the West, called the Soviet's peace tactics vague, obscure and empty and named a five-nation committee of Ministers--including Canada--to press ahead with long-range planning in non-military fields.

3. Appointment of a 12-nation super-committee to direct the drive to close the gap between what defences the West has and the considerably more she needs. Its headquarters will be in Paris. Mr. Pearson, as council chairman, will name the date of the first meeting once he has the names of the 12 Cabinet Ministers or virtual equivalents who will serve on it.

4. Implied support of Italy's bid for modified peace terms.

5. Agreement on sharing the costs of European airfields, communications and barracks. Canada's initial bill will not exceed \$10,000,000.

6. Agreement to boost the number of council meetings to three or four a year and to invite Gen. Eisenhower to go to Rome to help in forging new military decisions. The Rome meeting was originally set for October 29 but this was changed because of the October 25 British election.

The admission of Greece and Turkey is not final. It will have to be approved by a number of Parliaments, including Canada. However, admission now is considered certain and plans are being made to create a new military command pivoting on Turkey in the Middle East.

Mr. Schuman's Radio Address: Ottawa, September 20 (CP) -- Foreign Minister Schuman of France said tonight that the "loss of Europe would mean the final destruction of our civilization."

The defence of Europe was principally a task for Europe, he said. That was why Europe now was organizing and unifying herself and why France was taking a leading part in this unification with such plans as the European Coal and Steel Pool.

(over)

The French Foreign Minister reiterated that "at the right time" France will propose a European political organization carrying supranational authority for the formulation of a common foreign policy directed toward peace.

Mr. Schuman is in Ottawa for the NATO Council meetings which ended today. His address was prepared for delivery over the trans-Canada network of the CBC.

Europe, Mr. Schuman said, must "put an end to the divisions which weaken her by dispersing her strength and particularly to the age-old feuds which have repeatedly torn her in fratricidal wars."

It was to this end that France had proposed the European Coal and Steel Pool, bringing together key industries. It was to this end that France proposed a European Army to replace the national armies which so often in the past have faced each other as enemies.

Frenchmen desired peace with the firm determination of men who were ready to sacrifice their lives for the defence of their beliefs and liberties.

"We will not," he said, "allow this calm resolution to be misinterpreted by some people and presented as a warlike design". . .

Accord With Italy: (Press Release No. 48, September 21) -- The Secretary of State for External Affairs, Mr. Pearson, and His Excellency The Honourable Alcide de Gasperi, Prime Minister and Minister of Foreign Affairs of Italy, have exchanged notes which settle, in a spirit of cordial friendship and mutual understanding, matters relating to Canadian claims for war damages in Italy and to Italian assets in Canada. Under this Agreement, the Italian Government will put at the disposal of the Canadian Government funds to be used for the satisfaction of Canadian claims for war damages in Italy. On the other hand, the Canadian Government will release immediately Italian assets in Canada.

Reinforcements For Korea: Calgary, September 20 (CP) -- Two companies of the 1st Battalion, Princess Patricia's Canadian Light Infantry, have left Calgary by train for a United States Pacific Coast port from which they will sail shortly for Korea to relieve the 2nd Battalion, P.P.C.L.I. The 2nd battalion is expected to be home by Christmas.

The two complete rifle companies are accompanied by reinforcements from the 3rd Battalion P.P.C.L.I. from Wainwright.

More than 50 per cent of the 1st Battalion men and officers are trained paratroopers.

(In a press conference at Ottawa on September 20 State Secretary Acheson of the United States said that Canada's contribution in Korea is "really an extraordinary one.")

Mr. Winters On Defence Needs: Atikokan, Ont., September 20 (CP) -- Canada is in "desperate" need of strategic defence materials and is fast pushing back new frontiers to find and develop them, the Minister of Resources and Development, Mr. Winters, said tonight.

There has been a return of the Canadian "pioneering spirit," particularly in the North, the Minister told the Northwestern Ontario Associated Chambers of Commerce convention in an address.

The "desperate need" for strategic materials sprang from the vast defence programme of the Western democracies. Because Canada was one of the "have" nations in the North Atlantic Treaty Organization "we can be certain that our quota will be a stiff one."

Mr. Winters reviewed more recent mineral and oil developments throughout Canada and said some of the most significant were in the Great Northern area from Yukon to Newfoundland.

Across Canada: Delegates from four NATO countries including two Defence Ministers started today on a two-day look at some of Canada's military establishments.... Organized agriculture will fight any Government move to impose price controls on food, without imposing similar controls on wages and profits, H.H. Hannam, President of the 400,000-member Canadian Federation of Agriculture, said at Milton, Ont., last night.... William Henry Wright, 75, founder of The Globe and Mail, died at his Barrie home on September 20.



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Vol. 2, No. 184

Monday, September 24, 1951.

Trade Deficit With U.S. Rises To \$373,000,000: Ottawa, Sept. 23 (CP) -- Canada's purchases from the United States jumped by more than \$500,000,000 to a record \$1,705,800,000 in the first seven months of 1951, the Bureau of Statistics reported today.

This sharp climb from \$1,175,200,000 in the first seven months of 1950 outpaced a smaller \$250,000,000 gain in sales, pushing Canada's deficit in trade with her southern neighbour to \$373,000,000 -- about four times greater than the \$87,500,000 deficit in the same period last year.

Total exports to the U.S. in the seven-month period increased to \$1,331,900,000 from \$1,087,000,000.

Part of the big boost in the American deficit was apparently due to a continuing hunger by a booming Canadian industry for American raw and finished materials, particularly iron and steel products and textile materials including cotton.

But part was apparently also due to the fact that the general level of Canada's export prices had not climbed as high as those for the goods she imported. For example, the Bureau estimated that in July prices of Canada's exports increased 13 per cent from July 1950, but prices of imports climbed 18.5 per cent.

In trade with all countries, Canada's exports in July, for the first time in 1951, surpassed the value of imports giving Canada a small \$7,900,000 surplus in her monthly foreign trade commodity account. This pared down the seven-month over-all deficit to \$331,900,000.

Total exports in July jumped 47 per cent to a record \$378,600,000 from \$256,700,000. Imports increased 43 per cent to \$370,600,000 from \$259,500,000.

This brought total seven-month exports to all countries to a record \$2,141,100,000, a \$350,000,000 gain over \$1,704,800,000 in 1950, and imports to a record \$2,473,000,000, up about \$700,000,000 from \$1,712,500,000.

In trade with her second major customer--Britain--Canada pushed sales in July to \$74,100,000, double the \$35,300,000 last year, driving the seven-month total to \$328,300,000 from \$272,500,000.

Three Top C.C.L. Men Quit Posts: Vancouver, Sept. 23 (CP) -- Split wide open by an internal battle for power, Canadian Congress of Labour tonight had three of its top officials on the sidelines while rank-and-file members wondered about the future of the 350,000-member Congress.

Two vice-presidents had quit their jobs and so had National Secretary-Treasurer Pat Conroy, chief executive officer and top policy-maker of the Congress, Canada's second biggest central labour body.

Remaining executive members spent the week-end trying to put together the shattered solidarity of the C.C.L., chief advocate of labour unity in Canada, after the biggest internal blowup in labour ranks in many years in this country.

The explosion came at the C.C.L. National Convention that ended Friday night, and was followed by repercussions Saturday.

Major developments were:

1. C.H. Millard of Toronto, powerful chief of the 60,000-member United Steel Workers of America in Canada -- the country's biggest union -- left one of the four C.C.L. vice-presidencies after the Congress executive had rejected what it considered a bid for more Millard power in the Congress.

(over)

2. After Mr. Millard had swung a coup on the convention floor--getting more representation for his union on the C.C.L. executive--Mr. Conroy suddenly quit.

3. Alex MacAuslane of Toronto, Canadian head of Oil Workers' International Union, announced Saturday he has resigned as a congress vice-president in sympathy with Mr. Conroy's stand.

Report Cabinet Considering Sessional Agenda: Ottawa, Sept. 23 (CP) -- The federal Cabinet met Friday and is understood to have considered some of the legislation to be presented at the session, which opens October 9 and is expected to last until shortly before Christmas. Another meeting is scheduled for Wednesday.

Indications are that in the early stages of the session there will be major debates on the cost of living, defence, housing, pensions and international affairs.

Group Of P.P.C.L.I.'s Return For Paratroop Training: Tokyo, Sept. 23 (CP) -- A group of 25 men from the Princess Patricia Canadian Light Infantry left Korea Sept. 22 on their way home, the Canadian public relations office said today.

The group is the second to return to Canada for paratroop training. All are veterans of more than eight months' service with United Nations forces in Korea.

Across Canada: The Ontario Legislature will open a new session on September 24 with old age pensions as its main business but with prospects of a fall election on its mind, the Canadian Press reported....An RCAF flight nurse from Meeta, Sask., Nursing Sister Ella Mannix has been chosen to accompany the royal couple, H.R.H. Princess Elizabeth and H.R.H. The Duke of Edinburgh on their Canadian and United States tour....In week-end football, Montreal Alouettes defeated Hamilton Tigers 17 to 16; Toronto Argonauts defeated Ottawa 17 to 10. In the West, Edmonton defeated Calgary 30 to 11, and Saskatchewan Roughriders defeated Winnipeg Blue Bombers 30 to 17.



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Tuesday, September 25, 1951.

Mr. Pearson Before UN Correspondents' Association: New York, Sept. 24 (CP) --

L.B. Pearson said tonight that relations between Canada and the United States have changed in recent years but they remain good.

The Secretary of State for External Affairs, Mr. Pearson, was answering questions put by members of the United Nations Correspondents' Association on the television and radio programme "United or Not" produced at the U.N. Security Council chamber at Flushing Meadow, New York. The programme was heard throughout the U.S. and later was rebroadcast over the CBC.

Asked about a speech he made in Toronto last spring which aroused widespread comment, Mr. Pearson said that any interpretation of the speech as critical of the U.S. was incorrect.

Mr. Pearson said Canada-U.S. relations formerly were bi-lateral -- problems between the two countries discussed "over the garden fence."

Nowadays, however, Canada's relations with the U.S. were with a leader of a coalition whose powers could determine war or peace.

"Any smaller, weaker country is preoccupied with power," Mr. Pearson said. Canada, therefore, was preoccupied with U.S. power.

"But our relations are good, have been good, and will remain good," he added.

Last spring, Mr. Pearson said, Canada was worried about the possibility of extension of war in the Far East.

"Now we are not so worried about it."

Asked about Canada's part in the North Atlantic Treaty Organization, Mr. Pearson noted that the Canadian 27th Brigade Group is to leave next month for Europe -- after Parliamentary approval -- to become part of Gen. Dwight D. Eisenhower's forces.

The Canadian Brigade would be part of Gen. Eisenhower's forces in northern Europe, not because Canada specifically wanted them placed in northern Europe, but because that is where Gen. Eisenhower suggested they would be most effective, Mr. Pearson said.

While the Brigade would be part of a British-Netherlands-Belgian group, 11 Canadian fighter squadrons slated for overseas duty would be attached to the U.S. air force so "Canada, as usual, would be on both sides."

He said that the Western powers had tried all types of approaches to the Soviet bloc in attempting to help East-West relations.

What was needed now was a new attitude on the part of the Soviet bloc, Mr. Pearson indicated....

Asked to explain the term "North Atlantic Community", Mr. Pearson said NATO hopes to develop a system by which its members might build up something a little closer than the separate sovereign states.

"One day we will have to get together," he added.

Rejecting suggestions that NATO might by-pass the U.N. in trying to solve international problems Mr. Pearson said that if the U.N. had been functioning properly in providing collective security it would not have been necessary to form NATO.

NATO was a second-best method of collective security but was necessary until the U.N. could effectively carry out such duties.

(over)

His Majesty's Illness And The Royal Visit: Ottawa, Sept. 24 (CP) -- Talk of postponement of the Royal Tour was a rife in official circles tonight as anywhere else.

The one public statement of the day, issued by the Prime Minister, Mr. St. Laurent, after a Transatlantic telephone conversation with U.K. Prime Minister Attlee, struck a more optimistic tone, but still held out the possibility of a change in plans.

Mr. St. Laurent said that the British leader, talking to him about 2 p.m., EDT, gave a "very encouraging" report on the King's condition.

He added that they would be in touch again by phone either this evening or tomorrow morning.

Today's conversation was initiated by Mr. Attlee. Mr. St. Laurent gave only the briefest inkling publicly of what was said--that Mr. Attlee assured him "that the most recent news about the health of the King was very encouraging."

Mr. St. Laurent, it is learned, has already cabled London to tell the Princess and her husband to feel under no obligation to come to Canada at this time and to stress that the Canadian people would understand if the visit has to be postponed.

National Fuel Council Urged: Ottawa, Sept. 24 (CP) -- Establishment of a national fuel council to co-ordinate the fuel situation in Canada was urged today by mines officials of five provinces who called on members of the federal Cabinet.

The delegation, which presented suggestions regarding various phases of the mining industry which arose out of the eighth Provincial Mines Ministers' Conference at Saskatoon Sept. 5-8, stressed the importance of oil in the national economy.

They urged that the federal Government study the advisability of establishing a national fuel council "to study, plan, and co-ordinate the whole fuel situation in Canada."

Windsor Dark Spot In Generally Bright Labour Picture: Ottawa, Sept. 25 (CP) -- The automobile-building centre at Windsor, Ont., is still a labour sore spot but the general employment picture across the country is bright, the Labour Department announced September 24.

In its latest employment survey covering conditions at August 30, the Department estimated that of Canada's expanding labour force, only 127,100 were jobless, a drop of 24,500 from 151,600 on August 31, 1950.

In Windsor, however, 1,473 were added to those seeking employment, bringing the total without jobs on August 30 to 4,705. Another lay-off by the Ford Motor Company during Labour Day week-end boosted Windsor's total unemployed by 1,800 to 6,505.

Canada-U.K. Tax Agreement Extended: (Press Release No. 49, Sept. 25) -- The Canada-United Kingdom tax agreement which has been in force since 1946 was extended on September 25 to cover twenty-one Colonial territories of the United Kingdom. This was formally effected by an exchange of notes between the two Governments under the provisions of the existing agreement.

Across Canada: Ontario moved yesterday to pay \$40-a-month pensions to its 40,000 needy citizens aged from 65 to 69. A bill introduced at the opening of the Legislature's special fall session lined up the Province as the first to implement the federal-provincial agreement on old age pensions.... A six-man delegation of the Ontario Flue-cured Tobacco Marketing Association asked the Minister of Finance, Mr. Abbott, to pare down the cigarette tax to such an extent that the retail price for a package of 20 may be reduced to 35 cents from 40. Mr. Abbott told them, it was learned, that the Government will not reduce taxes at this time.... A grey shield-shaped Canada patch has been approved for men of the 27th Infantry Brigade who are going to Europe the army announced yesterday. It can be worn on the sleeves of his tunic by any man who has been officially told that he is soon to go overseas. The Brigade is going in November.... The 22nd annual meeting of the Canadian Chamber of Commerce will be held in Quebec City October 30, CP reported today from Edmonton. Mr. Charles E. Wilson, U.S. Defence Mobilizer, will speak.



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Wednesday, September 26, 1951.

Mr. Johnson Permanent Representative To UN: (Press Release No. 50, September 26) --

The Department of External Affairs announced on September 26 that Mr. D. M. Johnson, High Commissioner for Canada in Pakistan, has been appointed Permanent Representative of Canada to the United Nations, New York. Mr. Johnson will take over his new duties at the beginning of the forthcoming session of the General Assembly and will be a member of the Canadian Delegation to the General Assembly in Paris.

Mr. Herbert Norman, who had been assigned temporarily to New York as Acting Canadian Permanent Representative to the United Nations, resumed his post as Head of the Department's very important American and Far Eastern Division upon his return from the San Francisco Conference on the Japanese Peace Treaty where he served as senior adviser to the Canadian Delegation.

Reduce Living Standards For Defence: Ottawa, September 25 (CP) -- The Minister of Finance, Mr. Abbott, tonight rejected demands for price controls to fight inflation and said a temporary reduction in living standards is the "real price" Canadians must pay for freedom and security.

Even in the Second World War, said Mr. Abbott in a speech prepared for delivery over the CBC's free-time political programme, "The Nations' Business," price ceilings played only a small part in the Government's inflation attack. The two most outstanding weapons used were not price controls, but a tough taxation policy and an intense saving programme.

If the Government now was to pursue a similar programme, taxes would jump and the Government's revenue would have to be at least \$800,000,000 or \$900,000,000 more than at present.

To those with "short memories," he recalled the Second World War repugnancies of controls, including "hard and irksome" regulations requiring an army of 10,000 officials and clerks to enforce.

"Do you remember," he said, "that you were not allowed to build anything beyond the simplest sort of shelter without getting a permit from Ottawa?"

". . . Do you remember that you could not buy a car, a stove, or a new tire unless you could prove a dire emergency and got a Government permit?"

". . . Do you remember that your wages and salaries were frozen and that you could not quit your job or take a new job without getting a permit from a Government official?"

The ordinary people submitted to the regulations because they knew it was a "short-run emergency" and they would regain their freedom in two or three years.

"The situation we now are facing has no clear ending -- this tense and uncomfortable twilight zone may last for 10 or 15 years or even a generation."

The argument had been advanced, said Mr. Abbott, that Canadian prices were the highest in the world. This was not true, but it was true, however, that prices had gone up faster in Canada during the last six months than in the United States.

But prices went up faster in the U.S. than in Canada in the latter part of 1950 and in England, where they have the most complete system of controls, prices in the last six months have been going up faster than in Canada or the U.S.

It used to be that food, as a whole, was cheaper in Canada than in the U.S., but food prices, conceded Mr. Abbott, had gone up more in Canada than in the U.S. Now, on balance, "it would seem that prices are about the same."

(over)

Government assistance to fight inflation was necessary, but governments alone could not defeat it. Restraint was needed by all groups in Canada in respect of prices and profits, wages, hours of work, spending and saving.

The real price Canadians must pay for the defence build-up was a temporary reduction in standards of living, unless there could be a rapid expansion and greater production in the Canadian economy.

Dr. Mackenzie On Freer Exchange Of Scientific Information: Montreal, September 25 (CP) -- Dr. C.J. Mackenzie, President of the National Research Council, tonight called for a freer exchange of scientific information among nations.

"It would be ironical indeed," he said, "if when a real measure of international co-operation is developing in political and economic matters, there developed at the same time unreasonable trends toward scientific isolation."

In a speech prepared for delivery at an international symposium of fundamental chemistry of cellulose and lignin, Dr. Mackenzie told scientists from more than 16 different countries that the very existence of nations rests on scientific foundations.

"There never was a time when the need to emphasize the international aspect of science was greater," said Dr. Mackenzie. "It is a disturbing paradox that today when free peoples are realizing, more than at any time in history, that we must have closer political and material co-operation for our common safety and well-being, we are in some areas in danger of impairing the age-old traditional freedom of science.

"I think that all scientists everywhere must look nostalgically to the good old days when scientists could meet and discuss their work in complete freedom and without any considerations of secrecy. We should never forget that it was in such a world that fundamental science flourished most prolifically and in its wake brought great material benefits to mankind through application of new technological developments by enterprising industry."

Now with the life of nations depending on science, some security restrictions are necessary.

"As a practical and intelligent people, therefore, we must accept as inevitable some restrictions on the traditional absolute freedom of science," said Dr. Mackenzie.

Across Canada: The Canadian Manufacturers' Association has recommended to Ottawa that the Canadian Government should refrain from according most-favoured-nation tariff treatment to Japan now that the Japanese, as a result of the recently signed San Francisco Peace Treaty, have entered the world's trading market again. This recommendation was made public at yesterday's meeting of the Association's Executive Council in Montreal, the Montreal Gazette reports....A Prairie snowstorm, moving eastward, was centred over Saskatchewan on the night of September 25. Wet snow buried swathed grain and kept harvesting at a standstill....Eight speakers of the Ontario Legislature's Opposition parties said yesterday they will vote for the Government's new pensions legislation. But at the same time they criticized as inadequate the proposals for pensions up to \$40 monthly for needy persons aged 65 to 69....Funeral services were held in Toronto September 25 for John Scott, noted Canadian newspaperman.



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Thursday, September 27, 1951.

Trade Deficit At New Peak Of \$337,100,000 In 8 Months: Ottawa, September 26 (CP) -- Canada's trade deficit with the world worsened in August, driving the eight-month total to a peak \$337,100,000, a preliminary Bureau of Statistics report on August trade showed today.

This was the seventh deficit in eight months of trade, reversing the effect of the first favourable 1951 balance in July. The eight-month deficit was \$43,000,000 higher than the total previous all-time high of \$294,100,000 for the 12 months of 1913.

The problem was centered mainly in trade with the United States. Another hefty deficit blanked out the impact of a relatively large favourable balance with the United Kingdom developed out of a sharp jump in exports overseas.

Subject to revision within the next few weeks, the preliminary report showed that Canada's sales to her world customers climbed to \$353,600,000 last month from \$260,600,000 in August last year.

But imports, increasing to \$358,800,000 from \$267,300,000, outpaced exports by \$5,200,000. Though the report gave no details, officials said the continuing big imports increase was due mainly to Canada's record capital expansion, a booming demand for goods by consumers and Canada's defence needs.

August's sharp jump in total trade pushed Canada's exports for the eight months to \$2,494,700,000 and imports to \$2,831,800,000.

Last year's total trade rolled to the \$6,000,000,000 mark for the first time. It appeared likely that this year's total will run to well over that amount.

Shipments to the United States in August climbed to \$195,800,000 from \$170,100,000 last year, but imports jumped to \$231,500,000 from \$172,600,000, making for a deficit of \$35,700,000.

This brought the total Canadian deficit in trade with the U.S. to \$409,600,000, following an adverse balance every month since last January.

Canada had hoped for large American defence orders to help offset this deficit, but so far the orders have been relatively small, though defence officials expected they would be followed by other larger ones in the months ahead.

The sharp deficit in trade with the U.S. knocked out the favourable effects of a climb in exports to Britain to \$66,700,000 in August from \$42,800,000 a year ago. With imports increasing less than \$6,000,000 to \$39,000,000 from \$34,300,000, Canada chalked up a credit of \$27,700,000. The largest monthly credit with Britain this year was \$30,000,000 in July.

Royal Visit Postponed: Ottawa, September 26 (CP) -- The Royal Tour was postponed a week or two today and the King's health was seen as the key to whether it occurs this Fall or is put over at least until Spring.

Officials who read Princess Elizabeth's announcement of the brief postponement interpreted it as meaning she and the Duke of Edinburgh intend to come in October if the King's condition will permit.

They thought it might be another two or three days before the situation clarifies. At least a two weeks' delay in the arrival -- that is no sooner than October 16 -- was predicted by one official.

Entry To U.S. Reported Sought For Windsor Auto-Workers: Windsor, September 26 (Globe) -- Announcement by the Chrysler Corp. of Canada that 800 men would be laid off added to Windsor's unemployment problem today, and union leaders accused the federal Government of sabotaging the automobile industry.

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In Ottawa today it was learned that the federal Department of Labour had approached the Departments of Labour and Immigration at Washington in an effort to facilitate issuance of border crossing cards to unemployed Windsor workers. Formalities necessary to obtain these cards now require from one month to six weeks. It was felt that speeding up this operation might make it possible for many Windsor workers to find jobs in Detroit.

Deputy Labour Minister Arthur MacNamara told the special committee on Windsor employment today that the response in the United States was encouraging. The mayor of Detroit has told Mayor Reaume of Windsor that there were several Detroit employers who would gladly take Windsor workers.

At the same time negotiations are under way to facilitate group movements of workers from Windsor to Cleveland and other American cities. Both Ford and Chrysler managements as well as the unions have given assurance that seniority rights of men leaving the city to find jobs because of the layoffs would be protected.

Pension Bill Approved: Toronto, September 27 (Globe) -- Without a dissenting voice Ontario's new old age pension bill passed second reading in the special Legislature session yesterday by a vote of 83-0. It was then taken clause by clause through committee stage. All that remains is the formality of third reading, scheduled for this morning.

The bill provides extension of the \$40 monthly pension to needy persons between the ages of 65 and 69; brings the province in line with the projected federal \$40 pension for all over 70; and provides for continuing provincial medical aid for persons in that category as well as for the 65-69 group. Cost of the 65-69 pensions, expected to benefit 40,000 people in the province, will be borne equally by Ottawa and Queen's Park.

A second bill, provides for continuance of the \$40 monthly pension to all needy blind persons over 21 years of age and removing them, for administrative purposes, from the old age pension grouping.

Mr. Graydon Speaks On Russia: Ottawa, September 27 (Citizen) -- "Russia, since recent world war, has dissipated a great reservoir of good will," Mr. Gordon Graydon, (PC--Peel), told the Canadian Dental convention yesterday.

"Why Russia ever permitted this admiration and good will to disappear none can understand. Possibly it is due to the fact that she is having trouble at home and is seeking to focus the attention of her people elsewhere."

Across Canada: Two Canadians have been awarded gallantry decorations by The Netherlands Government for their daring in cross-Channel raids and work with the Dutch underground during the Second World War....The Bell Telephone Company of Canada, seeking a \$16,000,000-a-year increase in its Ontario-Quebec phone rates, was assured yesterday of early disposition of its application for a temporary increase pending a full inquiry. The Board of Transport Commissioners declined to grant temporary higher rates immediately....Officials of the federal Health Department and the British Columbia Government are considering the possibility of establishing an experimental centre on the west coast for the treatment of drug addicts, the Canadian Press reported....Nova Scotia's Labour Minister, Alex MacKinnon, announced that his Department will take steps to end the two-month-old wage dispute at the Sydney, N.S., steel plant....His Excellency Viscount Alexander, Governor-General of Canada, and Lady Alexander, members of the diplomatic corps, Mayor Charlotte Whitton and City Council of Ottawa, last night attended the successful Canadian premiere of "The Lady With A Lamp" at the Capitol Theater....Sir Hugh Montagu Allan, 90, one of Canada's leading financiers and sportsmen, died in Montreal....A promise of financial aid to totally disabled persons in Ontario was made in the Ontario Legislature by Welfare Minister Goodfellow.

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OTTAWA - CANADA

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Friday, September 28, 1951.

Mr. St. Laurent In Washington To Discuss Seaway: Ottawa, September 28 (CP and Globe) -- The Prime Minister, Mr. St. Laurent, flew to Washington yesterday accompanied by the United States Ambassador to Canada, Mr. Stanley Woodward. It is announced officially that Mr. St. Laurent will discuss the seaway project with President Truman and it is hoped here that his discussions will bring the agreement in principle which is needed formally to initiate the whole project.

Mr. St. Laurent's flight made it evident the Canadian Cabinet is on the verge of undertaking the huge project by itself, though there was still no official word here that the Government had decided to plunge alone into the \$700,000,000 scheme.

While all sources here were silent on the direct purpose of the Prime Minister's hasty Washington trip, the major speculation was that he was to make a direct approach to President Truman to issue executive orders that would set the machinery rolling for the digging of the big St. Lawrence ditch.

Now that Congress has stalled a joint Canadian-United States project for years, the President has the last word on that.

He would have to give the go-ahead, with the Canadian Government, to enable the International Joint Commission, with jurisdiction over boundary waters, to conduct an inquiry into the seaway. This, it is felt here, would result eventually in a decision in favour of the waterway, though it might take several months.

As Mr. St. Laurent took off for Washington--due to return here tomorrow immediately after a quick interview with President Truman--Government quarters tried to envelop his departure in secrecy.

The Prime Minister indicated at the Washington airport that Canada might be interested in developing the St. Lawrence seaway project on its own if the United States continued to delay participation.

Royal Tour Announced To Start October 9: Ottawa, September 27 (CP) -- The Royal tour will start at Quebec City Tuesday, October 9, one week later than originally planned, it was announced today in a statement that ended days of confusion and doubt that it would take place at all this year.

Princess Elizabeth and the Duke of Edinburgh now are scheduled to take off from the United Kingdom by B.O.A.C. Stratocruiser Sunday, October 7, and land at Montreal the next day and entrain immediately for Quebec City.

All across the country, arrangements for local visits stand, except that they will be one week late in each case.

In Ottawa's case, Parliament will be in session when they arrive October 10 for a two-day visit. It is the present intention of the Government to propose that both Houses not sit on those two days.

The new date of arrival was announced by the Princess and her husband in London one day after disclosing that the original plans had been set back a week or two because of the condition of the King.

It was hailed by Prime Minister St. Laurent as obviously meaning "that there has been great progress in His Majesty's recovery."

Surplus To Reduce National Debt-Mr. Abbott: Montreal, September 27 (Gazette) -- The Minister of Finance, Mr. Abbott, indicated tonight that he will use the federal Government's surplus, which rose to \$500,000,000 in the first five months of the fiscal year, to reduce Canada's \$11,000,000,000 national debt.

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The surplus, so far, is more than 15 times the \$30,000,000 surplus he predicted for the entire 1951-52 fiscal year in his budget speech last April.

"I cannot profess to be as alarmed about this situation as I would be if the surplus were below expectation," Mr. Abbott said while touching on the subject in a speech prepared for delivery before the National Council of Women of Canada.

In the final compilation, when all bills were paid, the surplus might be trimmed. Government spending, said Mr. Abbott, was usually higher in the final months of the year than in the first and defence spending will increase as the months go by.

"Actually," he said, "the ultimate effect of a surplus is to reduce the national debt, and thus reduce the future interest payments.

"It is rather like a family getting an increase in income and using it to reduce the mortgage on their home. If we were not following a strict pay as you go policy now, without at least some reduction in our debt, we would be laying up trouble for the future.

"We should not forget that Government deficits in the Second World War had a great deal to do with the inflationary rise in prices in 1946-49."

Government Review Of Credit Restrictions' Impact: Ottawa, September 27 (CP) --

The Government has completed a review of the impact of credit restrictions on sales and employment and has decided to withstand mounting pressure for relaxation, it was learned today.

Appeals against the restrictions have come from many quarters, particularly from the hard-hit automotive industry at Windsor, Ontario, and from manufacturers and distributors of refrigerators, washing machines, stoves and other electrical goods.

Pressure against the Government was stepped up following sharp increases in the restrictions last March. Delegations were told, however, that the full impact of the restrictions were not immediately discernible and it probably would take six months before the credit picture was clear.

Officials said they would undertake a review in September.

Informed sources said today that the review has been completed and it was decided that the great danger was not so much from possibilities of unemployment, but inflation which was continuing to climb.

"Inflation is still on the ascendancy," an official said. "We are much more worried about inflation than the effects of unemployment."

A Bureau of Statistics review issued today said that the "outstanding feature" of the retail trade picture in the last few months "has been the sharp contraction in sales of durable goods as compared with early in the year--the apparent result of Government restrictions on instalment purchasing."

Cigarette Price Increase: Montreal, September 27 (CP) -- Cigarette smokers learned today they will have to pay more for the ready-made brands of two major companies--two cents more for a package of 20.

The prices were announced by Imperial Tobacco Co. in Montreal and Tucketts Tobacco Co. in Hamilton. Other companies made no immediate announcement. Some indicated they are considering the matter.

The increase to the consumer is the second within six months.

Across Canada: The Canadian oil industry itself has generated more than half the capital needed for western oil development, W.O. Twaits, Director of Imperial Oil Co. told Kiwanis Club in Montreal yesterday....Its new pensions bills passed, the Ontario Legislature completed its special session yesterday with no announcement as to the heralded provincial election....The harvest snow storm and freezing cold have cut the Alberta grain crop by an estimated 25,000,000 bushels, Alberta government officials said yesterday.

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Monday, October 1, 1951.

Mr. St. Laurent Discuss Seaway With President Truman: Following is the text of the statement approved by President Truman and the Prime Minister, Mr. St. Laurent, after their joint meeting at the White House in Washington on September 28;

"The President and the Prime Minister discussed the St. Lawrence project. They agreed on the vital importance to the security and the economies of both countries of proceeding as rapidly as possible with both the seaway and the power phases of the project. They explored the matter of the next steps to be taken in achieving the early construction of the project. They both agreed that it would be most desirable to proceed along the lines of the 1941 Agreement between the United States and Canada.

"The Prime Minister informed the President of the needs of Ontario for power and of the arrangement the Canadian Government could make with the Government of that Province for its participation with the appropriate federal or state authority in the United States for the power development. In these circumstances, the Prime Minister indicated the Canadian Government would be willing to construct the seaway as a Canadian project if it is not possible to have the joint development undertaken on the basis of the 1941 Agreement.

"The President expressed his strong preference for joint action on the seaway and his hope that the Congress would soon authorize such action, but stated he would support Canadian action as second best if an early commencement on the joint development does not prove possible."

Following is the partial text of the Canadian Press comment from Ottawa.

Ottawa, September 28 (CP) -- President Truman's qualified approval of a Canadian-built seaway was seen here today as giving that project an okay in principle, but at the same time putting a squeeze on Congress for fast action on a joint Canada-U.S. scheme.

In effect, some official circles here speculated, the President told Congress to get moving -- after more than 10 years of inaction -- or he would give Canada the green light.

Another facet of a joint statement issued in Washington today by Mr. Truman and Prime Minister St. Laurent, after a flying trip by the Prime Minister, was that it made public officially for the first time the Canadian Government's willingness to go ahead without U.S. Government participation....

Conference With Mr. Duplessis: Quebec, October 1 (CP) -- The Prime Minister, Mr. St. Laurent, and Premier Duplessis conferred here Saturday on the St. Lawrence Seaway project. Although they were closeted for more than an hour, details of their discussion were not revealed.

Mr. Pearson's Montreal Address: Montreal, September 29 (Gazette) -- The Secretary of State for External Affairs, Mr. Pearson, said last night it may well be that Russia, faced with growing Western strength and unity, "will now wish... to avoid open conflict."

But, he added, it would be a purely tactical decision. The Soviet would pursue her aim of world rule through other channels, including more and more "hypocritical" peace appeals.

At least until the end of 1954, he suggested in a speech prepared for delivery to the National Council of Women, there will be acute danger. There would be danger for years after that.

To his suggestion that the West's rearmament may already have achieved its primary purpose of deterring general aggression even though any letdown could be fatal, he added these sobering thoughts:

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"We are competing in both a sprint and a marathon . . . it may be that if we have achieved our defence objectives by, say, the end of 1954, we will have surmounted the most acutely dangerous period.

"That, however, may be followed by the longer-term phase of the conflict, the marathon race, which may last for many years. During this period, we must refuse to yield to the temptation to adopt the policies or even the tactics of those who would destroy us.

"We must maintain, not as an emergency measure but as a normal part of national life, the level of defence effort required. But we must also prove to our peoples that our civilization is worth this effort. While concentrating on the immediate danger of military attack, we must hold out the hope--indeed, do more merely than hold it out -- of further social and economic progress."

Viewing the world, neither with "easy confidence nor black despair," Mr. Pearson said it is his impression that the Russians are worried not only by the West's growing strength but "also by the increasing unity and steadfastness of purpose, both national and international which faces them."

27th Brigade For Hanover Area In Germany: Ottawa, October 1 (CP) -- The advance guard of Canada's 27th Brigade force is getting ready to move to West Germany, to the Hanover area, about 150 miles west of Berlin.

This was indicated by the Minister of National Defence, Mr. Claxton, on September 29 in a statement announcing that Canadian army "exploratory reconnaissance parties" are going to leave for Germany shortly to "inspect possible locations for the 27th Brigade group."

"Inspections will be carried out in the Hanover area," Mr. Claxton said.

Previous reports were that the 6,000-man force likely will start moving overseas in November, with the whole brigade completely established in Europe by December.

Winter-Warfare Troops To Korea: With the Commonwealth Division in Korea, October 1 (Reuters) -- A Canadian crack winter-warfare battalion is on its way to join the Commonwealth Division in Korea.

It is the First Battalion Princess Patricia's Canadian Light Infantry, which took part in Exercise Sweetbriar -- the biggest joint Canada-United States winter manoeuvres held under battle conditions in the Yukon region of Canada.

(In Ottawa an army spokesman said the new Canadian arrivals in Korea likely were two companies of the Princess Patricia's First Battalion.)

Mr. Howe Returns To Ottawa: Ottawa, September 30 (CP) -- The Minister of Trade and Commerce, Mr. Howe, arrived back in the capital today from London where he attended the Commonwealth raw materials talks.

"The talks were generally satisfactory," he said. "We assessed raw material shortages and found a few places where we can step up production."

While in London, Mr. Howe saw Princess Elizabeth and the Duke of Edinburgh and talked with them about their Canadian tour.

Across Canada: The Canadian Press reports that some government departments already have commenced to prepare their 1952-3 estimates, the emphasis again being on economy....Southern Alberta's crop of cannery corn is a \$200,000 failure, cannery operators said at the week-end....Twenty-five members of the Princess Patricia's Canadian Light Infantry were scheduled to arrive in Canada Sunday by plane from Tokyo. Veterans of the Korean war, they are returning home for paratroop training....Week-end football: In the lone Big Four engagement, Ottawa Rough Riders defeated Hamilton Tiger Cats, 20-18, Saturday at Lansdowne Park before one of the largest crowds in recent years. The victory moved the Riders into sole possession of second place as Toronto and Montreal did not play. There was also a major upset in the Western Conference where Saskatchewan Roughriders defeated the league leading Edmonton Eskimos, 25-18. Winnipeg defeated Calgary Stampeders, 33-18.



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Tuesday, October 2, 1951.

Lt.-Gen. Simonds To London For Commonwealth Conference: Ottawa, October 1 (CP) --

Lt.-Gen. G.G. Simonds and Brig. Geoffrey Walsh, top men of the Army and the Army's 27th Brigade respectively, are going to London within the next week for consultations with British military leaders.

They are expected to make final arrangements for movement of the 27th Brigade into the British sector of Germany next month. Brig. Walsh will go from London to the Hanover area to look over the ground.

He will return to Canada before the main body of the Brigade sails for Europe.

Gen. Simonds, chief of the General Staff, will attend the annual conference of the chief of the Imperial General Staff, Field Marshal William Slim.

With him will be Brig. M.P. Bogert of the General Staff here and Brig. Robert Moncel, top Army man for Canada in London.

The conference is a high-level discussion by Commonwealth military leaders of strategy, tactics, arms and other phases of preparedness. It also includes military manoeuvres.

Mr. St. Laurent Confers With Hydro Chairman On Seaway: Ottawa, October 1 (CP) --

The Prime Minister, Mr. St. Laurent, the Secretary of State for External Affairs, Mr. Pearson, and the Minister of Transport, Mr. Chevrier, conferred for almost an hour on the St. Lawrence seaway today with Chairman R.H. Saunders of the Ontario Hydro Commission, which would handle the \$200,-000,000 Canadian power phase of the huge project.

The Prime Minister had just returned from Washington, where on Friday he obtained President Truman's agreement to sanction a Canadian-built power-navigation development if a joint Canada-United States scheme could not be launched soon.

Mr. St. Laurent brought the Hydro Chairman up to date on seaway moves, and at the end of the meeting Mr. Saunders said he is "very much encouraged" over the outlook for the \$700,000,000 undertaking.

"There are still great difficulties to be met," he told a reporter, "but I am satisfied we are on the right road and that in the not-too-distant future we will see a start on the scheme."

The Chairman said he did not get any idea from the Prime Minister as to when a start on the job actually might be made. He was confident, though, it would be "as quickly as possible."

Earlier, the Prime Minister told reporters meeting him on his return that he and President Truman had not agreed on any deadline for joint Canada-U.S. action. The agreement had been that, barring "early" congressional action, the President would give the go ahead to Canada.

When Mr. St. Laurent was asked if he himself had any particular time in mind, he said he could only point to the "great urgency" of getting the power development rolling to meet Ontario's pressing need for more electrical power.

Movement Of Gold: Ottawa, October 1 (CP) -- Movement of Canadian gold to the world's "free" markets--which may be approved by Cabinet Wednesday--likely will be subjected to Government control through a little-known and little-used export licensing system created 19 years ago.

The system, under which a trickling of Canadian gold even now finds its way to the world's industrial markets, was set up by a former Conservative Government in 1932 at a time when one country after another left the gold standard.

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Armed with this power, the Finance Department has scrutinized every request for export of Canadian gold for non-monetary purposes, and has allowed only the tiniest part of Canada's total production to reach industrial markets. Shipment figures and prices paid are secret.

The bulk of Canada's annual 4,000,000-ounce gold production is shipped either to the United States to cover balance of payments deficits or held in Canada's official reserves to build up her pool of gold and U.S. dollars.

However, the fact that the licensing legislation is on the books simplifies the Government's job in deciding whether Canada will take advantage of the new International Monetary Fund ruling allowing its 49 member countries to set their own policy on external sales.

If the Cabinet decides in favour of a free market--and this appears likely--then all that will be required is an order-in-council, allowing the Finance Department extra power in administering its licensing system. No new legislation will be necessary.

International Joint Commission Meeting: Ottawa, October 1 (CP) -- The International Joint Commission will meet in Ottawa tomorrow and Wednesday to discuss "general commission business," the Chairman of the Canadian section, General A.G.L. McNaughton, said tonight. He did not elaborate on what will be discussed.

The Royal Visit: Ottawa, October 1 (CP) -- Princess Elizabeth and the Duke of Edinburgh are expected to spend their first night in Canada--a week from tonight--on a railway siding at some quiet Quebec spot between Montreal and Quebec City.

They will leave London Sunday for Montreal airport, Dorval, in a BOAC Strato-cruiser. No definite time of arrival has been set but officials say it likely will be around noon Monday.

On arrival at Dorval the Royal Couple will be welcomed by Governor-General Viscount Alexander and the Prime Minister, Mr. St. Laurent.

Immediately afterward they will board their Royal Train and move at leisurely pace through Quebec countryside. They are expected to stop at a quiet spot, pull into a siding and rest in preparation for their month-long tour.

Early Tuesday the train will pull into Quebec City to start the tour at 9:45 a.m.

Securities Commission Regulations Criticized: Toronto, October 2 (Globe) -- Ontario Securities Commission regulations have brought about restrictions in Canadian mining development and have cost stockholders "hundreds of thousands of dollars" losses, Thomas A. Sutton, Chairman of the American Stockholders' Union, told the legislature's crime committee yesterday.

Testifying as the committee resumed hearings after a month's adjournment, he recommended:

1. That Queen's Park seek the co-operation of the federal Government for Criminal Code amendments to tighten prosecutions for fraud;
2. That the Securities Commission should sustain its charges against security dealers inside the provisions of the Criminal Code;
3. That provisions of the Ontario Securities Act which are stultifying to broker-dealers, prospectors and speculators be removed.

Across Canada: Purchase of a 140-acre site two miles north of Weston, Ontario, for the construction of a \$12,000,000 plant by Canadian General Electric Co. Ltd., was announced last night....Brig. Leonard McEwan Chesley, 53, of Ottawa, former Montreal businessman, has been named assistant Deputy Minister of the Defence Department. He will be in charge of requirements for the forces. Appointment follows that of Alex Ross, former assistant Deputy, as Canada's representative on the budget committee of NATO.... Charlotte Whitton was unanimously elected Mayor of Ottawa by City Council to fill out the unexpired term of the late Grenville Goodwin....A.R. Mosher, President of the Canadian Congress of Labour, said in a statement the CCL structure has not been weakened in any way by an internal controversy at its Vancouver convention the week before last....The greatest civil defence threat in Saskatchewan would be an incendiary-bomb raid on grain fields, said John Probe, civil defence director.



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Wednesday, October 3, 1951.

Mr. Abbott Named For NATO Committee: (Press Release No. 51, October 2.) -- The Department of External Affairs announced on October 2 that the Minister of Finance, Mr. D.C. Abbott, would represent the Government as the Canadian member of the temporary committee of twelve nations established by the North Atlantic Council at the Ottawa meeting.

The Council, when announcing the formation of this Committee, stated that its duties would be to survey particularly the requirements for fulfilling a militarily acceptable NATO plan for the defence of Western Europe and the realistic political-economic capabilities of the member countries, with a view to determining possible courses of action for their reconciliation so as to achieve the most effective use of the resources of the member countries.

Mr. Abbott, accompanied by advisers from the Departments of Finance, National Defence and External Affairs plans to attend the first meeting of the Committee, which it is expected will be held in Paris in the second week of October.

U.S. Restrictions Against Dairy Imports: Ottawa, October 2 (CP) -- Canada and 11 other countries will "retaliate" against the United States if it does not repeal restrictions on dairy imports, James Sinclair, Parliamentary Assistant to Finance Minister Abbott, stated today. He said in an interview that the U.S. has about a month in which to eliminate the restrictions which Canada charges violate the terms of the General Agreement on Tariffs and Trade.

If the restrictions are not dropped, then Canada and 11 other countries, including the United Kingdom, are prepared to withdraw some tariff concessions to the U.S., probably in the agricultural field, Mr. Sinclair said.

Mr. Sinclair said that Holland wanted an immediate complaint filed against the U.S., so that retaliatory action could be taken at once.

Canada urged a more cautious attitude and suggested a postponement to the end of the session so that the U.S. might be given some time in which to put legislative machinery into force to remove the restrictions. They were imposed as a result of a rider clause attached by Congress to the U.S. Government's main defence production and price control bill.

Farmers Have Record Cash Income: Ottawa, October 2 (CP) -- Canadian farmers reaped a record \$1,245,700,000 in cash during the first six months of 1951, the Bureau of Statistics reported today.

But while their cash income jumped, so did the cost of living. During that half-year period the cost-of-living index rose 11.6 points to 184.1 from 172.5. The index, based on 1935-39 equalling 100, now is at a record 188.9.

Part of the income climb resulted from a special \$65,000,000 federal payment to Canadian wheat farmers to clean up a controversial four-year Anglo-Canadian wheat deal.

The half-year cash income was \$358,581,000 higher than the \$887,119,000 in the first six months of 1950 and a jump of \$160,200,000 from the previous high of \$1,085,500,000 in 1949.

Besides final wheat-pool payments, factors which contributed to the record were heavier marketings of grain and all-time high prices for Canadian livestock.

In addition, federal aid to drought-stricken farmers totalled \$9,300,000, down from last year's \$13,500,000 but slightly higher than the \$9,200,000 paid in 1949.

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All provinces, with the exception of Newfoundland which was not included in the report, shared in the higher cash income.

27th Expected To Use British Rifle, Report: Ottawa, October 2 (CP) -- The 27th Brigade is expected to swap its American .300 calibre Garand rifles for the .303 British-type Lee-Enfield for its movement to Europe next month.

The Army, it is understood, has been basing its plans on the assumption that the Brigade would take all U.S.-type small arms--including the Garand--to Germany even though it will serve there under the over-all command of the British Army of the Rhine.

The 27th's sub-units have been training primarily with U.S. arms, but have had some experience with the .303 and other British-type weapons. Its Infantry battalions now are equipped with the Garand.

The Minister of National Defence, Mr. Claxton, is believed to have given the direction that the Lee-Enfield should be substituted for the Garand and arrangements are expected to be made accordingly although they have not yet started.

"Sioux" Gets Her 10th Mine: Aboard Canadian Destroyer Sioux, October 2 (CP) -- The Sioux just missed a Communist mine last week. Instead of hitting it, she blew it up with her guns.

The destroyer, prowling through choppy seas, drew within a ship's length of the mine before a lookout spotted it. The ship heeled over and swung past and her guns took over from there.

It was the 10th mine the Sioux has destroyed in two tours of duty in the Korean War.

Civil Defence Organization Survey: Ottawa, October 2 (CP) -- After a three weeks' survey of civil defence organization in the West and Maritimes, General F. F. Worthington, federal Civil Defence Co-ordinator, said today a growing awareness of the importance of civil defence is apparent among Canadians.

In many areas sound planning backed by voluntary effort is leading to excellent results, he said in a statement issued by the Department of National Health and Welfare.

General Worthington said that centres where disaster has struck in the last few years are most conscious of the need for adequate civil defence arrangement.

Across Canada: Premier Frost of Ontario announced the appointment of William James Dunlop, former Director of Extension of the University of Toronto, as Ontario Minister of Education, and of Fletcher S. Thomas (PC-Elgin), as Minister of Public Works....The four Atlantic Provinces can support at least another 1,000,000 people, the Annual Convention of the Maritime Provinces' Board of Trade was told in a report prepared by Dr. C.H. Blakeny of Moncton, Chairman of the Industrial Development Committee....The federal Government is preparing to go ahead with the construction of a \$23,000,000 causeway across the Strait of Canso between the Nova Scotia mainland and Cape Breton Island, official quarters said....W. L. Houck, Liberal member of the Ontario Legislature for Niagara Falls, asked the Legislatures Crime Committee to investigate the Ontario racing scandal....Two flying squads of R.C.M.P. motorcyclists will follow Princess Elizabeth and the Duke of Edinburgh across Canada on the Royal Tour, an R.C.M.P. spokesman said yesterday....Six western baking firms were convicted yesterday of conspiracy to prevent or lessen competition. Mr. Justice Boyd McBride, in a judgment at Criminal Assizes, found them guilty under the Federal Combines Act....A prediction that "we will be down working" on the St. Lawrence seaway by next year was voiced by R. H. Saunders, Chairman of the Provincial Hydro Electric Power Commission, in Woodstock, Ontario, yesterday.



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INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

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Vol. 2, No. 192

Thursday, October 4, 1951.

U.S. Purchases In Canada Rise 56% In August: Ottawa, October 3 (CP) -- The United Kingdom, though short of dollars, boosted purchases in Canada by 56 per cent in August, the Bureau of Statistics reported today.

Exports to Britain, totalling \$66,397,000 for the month, were more than \$20,000,000 higher than the \$42,544,000 in August last year. In July sales to Britain totalled \$73,900,000 -- the highest monthly total since May, 1948, when exports totalled \$85,100,000.

The August climb in sales to Britain, as well as increases to other countries, boosted total August exports to \$349,800,000 -- a record for the month -- but down from \$374,500,000 in July.

August shipments increased by \$92,700,000 from \$257,100,000 in August, 1950, and pushed the eight-month total to a peak \$2,464,500,000, up \$523,100,000 from \$1,941,400,000 last year.

Main impetus for the sharp rise was the world's demand for raw materials, and increased prices. Shipments during August were higher for wheat, wood pulp, newsprint, aluminum and nickel.

The increase in exports to Britain resulted mainly from bigger sales of raw materials and Britain has stated she will buy even greater supplies if Canada would make them available.

Canada, it was learned, told Britain and other Commonwealth countries at a Commonwealth materials conference in London last week, that Canadian exporters would be encouraged to re-establish long-range markets in these countries if import controls were lifted.

Canadian delegates pointed out that some Commonwealth countries in the sterling area, though appealing for greater supplies of Canadian metals, had controls which could be used to clamp down on imports once the rush for materials was over.

Britain's purchases in August boosted the eight-month total to \$393,855,000 from \$313,629,000. Bigger buying was mainly for pulp, newsprint and non-ferrous metals.

The United States, Canada's top customer, increased her purchases by 15 per cent to \$192,838,000 from \$167,148,000 in August last year, driving the eight-month total to \$1,504,611,000 from \$1,240,292,000.

To Step Up Emergency Allocations Of Newsprint: Ottawa, October 3 (CP) -- The Government has decided to step up emergency allocations of Canadian newsprint to help countries in special need, it was learned today.

The latest allocation likely will total 14,000 tons, bringing emergency diversions in the last few months to more than 20,000.

This is only a small portion of the 5,400,000-ton production expected in Canada this year, but since every ton is under contract, informants believe the allocations will mean less newsprint principally for publishers in Canada and the United States.

Decision to divert more newsprint follows a recommendation by the 28-country International Materials Conference last month that 15,800 metric tons be skimmed from production in Canada and the United States for distribution to 10 countries.

Since Canada is the world's biggest newsprint producer, she has agreed to shoulder the burden of the allocations and as in previous diversions will provide about four-fifths of the total, with the United States supplying the other fraction.

(over)

Of the 15,800-metric-ton allocation, the biggest amount, 5,000 tons, will go to Western Germany. France and Yugoslavia will get 2,000 tons each. Other distribution: Indonesia, 1,500 tons; Brazil, 1,200; Uruguay, 1,200; Spain, 1,000; Chile, 1,000; the Dominican Republic, 500; and Nicaragua, 400.

Parliament's Programme Expected To Be Heavy: Ottawa, October 3 (CP) -- The Cabinet today got down to the final stages of drafting its legislative programme for the parliamentary session that opens Tuesday.

In a day-long session the Ministers also discussed the question of Canada going ahead alone on the St. Lawrence seaway and were reported to have considered what action is to be taken towards easing restrictions on the marketing of Canadian-mined gold.

The Prime Minister, Mr. St. Laurent, indicated to reporters that there might be an early statement on gold policy in the light of the International Monetary Fund's lifting of its policy against the sale of gold on the free market.

A cabinet decision announced by the Prime Minister was that Parliament, due to open Tuesday, will recess Wednesday and Thursday while Princess Elizabeth and Prince Philip are in Ottawa.

Since the early-year session still stands adjourned from June 30, it will be prorogued Tuesday, followed quickly by the formal opening of the new session with the reading of the Speech from the Throne. The Address in reply will be moved Friday after the two-day holiday.

The session's programme is expected to be heavy.

27th To Get Tanks In Europe: Ottawa, October 3 (CP) -- Canada's 27th Brigade will take an armored squadron but no armor to Europe next month, it was learned today.

The reason is that few if any new tanks have been received from the United States under the army's switch to U.S. arms.

It is expected that, once in Germany, the Brigade's tank squadron will eventually be equipped with either U.S. or British tanks depending largely on which are available.

Deficiency Payments On Newfoundland Fish: In fulfillment of commitments made over a year ago, the federal Government has authorized the Fisheries Prices Support Board to make deficiency payments of \$1.30 per quintal on the 1950 645,000-quintal production of Newfoundland shore-caught fish and 85 cents on Labrador semi-dry salted codfish. The payments will be made to approximately 20,000 fishermen.

Across Canada: Aggregate volume of share trading set a new record on the Montreal and Toronto markets yesterday at nearly 8,000,000 shares....The Macdonald Tobacco Company followed the lead of other companies yesterday by increasing cigarette prices two cents a package....A special four cent purple postage stamp to issue October 26 will bear the portraits of Princess Elizabeth and Prince Philip.



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Friday, October 5, 1951.

Mr. Pearson's Press Conference: Ottawa, October 4 (CP) -- Difficulties in the way of the St. Lawrence seaway likely will stall the start of construction for some time, the Secretary of State for External Affairs, Mr. Pearson, said today.

Though Canada is going ahead with planning at full speed and there has been a surge of seaway activity in Washington during the last week, Mr. Pearson emphasized that many political and constitutional obstacles still lie ahead of the project, mainly in the United States.

At his weekly press conference--Mr. Pearson also made these announcements:

1. Canada now has her own devices for detecting atomic bomb explosions in other countries, though not as fully developed as those in the U.S. news of Russia's recent second atomic blast reaching the Government from the U.S.
2. Government information indicates the U.S. Congress may soon rescind a recent restriction on the importation of dairy products. As a consequence, Canada is not now contemplating retaliatory action against U.S. exports to this country.
3. Canada shortly will sign, with most if not all other NATO countries, a protocol for the admission of Greece and Turkey to the North Atlantic Treaty Organization. However, this country is not expected to be directly concerned with military planning for that area and has made no troop commitments for the Middle East.
4. Canada soon will send a senior official to Europe for the first meeting of the Atlantic Pact Committee appointed to work out plans for long-range, non-military development of the North Atlantic community.
5. This country agrees generally with Anglo-French-U.S. plans to moderate the Italian peace treaty.
6. The Government plans to continue its practice of sending Parliamentary Advisers from opposition parties to UN meetings, but there will not be as many of them as formerly.
7. The Government has received information that seven Canadian missionaries held by Chinese Communists are not being seriously mistreated.

Under a series of reporters' questions, Mr. Pearson cautioned that the fact Canada has decided to go ahead alone if a joint Canada-U.S. scheme isn't possible does not mean in itself that the seaway will be built.

While President Truman agreed last Friday to give administrative sanction to a Canadian project if a joint one can't be started early, Mr. Pearson pointed to a possible new difficulty in the suggestion that even an all-Canadian undertaking would call for the approval of Congress.

Since Congress has persistently held up the joint venture for many years, that could prolong matters indefinitely. Mr. Pearson said it might have to be ruled on eventually by U.S. constitutional authorities--presumably the Supreme Court.

Meanwhile, he saw little hope of Congress at its current session giving full passage to seaway legislation.

In the event the international scheme petered out again and Canada got a go-ahead from the U.S. Government, Mr. Pearson was unable to say how long after that it would be before the physical job of getting the power-navigation project under way could start.

For one thing, he said, there would be lengthy hearings before the International Joint Commission. That would take at least several months.

"We are going ahead with all possible steps to expedite the start of a Canadian seaway in the event we cannot have an international one," he said.

(over)

Britain's Dollar Position: Ottawa, October 4 (CP) -- Trade and economic officials disclosed today that Canada no longer will press for "wholesale relaxation" of the U.K. controls on Canadian exports, in view of Britain's deteriorating dollar position.

The \$600,000,000 drop in Britain's sterling-area dollar reserves, announced by the Chancellor of the Exchequer last night, was termed "serious," especially in view of two previous post-war crises in Britain -- 1947 and 1949.

But there was no suggestion of granting Britain a new loan to tide her over the critical period, or even of delaying Britain's repayment of the \$1,185,000,000 loan, made to her in 1946.

The first instalment of \$23,000,000 becomes due at the end of the year. Informants said Britain has made no move to suggest payment be delayed and Canada has not offered to postpone payment.

Cost-Of-Living Index Again Up: Ottawa, October 4 (CP) -- The cost-of-living index continued its post-war climb, in August but a decline in prices for a variety of food items kept the increase to the smallest since last April.

The index jumped 0.9 points to a record 189.8 from 188.9, the Bureau of Statistics reported today. The peak jump this year was 4.5 points in February; the lowest, 0.2 points in April. The index is based on 1935-39 prices equalling 100.

For the first time since last April, the food sub-index, considered the most important item in the general index, declined 0.3 points from its peak of 251.4 from 251.1.

Prices were lower for a range of vegetables. These more than offset higher prices for beef, bacon, butter, cheese, eggs, cocoa, oranges and canned vegetables.

Rents were higher, so were woollen goods, footwear, coal and coke, dishes, hardware, floor coverings, transportation and recreation costs.

The entire range of price climbs pushed living costs in Canada up 88.3 per cent since August, 1939.

Report British-built Autos Shipped Back To England: Montreal, October 4 (CP) --

Some 3,500 British-built automobiles of all makes, representing a sale value of over \$6,000,000, are being shipped back to England because of the tight Government credit controls on the purchase of new cars.

"Under existing federal Government credit restrictions we cannot find a market for the British-built cars," a large dealer said. "There is a market for them in other parts of the world so we have decided to send them back," he said.

The new car slump is not confined strictly to British cars and also applies to cars built in Canada and the United States, he said.

Awards For Gallantry: Ottawa, October 4 (CP) -- A one-man army who fought until he could hardly stand topped the names today on a list of five Canadians decorated for gallantry in Korea.

He is Pte. Wayne Robert Mitchell of Virden, Man., a 21-year-old former hydro worker whose extraordinary courage in helping fight off an overwhelming Chinese attack during their April offensive brought him the Distinguished Conduct Medal.

Four other men with 25th Brigade units--Mitchell is a member of the 2nd Battalion, Princess Patricia's Canadian Light Infantry -- were awarded the Military Medal. In addition, 11 officers and men, all but one still alive and in Korea, were mentioned in dispatches.

Across Canada: Ontario's Premier Frost yesterday called a provincial general election for Thursday, November 22....Mail deliveries by flying squads of letter carriers speeded to delivery areas in trucks will start next month in Montreal and Toronto on an experimental basis....A Montreal refrigeration expert, George M. Nixon, left yesterday for Ceylon to become an adviser on installation and maintenance of equipment to help that country improve its food preservation and marketing facilities....Inspectors of the Michigan Public Service Commission are demanding truck permits from Canadian exporters of grapes using Michigan roads.

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Tuesday, October 9, 1951.

Royal Couple Arrive And Tour Begins: All Canadian newspapers are devoting their front pages to the arrival of Princess Elizabeth and Prince Philip, and to the beginning of the Royal Tour. Their Royal Highnesses arrived Monday, October 8 at Dorval Airport and were welcomed by the Governor General and Prime Minister. The Royal Tour begins officially in Quebec on October 9.

Open Free Gold Market To Mines: The Minister of Finance, Mr. Abbott, announced October 6 that Canadian gold producers would be granted access to premium gold markets. Mr. Abbott stated "this decision arose out of the announcement made on September 28 by the International Monetary Fund concerning premium sales." In this announcement the Fund indicated that it was leaving to each member country the framing of its own policies in this field in accordance with its obligations under the Articles of Agreement of the Fund.

Mr. Abbott said "those producers selling their gold to premium markets would not, however, be eligible for assistance under the Emergency Gold Mining Assistance Act. This Act expires at the end of 1951 and each mine now eligible for assistance under the Act would be required to elect in advance whether to continue to receive EGMAA assistance or to have access to premium markets for its production for the balance of the year."

Mr. Abbott said that the matter of the extension of the Emergency Gold Mining Assistance Act beyond the end of 1951, whether in its present or modified form, has not yet been decided. He added that early consideration would be given to this question.

In outlining the arrangements contemplated, Mr. Abbott said "export licenses would be required for the sale of gold to premium markets. Such licenses would be given only to gold producers or their agents. Gold could not be exported to premium markets in monetary form such as Mint bars or coins but must be in the form of non-monetary gold of 22 carat or lower fineness. Exporters would be required to satisfy the regulations of the Foreign Exchange Control Board regarding currency of payment."

Mr. Abbott stated further "in order not to impair or undermine the regulations imposed by other countries, the applicant for an export license would have to provide evidence that an import license had been obtained from the country of destination, if such a license is required by that country."

Home Building To Be Speeded: Ottawa, October 5 (CP) -- The Government today announced easier loan terms in state financing for ordinary house and apartment building in Canada and steps to encourage erection of homes for defence areas.

The Minister of Resources and Development, Mr. Winters, said the Government intends, with improvement in the materials supply position, to place "special emphasis" on homes for defence workers and give other Canadians the opportunity to build to the limit of capacity.

He announced Central Mortgage and Housing shortly will:

1. Boost National Housing Act loans to 80 per cent of an agreed maximum sales price for ordinary civilian homes. At present the maximum loan is 80 per cent of the appraised value based on January, 1950.
2. Provide housing loans for defence workers in specified areas on the basis of a down payment of 10 per cent with 25 years to pay off the remainder. This is a new provision under the National Housing Act.
3. Reconstitute the rental insurance plan under which a builder may obtain an 80 per cent loan for multiple dwellings of not less than eight units if he agrees to fixed rentals for each unit for three years. This feature of the Act has been dormant for some time.

Gold And U.S. Dollar Reserves: Ottawa, October 5 (CP) -- The Minister of Finance, Mr. Abbott, announced October 5 that Canada's reserves of gold and U.S. dollars declined \$73,000,000 during a three-month period.

Mr. Abbott announced the official holdings as \$1,610,000,000 on September 30, down from \$1,683,000,000 on June 30.

This was about \$180,000,000 below the record \$1,789,600,000 on September 30, last year, but more than three times the size of the \$500,000,000 stockpile at the end of 1947, when Canada considered herself in the midst of a financial crisis.

Officials were cautious about assessing the seriousness of the drop. They said, however:

1. Canada's international financial position was "sound." This was reflected in the "very small" drop in reserves.

2. The trade deficit--\$337,000,000 in the first eight months of 1951--would have "hurt the reserves badly," but it was apparently countered by a healthy flow of capital into Canada.

3. As long as the reserves remained buoyant there would be no need for controls against imports, even though the size of these imports were causing the trade deficit to grow.

Publishers Condemn Oatis' Imprisonment: Quebec, October 9 (CP) -- Czechoslovakia's imprisonment of Associated Press Correspondent William N. Oatis today was termed by Canadian publishers a "glaring encroachment" on the principle and practice of news freedom.

Directors of the Canadian Press, Canada's co-operative news association, at their semi-annual meeting condemned without reservation "the tyrannical action of the Czechoslovakian authorities" and urged continued effort to bring about release and reinstatement of a newspaperman "whose only offence was to exercise the news-gathering zeal which liberty-loving newspapers have a right to expect from their representatives."

Parliament To Approve Sending 27th Brigade To Europe: Ottawa, October 7 (CP) --

The Government's decision to send defence forces to Europe in peacetime will be placed before the fifth session of the 21st Parliament, opening Tuesday.

The Speech from the Throne, to be read by the Governor-General, Viscount Alexander, is expected to inform members officially of the decision to send the 27th Army Brigade to Europe this fall to join Gen. Eisenhower's integrated force.

The Minister of National Defence, Mr. Claxton, has disclosed that, if Parliament approves, it is the Government's hope to have the Brigade in Europe by December 1.

The Cabinet, it was learned, has not yet decided how it will go about obtaining Parliamentary approval. It is not expected that any formal motion will be placed before members.

Consider New North Shore Newsprint Plant: Quebec, October 5 (CP) -- Premier

Duplessis said today the Quebec Government would welcome a proposal to establish a newsprint-manufacturing plant on the St. Lawrence River North Shore to help overcome the world shortage of newsprint.

The Government's plan, in the event such a mill is built and goes into operation, is to provide European consumers exclusively.

Mr. Duplessis said construction of such a plant "would solve almost entirely the problems arising from the shortage in Europe."

The Premier said Canadian and European industrialists are interested in the idea at present.

Across Canada: The Minister of Finance, Mr. Abbott, arrived in Paris October 8....Charles W. Jefferys, noted Canadian historical artists and illustrator, died Monday in a Toronto nursing home after a prolonged illness. He was 82 years old....Football Results: (Monday) Ottawa 12 Montreal 9; Toronto 10 Hamilton 0; Saskatchewan 28 Calgary 18; Winnipeg 38 Edmonton 27. (Saturday) Ottawa 25 Montreal 13; Hamilton 22 Toronto 6; Regina 25 Edmonton 18; Calgary 18 Winnipeg 16. Intercollegiate - Toronto 15 McGill 7; Western 22 Queen's 12.



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Thursday, October 11, 1951.

Seaway Legislation Announced In Speech From The Throne: Ottawa, October 9 --

Parliament will be asked this session "to provide for an appropriate agency of the federal Government to deal with the construction of the St. Lawrence Seaway."

The Speech added: "The proposed agency would be empowered to proceed either with the Canadian share of an international undertaking or a solely Canadian development as soon as satisfactory international arrangements can be made for the power phases of the project in both countries."

The balance of the text which dealt with the legislative programme for the Fifth Session of the Twenty-First Parliament which opened October 9 was as follows:

"You will be asked to approve the ratification of a protocol to enable an invitation to be extended to Greece and Turkey to join the North Atlantic Alliance; and to consider a Bill relating to the Canadian Forces.

"The concern of our people over the rising cost of living resulting from international and domestic inflationary pressures is fully shared by the Government. Every measure will be taken which my Ministers believe will be effective in counteracting inflation without impairing our free institutions. The anti-inflationary measures already in force have checked the upward trend of prices of goods and services affected by their operation.

"The Government has received an interim report from the Committee studying the Combines legislation recommending that suppliers of goods should be prohibited from requiring or inducing distributors to resell such goods at fixed or minimum resale prices. You will be asked to consider legislation arising out of the Committee's interim report.

"My Prime Minister has conferred recently with the President of the United States on the vital importance to the security and economies of both countries of proceeding as rapidly as possible with both the seaway and the power phases of the St. Lawrence project.

"The President stated he would support Canadian action to construct the seaway as second best if an early commencement of the joint development does not prove possible. Terms have been arranged with the Government of Ontario for the participation of the Ontario Hydro-Electric Power Commission with the appropriate Federal or State authority in the United States for the power development in the international section of the St. Lawrence, and with respect to the division of costs between power and navigation. You will be asked to enact legislation to provide for an appropriate agency of the federal Government to deal with the construction of the St. Lawrence Seaway. The proposed agency would be empowered to proceed either with the Canadian share of an international undertaking or a solely Canadian development, as soon as satisfactory international arrangements can be made for the power phases of the project in both countries.

"The Commission to consider whether the economic and social returns to the Canadian people on the investment in the proposed South Saskatchewan River project would be commensurate with the cost has been appointed and is pursuing its studies.

"The Government has decided to proceed with the construction of a causeway to bridge the Straits of Canso for rail and road traffic as recommended by the Board of Engineers, and the Government of Nova Scotia has agreed to contribute a portion of the cost.

"Pursuant to the recommendations of the Royal Commission on Transportation, amendments will be introduced to the Railway Act, the Canadian National-Canadian Pacific Act and the Maritime Freight Rates Act. The amendment to the Railway Act will include the provision recommended by the Commission for maintenance by the nation of the link in Northern Ontario between Eastern and Western Canada.

"My Ministers will submit a Bill embodying recommendations for legislation on radio broadcasting and television of the Royal Commission on National Development in the Arts, Letters and Sciences, including provision for the financing of the Canadian Broadcasting Corporation...."

Princess Speaks To Canada On Nation-Wide Broadcast: Ottawa, October 10 (CP) --

Princess Elizabeth told the Canadian people tonight their welcome has made her feel "very much at home -- so to speak, still in the family circle."

She is glad, she said, to be able to make her first visit "with my husband, who like I do, feels very happy to be among you."

The Princess spoke from a state dinner at Government House in reply to a toast by the Governor General.

The Princess said her visit to Canada was fulfillment of a "cherished" dream and she and the Duke look forward to their "fascinating" journey across the Continent. She told Canadians she knew they always will be "in the forefront" of the defence of freedom.

Speaking briefly in French, she said she is happy to have arrived first in Quebec, home of a loyal and industrious people who have held "faithful to their language and culture, faithful to their religion and faithful to the Crown of Canada."

Mr. Abbott Gives Press Conference In Paris: Paris, October 10 (CP) -- The Minister of Finance, Mr. Abbott, said today that Canada will do her full share" towards Western defence.

Representing Canada at a meeting of the 12-member Arms-Co-ordinating Committee of the North Atlantic Pact powers at Supreme Headquarters of the Allied powers in Europe, Mr. Abbott told a press conference:

"The vast majority of people in Canada are satisfied that the vast expansion of defence production since the Korean war began is necessary and inevitable."

Asked if the West may have forces enough by 1952 to resist the initial shock of attack, he said:

"I am an optimist by nature. Each nation is going to have to do its share ... Canada is going to do her full share."

European nations now are much better placed to devote a greater part of their production to defence, Mr. Abbott said. "The economic capacity of Europe has improved."

More "Pats" Leave For Korea: Seattle, October 9 (CP) -- Three more companies of the First Battalion of the Princess Patricia's Canadian Light Infantry--headquarters company, support company, and a rifle company--have left for Korea, it was learned tonight.

These paratroopers will help relieve the Second Battalion which is scheduled to be back in Canada for Christmas.

Across Canada: A platinum and gold brooch, encrusted with diamonds, rubies and emeralds, in the form of the Ontario provincial crest, will be presented to Princess Elizabeth at the state dinner in Toronto Saturday night....For the second consecutive year the annual report of the Canadian National Railways has been judged the best in its field in competitions sponsored by the Financial World of New York....The Bureau of Statistics reported that among nine regional cities increases in the regional cost-of-living indexes were higher during August in Montreal and Toronto than in any other city. Four of the nine cities--Halifax, St. John's, Nfld., Winnipeg and Edmonton--showed slight declines....A 150-foot high television tower will be built soon atop the Bell Telephone Building in downtown Toronto....Mr. Justice A. Urquhart, 63, of the Supreme Court of Ontario, died in Toronto October 8.

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Friday, October 12, 1951.

No Legitimate Argument Against Joint Seaway, Says Mr. Charles Sawyer: Toronto, October 12 (Globe) -- There is no legitimate argument against the joint U.S.-Canadian construction of the St. Lawrence seaway, and the seaway will very easily become self-supporting, Charles Sawyer, U.S. Secretary of Commerce, said yesterday.

In his address to the American Life Convention of insurance officers and at a press conference, Mr. Sawyer indicated that the U.S., for all its military power and industrial potential, has found Canada an increasingly valuable and important ally.

As an official vitally concerned with U.S. -- and North American continental -- defence, Mr. Sawyer urgently favours industrial expansion to aid that defence, whether the expansion is within the borders of his own nation or in Canada. He had testified before his own House subcommittee that increased production of aluminum was essential. He reiterated his hope, yesterday, that Canada would produce more aluminum. He, within the limitations of his authority, would place orders for aluminum in Canada.

Canadians, he insisted, would be given equal priority with U.S. industrialists in claims upon U.S. steel production. Development of oil properties in Alberta had "very much assured" him and other U.S. officers charged with preparing the continent's defences.

On the St. Lawrence seaway, Mr. Sawyer said that Opposition had developed, chiefly, from the U.S. railways and from the ports of New York, Boston and Baltimore. The same sort of opposition, he observed, had developed against the construction of the Panama Canal.

Now, he thought, there was greater support for the project than there had been earlier in the year. Middle West steel interests, faced with the rapid depletion of the Mesabi iron range, were becoming favourable to the St. Lawrence project as a means of bulk shipment from the Labrador iron deposits.

Canada, U.S. Prepare Largest Exercise In North: Ottawa, October 11 (CP) -- A joint Canadian-United States northland manoeuvre to build emergency airstrips on frozen lakes and test new winter warfare equipment was announced today by the Army.

Dubbed "Exercise Eager Beaver I," it will be the largest of any peacetime all-engineer schemes and will engage 135 Canadian and 300 U.S. Army engineers in the area of Kluane Lake, 130 miles north of Whitehorse in the Yukon. It will begin January 15 and will last until July next.

The Army said construction of emergency airstrips on frozen lake surfaces and on shifty muskeg will be a major task in the six-month long manoeuvre. The engineers also will test the capabilities and limitations of equipment and personnel under varying Arctic weather conditions.

Before going north the troops will undergo winter indoctrination. The U.S. engineers will train at Camp Carson, Colo., and the Canadians at the Army's big camp at Wainwright, Alta. Training will start late next month. An advance party will go to the Kluane Lake area this month.

The operation will be under control of U.S. 5th Army headquarters in Chicago and the Canadian Army's western command at Edmonton.

Mr. B.C. Butler Consul At Detroit: (Press Release No. 52, October 12) -- The Departments of External Affairs and Trade and Commerce announced October 12 that Mr. B.C. Butler, who has been Director of the Information Division, Department of Trade and Commerce, since 1945, has been appointed Canadian Consul and Trade Commissioner at Detroit. He will assume his new duties in Detroit at the end of November. Mr. Butler is succeeding Mr. J.J. Hurley, who has been Consul at Detroit since the office was opened in 1948 and who is returning to Ottawa for duties with the Department of External Affairs.

The appointment of a senior trade department official to Detroit is an indication of the growing importance of the trade work of this office, the Departments' statement said.

Scientists Assigned For Secret Experiments: Ottawa, October 11 (CP) -- A pair of top Canadian research scientists will head two of Canada's secret experimental stations in the west where defence experiments are being stepped up in keeping with the drive for rearmament.

The Defence Department announced today that Dr. Hugh Massey Barrett, OBE, 43, a chemical expert, is returning from England to resume duties as chief superintendent of the Suffield Experimental Station at Ralston, Alta.

Dr. Donald B.W. Robinson, 34, a Rhodes scholar and another research chemist, has been appointed to the superintendency of the defence research northern laboratory at Churchill, Man.

Equipment and discoveries high on the classified list are tested at the two stations, but details of research are kept secret. It is known, however, that much of the work at Suffield is of a chemical nature.

Ming Sung Company Defaults On Loan, Report: Ottawa, October 11 (CP) -- The Ming Sung Company of China has defaulted on the initial payment of a \$12,750,000 loan backed by the Government, it was learned today.

As a result the Government will pay \$1,275,000 -- amount of the initial payment--following demands of three Canadian banks which jointly extended the loan in the fall of 1946.

A Government official said that the money will be paid, but only after unsuccessful efforts to have the United States Government release funds frozen in American banks.

The U.S. feels that unfreezing of the funds would help the Chinese Communists.

Across Canada: Crawford Gordon, Jr., is resigning as Canada's Co-ordinator of Defence Production, to take over as President and General Manager of Avro Canada Limited, October 15, Canadian Press reported from Toronto....More than 2,000 men in the Armed Services have been granted special leave to help harvest the bumper grain crop in Western Canada, the Defence Department said yesterday....The federal Government will give B.C. apple growers \$1,200,000 to alleviate 1950 losses caused by frost....Msgr. Gustave Prevost, 38-year-old priest from St. Eustache, is awaiting trial by the Communists in Shanghai, relatives said yesterday. Officials of the Foreign Missions Society of Quebec did not know on what charges.

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Monday, October 15, 1951.

Committee Declares Retail Price Fixing "Monopolistic": Ottawa, October 12 (CP) --

The four-man MacQuarrie Committee on Combines has labelled the common practice of retail price-fixing "restrictive and monopolistic" and has recommended that the Government eliminate it.

But, at the same time, it struck a blow at another retail practice--that of selling quality goods at below cost to attract customers to other goods--and suggested that legislative action be taken against this, too.

The "loss-leader" device, said the Committee in a 29-page, 12,000-word preliminary report tabled in the House of Commons October 12, also was "monopolistic" and against public welfare.

Because of inflation, the Committee did not consider that it presented "any immediate danger," even if the Government took action to eliminate the more extensive resale price maintenance practice.

"Extreme forms of price-cutting are not very likely in this period of inflation and relative scarcity," the Committee said.

Details on what legislative action the Government was planning were still lacking, but informants said the parliamentary weapon being prepared will be sharper than action taken in the United States and will strike at both inter-provincial and provincial trade.

The Government's bill, amending the Combines Investigation Act as well as the Criminal Code, may be based on these two specific recommendations of the Committee.

1. To make it an offence for a manufacturer or supplier to recommend or prescribe minimum resale prices for products.

2. To make it illegal for a manufacturer or supplier to refuse to take any other form of action as a means of enforcing minimum resale prices.

But the Government's action will probably not prevent a manufacturer from issuing a list price, showing the "maximum" prices at which his product could be sold.

Prairie Farmers To Share \$100,000,000: Ottawa, October 12 (CP) --

The Minister of Trade and Commerce, Mr. Howe, announced October 12 that Prairie farmers will share this fall in surpluses of more than \$100,000,000 resulting from the sale of their wheat, oats and barley through the Canadian Wheat Board.

The first payment, on barley, will begin Monday and will average slightly more than 18 cents a bushel.

Those on wheat and oats -- the amounts will be announced shortly--will begin later, and Mr. Howe hopes the payments will be completed before December 1.

The payments represent the final clean-up of the pools. The farmers get an initial payment and then, when the grain all has been sold and handling charges deducted, the money left over is distributed to the producers as a final payment.

The surplus available this year from the 1950-51 pools, Mr. Howe said, is "in excess of \$100,000,000."

Cabinet Discusses Seaway: Ottawa, October 14 (CP) -- The St. Lawrence Seaway project was discussed at a special Cabinet meeting Saturday October 13, but officials were reluctant to disclose details.

The Minister of Transport, Mr. Chevrier, reached at his home at Cornwall, Ont., said tonight that the matter came up for discussion and that "further progress" was achieved.

Any statement beyond that remark, he added, would have to come from the Prime Minister. Mr. St. Laurent, at home with a slight cold, could not be reached for comment.

Normally, the Cabinet meets earlier in the week, but because of the heavy Royal Tour schedule here last Wednesday and Thursday, Mr. St. Laurent decided to hold off discussions on a number of items until Saturday. The Seaway was one of them.

Accession Of Greece And Turkey To N.A. Treaty: (Press Release No. 53, October 15) -- The Department of External Affairs released on October 15 the text of a draft Protocol to the North Atlantic Treaty on the accession of Greece and Turkey which has been agreed upon by the North Atlantic Council Deputies and was made public simultaneously in all the NATO capitals. It was expected that the Protocol would be signed in about one week's time.

Insofar as Canada is concerned, Mr. L.D. Wilgress, the Canadian Deputy to the North Atlantic Council Deputies, has been granted full powers to sign the Protocol on behalf of the Government of Canada. The Canadian Parliament will in due course be asked to approve the ratification of the Protocol. When all twelve present signatories of the Treaty have duly signed and ratified the Protocol, a definitive invitation will be extended to the Governments of Greece and Turkey to accede to the North Atlantic Treaty.

Information Director, Trade And Commerce: Ottawa, October 12 -- The Department of Trade and Commerce announced October 12 the appointment of H. Leslie Brown, 48, as Director of the Department's Information Division, to succeed B.C. Butler, whose appointment as Canadian Consul at Detroit was also announced October 12.

Mr. Brown has been in the Trade Commissioner Service since 1930. He has served in Mexico, London, Cape Town, Johannesburg and Buenos Aires, and has represented Canada at various international discussions. In 1950 he became Assistant Director of the Trade Commissioner Service.

Private Members' Resolutions For Parliament: Ottawa, October 14 (CP) -- Private members hope to discuss their pet projects at the current session of Parliament but pressure of Government business may stifle them.

They have placed on the order paper a number of resolutions calling for such things as a Canadian bill of rights, higher pensions for veterans, and pensions for the incapacitated. However, the resolutions may not be debated this year as Government business will be given priority.

Across Canada: A three-man board established during the disastrous Winnipeg flood of 1950 has submitted a final report to the federal and Manitoba Governments on work undertaken to prevent a recurrence of flooding....Mr. Justice M.B. Archibald, 61-year-old Chief Commissioner of the Board of Transport Commissioners since 1948, is retiring and will be succeeded by Canada's Ambassador to Argentina, John D. Kearney....The national campaign for Canada Savings Bonds, sixth series, commences today.

Week-End Football: (Saturday): Toronto 28, Ottawa 19; Edmonton 31, Calgary 18; Winnipeg 30, Saskatchewan 23; McGill 14, Queen's 7; Toronto 16, Western 7; Sarnia 29, Windsor 0; Balmy Beach 16, McMaster 13. (Sunday): Hamilton 21, Alouettes 7.

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Vol. 2, No. 198

Tuesday, October 16, 1951.

Government Policy On Controls: Ottawa, October 15 (CP) -- The Prime Minister, Mr. St. Laurent, said today in the House of Commons that the Government has been "frank and fair" in saying it does not believe price controls would work at this time.

He spoke in the Throne Speech debate after Mr. George Drew, Progressive Conservative Leader, launched a motion for adequate steps "to combat inflation and deal effectively with the high cost of living."

Mr. M.J. Coldwell, CCF Leader, and Mr. Solon Low, Social Credit Leader, joined in the demand.

Mr. Coldwell asked price control and subsidies. Mr. Low said his party would back "certain direct price controls" as a temporary measure.

Mr. St. Laurent said it would be wrong for the Government to put into effect things which it does not believe would work.

"Inflation is giving us all grave concern," said Mr. St. Laurent. Everyone was feeling the pinch of higher prices and none liked them.

Some suggested the Government's refusal to impose price controls was stubbornness or a "surrender to vested interests."

In reply to this, the Prime Minister quoted a recent editorial in the Toronto Globe and Mail which said neither Progressive Conservatives nor the CCF could control prices if in power. The newspaper said the Government's refusal to impose price controls is common sense.

Mr. St. Laurent also quoted from a pamphlet issued by the Labour Party in Britain to explain why it is not possible for the Government to keep down prices even with subsidies and controls. The pamphlet said cost of imports had risen sharply.

In Canada consumers are affected not only by cost of imports but by prices producers can get for exports, said Mr. St. Laurent.

Canada's New Bazooka World's Best, Says Dr. Solandt: Toronto, October 15 (CP) -- Canada has developed a bazooka-type anti-tank weapon more accurate than any such weapon in the world arsenal, Dr. O.M. Solandt said today.

The Chairman of the Defence Research Council told a Canadian Club luncheon of the work of the Council since its beginning in 1946.

He said the anti-tank bazooka is one of several projects undertaken by Canadian research teams. There was a possibility it might be adopted by the Western Allies because of its accuracy.

Dr. Solandt said Canadian scientists are now engaged in development of an air-to-air guided missile, a weapon whereby planes attack one another.

Teams of young scientists were recently assembled at the Canadian Armament Research and Development Establishment at Valcartier, Que., following several years' training in the United States and United Kingdom.

Other weapons developed by teams of Canadian scientists were a small bore shot for application to 17-pounder and 76-millimetre guns "that is more accurate and of greater penetration than anything that has gone before," and a flame-thrower which was "a substantial improvement on anything available in the last war."

Canadian military researchers were also working on a light field gun that might be carried in an airplane or, in a mountain campaign, packed on a mule.

In the last four years the staff of the Council had increased 300 per cent and its budget increased from \$13,000,000 to \$33,500,000. A large part of the money went to building laboratories and to universities as grants in aid for research, Dr. Solandt said.

Population Growth In Smaller Centres: Ottawa, October 15 (CP) -- Increases in population in the smaller as well as the larger urban centres were reflected today in the Bureau of Statistics' third list of preliminary 1951 census figures.

The latest list covers 534 cities, towns and incorporated villages in all provinces. Of the total number listed in the bulletin, population decreases were recorded for only 54 communities and all but eight of these were places with less than 500 population.

The latest list showed a number of striking gains in population for towns of between 5,000 and 10,000.

Two previous lists covered other centres, and further figures will be issued as they become available, the Bureau said.

Largest of the seven listed with population 20,000 and over, Verdun, increased to 76,454 from 67,349 in 1941. Next in this group, Peterborough, Ont., gained in population to 38,166 from 25,350; St. Catharines, Ont., to 37,833 from 30,275; Fort William to 34,783 from 30,585; Lachine, to 27,410 from 20,051; Moose Jaw, Sask., to 24,336 from 20,753; Niagara Falls, to 22,735 from 20,589; and Granby, to 21,838 from 14,197.

Labour Force At Peak Level: Ottawa, October 15 (CP) -- Canada's labour force and the number of persons with jobs both reached peak levels at mid-August while overall unemployment was the second lowest recorded.

The Bureau of Statistics reported today that the non-agricultural sector of the labour force continued the expansion indicated earlier, while the agricultural segment was reduced.

The labour force stood at 5,421,000 during the week ended August 18 this year, 97,000 greater than the estimate of 5,324,000 for August, 1950.

Across Canada: Harvest machines were silent over much of the Prairies yesterday.

Snow covered all of Alberta and much of Saskatchewan during the week-end. Harvesting was going ahead only in Manitoba....The Minister of Finance, Mr. Abbott, said in the House of Commons yesterday chartered banks can make loans to farmers under the Bank Act and accept wheat as security....People whose cars are driven by persons under the age of 25 can expect a jump of 25 per cent in public liability and property damage premiums next year, insurance officials said today....Mayor Charlotte Whitton of Ottawa last night was formally inducted into her new office.

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Vol. 2, No. 199

Wednesday, October 17, 1951.

Delegation To UN General Assembly: (Press Release No. 54, October 16) -- The Secretary of State for External Affairs, announced October 16 the composition of the Canadian Delegation to the Sixth Session of the General Assembly, which opens in Paris on November 6. The Delegation is as follows:

Representatives: The Hon. L.B. Pearson, M.P. - Secretary of State for External Affairs - Chairman of the Delegation

The Hon. Stuart Garson, M.P. - Minister of Justice - Vice-Chairman of the Delegation

Senator J. R. Hurtubise, M.D., C.M.

Mr. Maurice Bourget, M.P.

Mrs. R.J. Marshall - Past-President of the National Council of Women

Alternate Representatives: Mr. Colin E. Bennett, M.P.

Mr. T.A. Stone, Canadian Minister to Sweden

Mr. D.M. Johnson, Permanent Representative of Canada to the United Nations (Designate)

Mr. R.M. Macdonnell, Minister at the Canadian Embassy in Paris

Mr. J.F. Parkinson, of the Department of Finance, Minister at the Canadian Embassy in Paris

Mr. A.R. Crépault, Secretary-General of the Delegation

The Delegation will include Parliamentary Advisers from the Government and Opposition Parties in the House of Commons.

Appropriate Advisers will be drawn from the Department of External Affairs and the Department of Finance in Ottawa and from Canadian missions in Europe.

The Egyptian Situation: Ottawa, October 16 -- The Secretary of State for External Affairs, Mr. Pearson, told the House of Commons today the Egyptian situation is "difficult and highly inflammatory" and nothing he might say would help it.

The Canadian Press reported, in part, as follows:

"A concerned Government got a large volume of information on the Egyptian crisis from London today, but tended to look to Washington for a strong lead that might best solve it.

"Official anxiety is rooted in a belief that this crisis does far more than endanger the vital Suez Canal area and that unless there is a firm stand, it endangers the whole position of the western powers in the Middle East.

"There is a feeling here that the lead in that stand could most authoritatively be taken by the U.S. in a way which would quickly collapse Egypt's intransigence and maintain the West's prestige by showing that the two major western powers stand firmly together.

"As for Canada herself, official concern over both Egypt and assassination of Pakistan's Prime Minister is great but she is no more likely to get involved directly in the Middle East than in the past...."

Mr. Garson On New Anti-Price Fixing Legislation: Ottawa, October 16 (CP) -- The Minister of Justice, Mr. Garson, said tonight he plans to introduce legislation against retail price-fixing "without delay" and invited Canadians to write to him if they find sellers breaking the law.

"If you or your friends believe that prices are being held up by practices which seem to be contrary to the combines law," he said, "do not hesitate to write to the Combines Investigation Commissioner at Ottawa....If, in this connection, you think I can be of any help, by all means write to me."

Mr. Garson touched on resale price maintenance and the work of the Combines Commission in a speech recorded for broadcast over the CBC.

No details of the planned legislation have yet been disclosed, but Mr. Garson dropped a hint of its probable pattern when he noted that the MacQuarrie Combines Committee has made a recommendation on maximum resale prices.

Silent Tribute To Prime Minister Liaquat Ali Khan: Ottawa, October 16 (CP) -- At the opening of the House of Commons today, members, in an unusual gesture, stood and paid silent tribute to assassinated Prime Minister Liaquat Ali Khan of Pakistan. The Prime Minister, Mr. St. Laurent, and leaders of the opposition groups expressed shock at the event.

In the day's business proceedings, government action to reduce the cost of living was urged by nearly a dozen members of opposition groups.

Mr. St. Laurent said a committee to study defence expenditures will be established in due course.

Senate Advised Canadians Must Work Harder: Ottawa, October 16 (CP) -- Sen. Thomas Vien (L.--Quebec) said tonight one thing Canadians must do to beat inflation is work harder for the same pay.

He told the Senate price controls would "do more harm than good." The way to beat inflation, he said, was to reduce money in circulation and encourage saving and moderation in buying.

There must be effort to "promote a greater production per hour of labour and to increase hours of work without additional pay," he said.

Mr. Howe On Windsor, Ont. Situation: Windsor, Ont., October 16 (CP) -- The Minister of Defence Production, Mr. Howe, said in an interview today that Windsor is getting its share of defence orders and could get more if its plants would show more initiative in bidding for sub-contracts.

The Minister said credit restrictions had only a minor effect in reducing the sale and production of motor cars.

"It is really not an important factor," he said, "because only one-third of new cars are bought on time."

Although the country is not yet into all-out defence production, Windsor plants could enter the aviation parts field. He said the federal Government has more orders than it can place in existing plants.

Across Canada: A half-dozen opposition members in the House of Commons urged the Government to give Canada's veterans a better break at this session of Parliament....The cruiser Ontario left Wolfe's Cove in Quebec harbour and headed for Gaspé yesterday, on its way to the Maritimes, where it will transport Princess Elizabeth and Prince Philip between stops. Their Royal Highnesses visited Winnipeg yesterday....The Central Mortgage and Housing Corporation announced yesterday that the housing for defence workers under which it will advance mortgage funds must be located within 15 minutes' transportation of the defence plant....Senator Thomas Wood (L.--Saskatchewan) told the Senate yesterday it is estimated that 35 per cent of this year's prairie wheat crop will be of non-millable grade with prospects of a carry-over of 175,000,000 bushels of inferior grain. Farmers, he said might well take a low price for this wheat and get rid of it immediately.



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Vol. 2, No. 200

Thursday, October 18, 1951.

Senate Committees To Probe Bills: Ottawa, October 17 (CP) -- The Senate in one of its rare divisions, today supported a proposal to cut the size of three standing committees and give them the special job of examining major Government legislation before it reaches the Senate floor.

The proposal, made by Government Leader Sen. Wishart Robertson and supported by Sen. John T. Haig, Progressive Conservative Leader, was opposed by a group of senators who objected to reducing membership. But in the vote it was supported 35 to 11 -- opposition including 10 Liberals and one Progressive Conservative.

Membership of the committees--transport and communications, finance and external relations -- was chosen and they will be set up almost immediately with wide powers of reference and permission to sit during Senate adjournments.

Sen. Robertson said the committees will get access to major Government bills, such as those regarding freight rates, before they pass the House of Commons and come before the Senate proper. This would meet long-standing criticisms by senators that they do not have enough time to consider major Government bills.

Committee members could give the Senate detailed information about the legislation when it reached the Senate after passing all stages in the Commons, a process that sometimes takes weeks.

External relations committee of members and the finance and transportation committees of 50 each will be reduced to 17.

They will be called "investigating committees" with power to go into Government legislation once it becomes public after first reading in the Commons and would have power to call witnesses, possibly even responsible Ministers.

If the plan works, Sen. Robertson said three other committees will be reorganized.

The committees would follow the precedent set last year by the Senate's finance committee which considered Government financing. It came up with a stiff report recommending cutdown in Government spending.

Sen. Salter Hayden (L--Ontario), Norman Lambert (L--Ontario), Jacob Nicol (L--Quebec), Charles Howard (L--Quebec) and Arthur Marcotte (PC--Saskatchewan) spoke against the proposal. Sen. Marcotte was the only Progressive Conservative to vote against the motion.

St. Lawrence Seaway Agreement: Toronto, October 18 (Globe & Mail) -- An agreement exists between Ontario and the federal Government for the building of an all-Canadian St. Lawrence seaway and power project, it was revealed by Premier Frost yesterday.

The Premier, in a 20-page statement of his government's accomplishments and policies, said that when the U.S. Congress shelved the seaway plan again last July, "the Ontario Government proposed an agreement with the federal Government to go ahead ourselves."

He added: "An agreement was arrived at almost immediately."

Although there have been numerous statements at both the provincial and federal level indicating that there was agreement between the parties, it had been thought this was only in general terms, on the principle of the project. The Premier's statement was the first indication that there was something more formal between them.

Ontario Hydro Chairman Saunders, although he would give no details, acknowledged yesterday that "between Ottawa and ourselves there has been, for many weeks, complete agreement."

Immigration Tripled During August: Ottawa, October 17 (Gazette) -- Immigration tripled in August to bring Canada closer to its goal of 150,000 new citizens for 1951.

The immigration department estimated today 17,236 immigrants were absorbed in August compared with only 5,210 in August, 1950.

This brought the eight-month total for 1951 to 116,657--more than double the 49,220 in corresponding period last year.

Big proportion of new citizens came from Germany, Italy, Poland, United Kingdom and the Netherlands.

Italian newcomers in August increased to 2,548 from 709 in August last year; Poles, 1,246 compared with 241; Germans, 2,370 against 577; English, 1,384 compared with 682; Dutch, 2,301 compared with 283.

The largest number of immigrants to come to Canada on board one ship this year, approximately 1,916, reached Quebec City last night on the liner Fairsea from Bremerhaven and Le Havre. Up to now the largest number to arrive on one ship were the 1,890 brought here by the Fairsea on her last voyage, September 23.

U.S. Type Trucks Produced: Ottawa, October 17 (CP) -- A heavy Army vehicle that breathes under water came off Canadian automotive assembly lines today.

With the Minister of Defence Production officiating, General Motors Products of Canada turned out the first of a number of United States-type, 2½-ton trucks that will be used by the Canadian Army.

Facilities at the plant have been set up to produce the heavy vehicles at the rate of seven a day by the end of next month.

Other U.S. type vehicles being produced in Canada are the one-quarter ton jeep at the Ford of Canada plant at Windsor, Ont., and the three-quarter ton truck at Chrysler Corporation, also at Windsor.

The new 2½ ton truck, said Mr. Howe in a speech prepared for delivery at the General Motors plant, "can be equipped with a 'Snorkel' breathing device which enables it to ford water up to five feet in depth."

He recalled that General Motors produced heavy army vehicles during the Second World War, but the new truck was "bigger and faster, and at the same time, much easier to operate."

But the rate of production was also changed. During the last war, he recalled a ceremony where he received the 100,000th vehicle to come off the assembly lines.

Howe Predicts World Leadership In Jet Planes: Toronto, October 17 (CP) -- Canada soon will lead the world in production of all-weather, long range jet fighter aircraft, the Minister of Defence Production said today as he accepted the first of Avro's long awaited CF-100 fighters on behalf of the Canadian Government.

The CF-100 was turned over to the R.C.A.F. in a brief ceremony at the A.V. Roe plant in suburban Malton, with Air Marshal W.A. Curtis, Mr. Howe and Avro Officials participating.

In praising the development of the Orenda engine, the gas turbine power plant which drives the CF-100, Mr. Howe said it was a "tremendous achievement," but admitted that it would be a few months before the plane would be in quantity production. With the engine now ready for mass production, he said everything possible was being done to speed up further development of the aircraft.

Mentioning the plane's unique features, he said that because of the aircraft's unusually short take-off run, it can be put into service at most of Canada's existing airdromes with resulting savings in airstrip construction costs.

Four CF-100s have been completed to date. One crashed near London a few months ago. Avro is retaining two for further experimental work and the fourth was presented to the Air Force today.

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Vol. 2, No. 201

Friday, October 19, 1951.

Canada Boosts Forces Abroad: Ottawa, October 18 (CP) -- The Department of National Defence is empowered to garrison up to 12,000 soldiers and airmen in Europe under a Cabinet order-in-council tabled in the Commons today by the Minister of National Defence, Mr. Claxton.

He disclosed that the Government will open the way for debate on Canada's commitments in Korea and Europe by asking Parliament's approval of steps necessary to meet them.

The Department already is empowered to post up to 15,000 soldiers, airmen and sailors abroad in connection with the Korean War, meaning that 27,000 Canadian servicemen now may be sent out of the country to fulfil obligations to the United Nations and North Atlantic Treaty Organization.

Mr. Claxton told the House the Army's 27th Brigade Group will start moving to the Hannover area of Germany early in November. Movement will be completed by mid-December. The troops will be grouped with British, Belgian and Netherlands forces.

RCAF's 410 Fighter Squadron, equipped with F86E Sabre jet planes, will go to England next month aboard the aircraft carrier Magnificent to begin the air contribution which will grow to an 11-squadron air division. The carrier will sail November 3 from Halifax and is due in Glasgow November 13.

Ottawa Statement On Egyptian Crisis: Ottawa, October 18 (Globe & Mail) -- The Canadian Government tomorrow will join the United States, France and other countries in throwing its support publicly behind British policy in the Egyptian crisis, The Secretary of State for External Affairs, Mr. Pearson, has promised a statement to the Commons which will serve the double purpose of informing the Canadian public and also making public the expression of confidence and support already communicated privately to the United Kingdom Government....

The situation in the Suez Canal zone occupied the attention of Cabinet this morning in the light of requests that had been made for Canadian support. The decision was communicated to the British High Commissioner here for transmission to London.

While nothing more than moral support has been asked or given, Canada indirectly is tied in with the situation through the North Atlantic Treaty, and her agreement to the admission of Greece and Turkey. The Egyptian attitude has sabotaged the whole plan for Middle East planning and the creation of an Eastern Mediterranean area which would have been the link with NATO. Presumably NATO plans will now be stalled pending a settlement of the Suez crisis.

The Pearson statement tomorrow will be the precursor of a full dress debate on foreign affairs to be staged in the Commons on Monday.

In fact, it was to have been included in the Minister's Monday speech but, at the request of Opposition Leader Drew, is being made earlier.

\$1 Billion More Earned By Labour: Ottawa, October 18 (CP) -- Earnings by Canada's labour force jumped almost \$1,000,000,000 in first seven months of 1951.

Bureau of Statistics said today that with a record \$832,000,000 earned in July, income for the period was a peak \$5,460,000,000--a 17.2 per cent gain from last year.

In that period, however, cost of living index jumped 13.7 points to 188.9.

Rockefeller Foundation Awards For Canada: New York, October 19 (CP) -- The Rockefeller Foundation has announced a grant of \$124,800 for a newly-established Institute of Islamic Studies at McGill University, Montreal.

The grant was part of a total of \$844,000 appropriated by the foundation during the third quarter of 1951 for education and research.

The McGill award is to be spent during the period ending August 31, 1957. It will be used to provide special research associateships and assistantships for Moslem scholars and advanced Moslem students and four graduate fellowships annually.

Trade With Japan: Montreal, October 19 (Gazette) -- James C. Britton, Canadian Trade Commissioner at Tokyo, today told the Canadian Exporters' Association that the Japanese market is becoming increasingly important to Canada.

He said that Canadian exports jumped from \$6,000,000 to \$16,000,000 in the 1949-50 period and had reached \$35,729,209 in the first six months of 1951.

Japan's exports to Canada had increased too, from \$6,000,000 in 1949 to \$14,000,000 last year.

Across Canada: Reuters reported that the belief is widespread in Canada that some curtailment of routine ceremonial will be necessary to spare the health of Princess Elizabeth and the Duke of Edinburgh before their Royal Tour of Canada is finished....The bodies of nineteen dead were brought down a mountainside yesterday from the fire-scarred wreckage of a Queen Charlotte Airlines plane. The plane crashed on Mount Benson, B.C., Wednesday night carrying twenty passengers and a crew of three to their deaths....The Secretary of State for External Affairs, Mr. Pearson, has been appointed Chancellor of Victoria College, University of Toronto President A.B.B. Moore announced last night after a meeting of the Board of Regents....Lt.-Col. W.A. Todd, the man in charge of the elaborate security arrangements for the NATO conference recently held in Ottawa, is being posted to General Eisenhower's headquarters near Paris.



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Vol. 2, No. 202

Monday, October 22, 1951.

12 Months' Defence Expenditure May Be \$1,500,000,000: Ottawa, October 19 (CP) --

The Minister of Defence Production, Mr. Howe, today told the House of Commons the Government's defence production is being maintained, and he outlined a programme which may result in government defence spending of \$1,500,000,000 in the next 12 months.

Mr. Howe said industry, in addition, plans to spend \$2,500,000,000 for production of strategic materials in 1950-55.

He said Canada's rearmament effort is just emerging from tooling stages and in first six months of the 1951-52 fiscal year \$1,122,000,000 worth of defence orders were placed compared with \$760,000,000 for the whole of last year.

Production figures hitherto secret were disclosed as Mr. Howe defended his programme planning against opposition criticism.

Of total planned outlay of \$5,000,000,000 for men and materials in a three-year period, defence programme calls for building \$1,200,000,000 worth of aircraft.

He said 122 Sabre jet interceptor fighters have come off production lines and 72 have been delivered to the RCAF. Future deliveries would depend on rate of delivery of engines from the U.S.

But production of the CF-100 jet fighter, Canada's own creation, was meeting difficulties in getting sufficient component parts. Until these components, many of which are being produced in Canada for the first time, are available in volume, quantity production of the CF-100 was "clearly impossible."

Other planes were being produced in Canada, too, as well as ships, guns, ammunition, electronic equipment, trucks, machine tools.

The shipbuilding programme in 1951-53 would cost between \$150,000,000 and \$200,000,000 and electronics equipment \$560,000,000.

Canada was embarking on production of torpedoes and contracts were being discussed with Canadian manufacturers for \$39,000,000 worth of orders.

Mr. Howe said Canada has placed in the first half of the current year \$371,000,000 worth of defence orders in the U.S. but most orders, totalling \$746,000,000, were placed in Canada. Britain got \$5,000,000 worth.

Spending in the next 12 months will be greatly increased, said Mr. Howe, "and may approach an average of \$125,000,000 a month or an annual rate of \$1,500,000,000. The peak rate of expenditure will probably be reached early in 1953."

As for Canada's defence sales to other countries, he estimated production of such goods will "increase rapidly" and "according to present schedules it may be in the order of \$40,000,000 a quarter by the middle of 1952."

Hand-in-hand with Canada's equipment production went the big job of producing more strategic materials. By 1955, Mr. Howe estimated, crude petroleum production would triple to 250,000 barrels a day from last year's 80,000.

Primary aluminum output will jump to 603,000 tons a year from 415,000 in 1950; iron ore, 19,000,000 tons from 3,617,000; steel 4,400,000 tons from 3,700,000.

Mr. Pearson On Egypt: The Secretary of State for External Affairs, Mr. Pearson, made a statement on the Egyptian situation in the House of Commons October 19.

He said in part:

"The Canadian Government considers it of major importance for the security of the free world and, indeed, for the maintenance of peace itself, that no action should be taken to alter, by force, the present regime of responsibility of the United Kingdom for the defence of the Suez Canal zone."

Mr. Pearson also said that Canada "regrets exceedingly" that Egypt has repudiated the 1936 Anglo-Egyptian treaty, and declared this action "all the more regrettable in view of the fact that alternative arrangements were under discussion with the Egyptian Government at the time the repudiation took place."

Canada agreed with the American view that the Egyptian action is invalid.

"The situation which has developed in the Suez Canal zone is highly inflammable and can become dangerous to general peace. For that reason, the Canadian Government joins other governments in expressing the earnest hope that every effort will be made to avoid any breach of the peace and to achieve a satisfactory arrangement for the security of the area.

"In this regard, we have welcomed assurances which we have received from the U.K. Government that, as we would naturally expect, they are doing their best, and will continue to do their best, to avoid incidents and violence."

Canada's views, said Mr. Pearson, have already been communicated to London.

Air Training Programme: Ottawa, October 19 (CP) -- Canada's air training programme is on its way but is not anywhere near full stride, Ralph Campney, Parliamentary Assistant to Mr. Claxton, said October 19 in the House of Commons.

Mr. Campney said Canada's forces have more than doubled in 2½ years, now have more than 84,000 men and are expanding facilities rapidly.

Mr. Campney said reactivation of airfields, provision of accommodation and creation of training facilities are among major problems which must be solved before the RCAF's air training scheme could get rolling.

The objective was to train 1,400 air crew a year for other Atlantic Pact powers plus 1,900 Canadians. So far between 600 and 700 Canadians had been trained and another 250 NATO aircrew had been trained or were being trained. In addition 4,000 groundcrew have been trained.

Quebec Industrial Development: Quebec, October 19 (CP) -- Premier Duplessis said today Asbestos Corporation plans to spend \$14,000,000 on expansion and improvement of its Asbestos plant.

At his weekly press conference the Premier also disclosed that initial investment in titanium mines at Lake Allard has been raised from \$30,000,000 to \$40,000,000.

He said 40 miles of a 340-mile railway to iron mines in Ungava is complete, and investment in development of Northeastern Quebec iron mines will be more than \$225,000,000.

Some \$100,000,000 will be for a railway from Seven Islands, St. Lawrence north shore port, into the heart of Ungava mining territory. The railway will open to industry and business a 311,000-square-mile area.

Advance Party Off To Germany: Montreal, October 22 (Gazette) -- Canada's first manpower instalment under NATO for the defence of Europe -- the advance party of the new 27th Infantry Brigade Group -- sailed Saturday aboard the S.S. Columbia for Europe.

The party will prepare installations and facilities for the brigade in the British Zone, near Hannover, Germany.

Across Canada: Princess Elizabeth and Prince Philip worshipped on October 21 at a simple service at Christ Church Cathedral in Vancouver, B.C. Prince Philip read the lesson, taken from the 14th and 15th chapters of the Gospel according to St. Luke....The House of Commons changes its sitting hours again this week, this time to a 2 to 10 p.m. sitting, in its experiment with working hours....Week-end Football: (Saturday) Toronto 35, Alouettes 11; Ottawa 32, Hamilton 16; Winnipeg 19, Saskatchewan 13; Calgary 26, Edmonton 25. McGill 21, Western 12; Toronto 26, Queen's 2. Beaches 19, Windsor 0; Sarnia 31, McMaster 13. (Sunday) Toronto 35, Alouettes 18. Sarnia 29, Windsor 5.

GOVERNMENT

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OTTAWA - CANADA

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Vol. 2, No. 203

Tuesday, October 23, 1951.

Mr. Pearson Reviews World Situation: Ottawa, October 22 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said today that the last six months have worked some improvement in the world situation, but not much.

Russia, he told the House of Commons, may well have decided to avoid open war against the strengthening West at this stage but she still confronts the democracies with "many, many" years of peril.

He ranged the globe in a 75-minute speech during the Commons' first foreign-policy debate of the session, one which saw spokesmen for all four parties back continuation of Canada's military efforts in Korea and on behalf of the Atlantic Pact.

Mr. Pearson rejected both the idea of a general Pacific Pact and any move to build up a central Commonwealth authority as a means to develop the Commonwealth into a third world power. But his view that a Pacific Pact would weaken security in that area was attacked by Gordon Graydon (PC--Peel) who said the time is ripe for study of such a step.

Mr. Pearson said the United Nations is at or near the crossroads and can die if certain nations continue to hold its resolutions in contempt.

He welcomed steps to end Germany's occupation and bind her militarily to the West but said she must not be encouraged to think the West must have her at any price. And he said the West cannot allow the Middle East to become a Soviet sphere.

Mr. St. Laurent launched the debate by asking for unanimous approval of a motion for continuation of Canada's U.N. and pact military activities. Such approval he said, would hearten the troops in Korea and strengthen the hands of the men Canada sends abroad to international meetings.

Mr. Pearson climaxed his lengthy speech with a summary of the world situation.

There had been a "little, a very little general improvement in the last six months but I doubt whether there has been any substantial easing of world tension," he said. Western Europe's morale was higher and fears of immediate aggression had lessened there.

But there were grave and growing dangers in the Middle East and in the Far East Communism was as militant and defiant as ever. There were two types of aggression to fear, military and economic. How to maintain a balance between efforts to cope with both was the central problem for the free world.

Russia might well have decided to avoid open war now but a marathon race would go on for many, many years and the West could not afford to stop its preparations.

Mr. Gordon Graydon, (P.C.--Peel) called for establishment of a national development and production board to assess and utilize Canada's abilities to contribute to joint western defence. Canada's resources and economic potential had hardly been touched and it was time, he said, that a concerted effort was made to make the maximum use of them for the benefit and security of the whole western area.

Solon Low, Social Credit Leader, suggested that the United Nations should extend its Korean military operations to the bases used by the Red Chinese forces.

Prepared To Build Seaway Alone, Mr. Pearson Says: Ottawa, October 22 (Globe) -- Canada will make a second approach to President Truman in the near future to obtain his co-operation in the construction of a Canadian seaway.

The new approach to Washington is not likely to be made until after the Government has introduced its legislation here but Mr. Pearson's statement today makes it plain that it will not await any revival of the issue in Congress.

Mr. Pearson gave notice that the Government considered that the latest Congress action or, as Mr. Pearson put it, inaction, meant that it was not going to be possible to get agreement on joint construction "at an early date."

Mr. Pearson said, "we are prepared to recommend that this seaway should be built by Canada and we shall soon request and expect to receive co-operation from the United States Government."

Behind this expectation is the assurance of the President that he would support the Canadian seaway as a second best. The Canadian Government is now apparently ready to suggest that the time has arrived for implementation of that assurance.

The following steps, he pointed out, still had to be taken:

1. Canada will set up at this session an appropriate agency to deal with seaway construction as distinct from power.
2. An agreement, the terms of which have already been worked out, will be concluded with Ontario for power development by Ontario Hydro.
3. An appropriate American agency must be established by Washington to enter jointly into the power development and agreement must be reached on division of responsibility and cost.
4. An agreement must be worked out between Ottawa and Quebec on possible power developments in that province on the Lachine section.
5. The American agency must obtain a license from the Federal Power Commission, necessitating public hearings.
6. The U.S. Government must submit the application of its agency for the power development to the International Joint Commission and similar action must be taken by the Canadian Government on the Ontario application.

Mr. Pearson's assurance that the Canadian Government would press forward "without delay" brought immediate commendation of the spokesman from Gordon Graydon, (P.C.--Peel).

UN Able To Finish Korean Task, Says Mr. Claxton: Ottawa, October 22 (CP) -- The Minister of National Defence, Mr. Claxton, tonight expressed conviction that, barring direct intervention by the Soviet Union, the United Nations forces in Korea will be able to "stay there and do the job to the end."

Soviet participation, he said during the House of Commons' debate on defence and foreign affairs, "almost certainly might lead to a general war."

Mr. Claxton said he made his statement on the basis of military intelligence available to him.

At the same time, he confessed that he, like everyone else, knew nothing "as to when precisely the fighting in Korea will end." The U.N. forces must be prepared to change its plans and arrangements "to meet any circumstances that might develop."

Reject Request For Meyer's Release: Ottawa, October 22 (CP) -- Canada has rejected an official West German Government request for the release of Kurt Meyer, the 42-year-old former Nazi general sentenced to life imprisonment for the 1944 shootings of 18 Canadian prisoners of war.

This was disclosed in the House of Commons today as the Minister of National Defence and the Secretary of State for External Affairs made statements about the former Hitler bodyguard who last week was transferred from the Maritime Penitentiary at Dorchester to a British military prison in West Germany.

Across Canada: There should be more Royal visits to Canada and they should be conducted with less formality, Gordon Graydon (PC--Peel) said in the Commons....Total footage drilled in Alberta during the first eight months of the current year, reports the Conservation Board, was 3,502,539 ft. compared with 2,660,583 ft. during the same period a year ago....The RCAF's 416 Fighter Squadron, based at Uplands, will take part in a three-day training exercise being carried out by the USAF's Central Air Defence Force, Kansas City, Missouri.

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Vol. 2, No. 204

Wednesday, October 24, 1951.

Mr. St. Laurent On Peace Preservation: Ottawa, October 23 (CP) -- The Prime Minister, Mr. St. Laurent, said today that support of the United Nations, the Commonwealth and the North Atlantic Treaty Organization is the best and perhaps "the only way of avoiding another world war."

In a statement on the eve of the sixth anniversary of the signing of the U.N. Charter, the Prime Minister said the task which lies ahead for the free nations "is enormous."

"Poverty, sickness and ignorance have always been a breeding ground for mistrust and war; and it is regrettable that the Cominform countries have refused to participate in this work of building a better world."

Canada, together with other free countries, would however, continue to support U.N. activities. Canada recognized that the "time is past when this country, or any other country, can ignore its international obligations."

This particular anniversary of the United Nations was of special significance, said the Prime Minister, because it comes during a prolonged and critical period for the world organization.

Approve Continued Efforts In UN, NATO: Ottawa, October 23 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said today that one of the quickest ways to destroy the Commonwealth would be to establish a central authority to dictate a common diplomacy, a common foreign policy for all members.

He made the statement in concluding a foreign-affairs debate started yesterday. After he finished, members unanimously adopted a motion calling for continuation of Canada's efforts in the United Nations and the North Atlantic Treaty Organization.

Mr. Pearson replied to pleas from Howard Green (P.C.--Vancouver-Quadra) that Canada take the lead in building the Commonwealth into a third world power.

U.S. Seaway Proponent's View: Ottawa, October 22 (CP) -- N.R. Danielian of Washington, an American proponent of joint construction of the St. Lawrence Seaway, said tonight that U.S. opponents of the project are successfully promoting the idea that Canada is bluffing in her announced intention to go ahead with the project alone.

Executive Vice-President of the Great Lakes-St. Lawrence Association, he told reporters that those opposing a joint construction by Canada and the U.S. are "bandying" that idea around Washington and gaining support for the suggestion.

Here to discuss with Canadian officials the prospects of an all-Canadian project, he said the best way Canada could defeat the Washington "propaganda" was by swift parliamentary approval of legislation authorizing an all-Canadian route and setting out specific financing arrangements.

He suggested that his association, which favours a joint undertaking by the two countries, would swing its weight behind an all-Canadian construction if Canada would set a definite time limit for the building of the seaway and if it was convinced that a two-nation scheme was not possible.

From Ottawa, Mr. Danielian will go to Detroit to attend the Association's annual meeting.

Policy Statement Concerning "Refugees": Ottawa, October 23 (CP) -- The Minister of Citizenship and Immigration, Mr. Walter Harris, on October 23 issued a statement covering government policy on the fact that eight of 31 "Freedom Train" refugees who broke across the border from Czechoslovakia to Western Germany have been denied entry to Canada.

Eleven of these refugees who have been granted entry are scheduled to arrive at Halifax tomorrow aboard the S.S. Goya.

Mr. Harris said that, while there was much public interest in the "Freedom Train" refugees, their cases had to be considered on the same basis as those of other refugees who had crossed the Iron Curtain in less spectacular ways.

"Every possible co-operation" had been extended by Canadian immigration officers to agencies working in their behalf, and this had resulted in the early movement to Canada of the 11 refugees.

"However," he added, "we must bear in mind that similar escapes are made from the communist countries at a continuing rate, estimated by the International Refugee Organization to be from 1,500 to 2,000 a month. Many of these, who slip across the border singly and in small groups, have risked their lives and suffered a great deal of hardship in reaching the free zones. Although their cases are not publicized, they are deserving of the same consideration."

Immigration Agreement With Pakistan: (Press Release No. 55, October 23) -- The Department of External Affairs announced October 23 the conclusion of an immigration agreement between the Governments of Pakistan and Canada. The agreement takes the form of an exchange of notes made in Karachi and comes into effect immediately. The Canadian note was signed by Mr. Geoffrey S. Murray, Acting High Commissioner for Canada in Pakistan, and the Pakistani note by the Honourable Chaudri Muhammad Zafrulla Khan, Minister of Foreign Affairs and Commonwealth Relations.

The agreement, which may be terminated by either Government on six months notice, stipulates, in part, that in the year commencing January 1, 1951, and in each succeeding year, "the admission to Canada for permanent residence of one hundred citizens of Pakistan, including both sexes and all ages, shall be authorized provided the immigrants comply with the provisions of the Canadian Immigration Act."

Some Transportation Recommendations Being Implemented: Ottawa, October 23 (CP) -- The Minister of Transport, Mr. Chevrier, said tonight that it will take time to bring about an equalization of freight rates in Canada.

He spoke in introducing a resolution to a bill that will give legislative effect to some of the recommendations of the Royal Commission on Transportation.

The resolution was adopted and the bill was introduced and given first reading.

Seek U.K. Aid In Making Jet Engines: Ottawa, October 23 (CP) -- Canada is negotiating with United Kingdom manufacturers in an attempt to overcome a critical shortage of jet engines -- chief bottleneck in the development of a \$1,200,000,000 three-year aircraft production programme.

Discussions will be held among defence production officials and the makers of the British Rolls-Royce Nene III jet engine within the next few days in the hope of completing a formal agreement by the end of the week.

The plan is to bring British technicians to Canada to set up production of the Nene engine alongside assembly lines at the Avro plant at Malton, Ont., where Canada's own high-powered Orenda jet engine is under production.

Savings Bonds Sales Up 21 P.C.: Ottawa, October 23 (CP) -- The Bank of Canada today reported \$67,500,000 worth of Canadian savings bond sales during the first week of the current campaign.

Sales, increasing 21 per cent from the \$55,700,000 in the first week of last year's campaign, went to 209,000 buyers, up four per cent from the 200,600 buyers in the same period last year.

More than 100 companies have already surpassed their final 1950 total sales, the Bank said. So far, not one company has yet reported a decline from their 1950 total.

Across Canada: Princess Elizabeth and Prince Philip have commenced a three-day holiday on Vancouver Island....New Zealand's top ranking army officer, Major General K.L. Stewart, CB, CBE, DSO, will visit Canada next week on his way to New Zealand from the United Kingdom. General Stewart is Chief of the General Staff, New Zealand Army and currently holds the appointment of Chairman, New Zealand Chiefs of Staff Committee....Tourism last year brought \$175,000,000 to the Province of Quebec, Georges Leveille, Director of the provincial Tourist Department told Province of Quebec Safety League yesterday in Montreal.



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Thursday, October 25, 1951.

\$33,700,000 Deficit In August Trade With U.S.: Ottawa, October 25 (CP) -- A \$33,700,000 deficit in Canada's trade with the United States during August--result of a sharp climb of imports over exports--brought Canada's total adverse balance in U.S. trade to \$407,700,000 for the first eight months of 1951, the Bureau of Statistics reported yesterday.

However, Canada achieved slight gains in increased sales to Britain and other countries, trimming the total August deficit to \$3,900,000 and paring the over-all eight-month debit balance to \$335,800,000 -- still the highest deficit in history.

The eight-month deficit in U.S. trade was the largest since the \$644,500,000 recorded for the corresponding period in 1947.

Exports to the U.S. during August increased to \$195,800,000 from \$170,000,000 last year, pushing the eight-month total to \$1,527,600,000 from \$1,257,800,000.

Imports, however, scored sharper increases, totalling \$229,500,000 during the month, compared with last year's \$172,600,000, and \$1,935,300,000 for the eight months compared with \$1,347,700,000.

With Canada's industrial and consumer markets demanding increased supplies of foreign goods, total imports from all countries during the month increased to \$357,500,000 from \$267,300,000, driving the eight-month total to \$2,330,500,000 from \$1,979,800,000.

Total exports during August climbed 32 per cent to \$353,600,000 from \$260,600,000, and during the eight-month period to \$2,494,700,000 from \$1,965,500,000.

In trade with Britain, Canada scored a small surplus of \$27,600,000 for the month, bringing the eight-month credit balance to \$88,000,000, compared with only \$61,100,000 last year. Exports for the month totalled \$66,600,000, compared with \$42,800,000, increasing the eight-month total to \$395,000,000 from \$315,200,000.

Montreal Population Exceeds 1,000,000 In New Census: Ottawa, October 24 (CP) -- The Bureau of Statistics today released preliminary population figures for seven major Canadian cities based on the 1951 census and showing increases ranging from five to 69 per cent.

Montreal's population crossed the million mark to 1,002,703 from 903,007 in 1941, a 10 per cent gain, while the metropolitan area of Montreal climbed 20 per cent, to 1,370,044 from 1,145,282.

Toronto figures have not yet been made public.

Vancouver City population increased nearly 24 per cent to 340,272 compared with the 275,353 recorded in 1941, while the city's metropolitan area was 39 per cent higher at 524,339 compared with 377,447.

Winnipeg's increase was relatively small at five per cent, standing now at 233,617 compared with 221,960 within city boundaries. Greater Winnipeg, however, was up 17 per cent to 350,924 compared with 299,937.

Today's report was the fourth in a series of preliminary releases based on the 1951 census and issued from time to time by the Bureau as figures become available.

Next of the seven major centres in size included in today's list was Ottawa. The city's population advanced to 198,773 from 154,951, or 25 per cent, while its metropolitan area increased by 23 per cent, to 278,078 from 225,446.

Edmonton's population took the biggest jump, showing a gain of 69 per cent, to 158,709 from 93,817 in the 10-year period. Its metropolitan area rose to 172,112 from 97,842--a gain of 76 per cent.

Calgary's population increased by 42 per cent to 126,631 from 88,904 within the city boundaries, and by 47 per cent to 136,719 from 93,021 for the metropolitan area.

Quebec City followed a similar pattern with an increase to 161,439 from 150,757--a seven per cent gain--while the population of greater Quebec jumped 21 per cent to 271,236 from 224,756.

Next largest in the current list, Regina's population increased to 69,928 from 58,245 in 1941.

Newfoundland Prosperity Proclaimed In Speech: St. John's, Nfld., October 25 (CP) -- Economic development was again the theme of the Newfoundland Legislature as its eighth session began here yesterday.

"It is the simple truth to say that in all her long history Newfoundland has never known such a high degree of prosperity as there is in this present year," said the Speech from the Throne, read by Lieutenant-Governor Sir Leonard Outerbridge.

The Speech predicted a booming future for the west coast cement and gypsum mills and the east coast birch plant built last year with government backing, but expressed "deep regret" that a commission investigating the possibilities of full-scale logging in Labrador had reported the project "unsound and impracticable."

Old Age Security Legislation: Ottawa, October 25 (CP) -- Legislation authorizing payment of \$40-a-month pensions to all 70 and over will be introduced in the House of Commons today, the Minister of National Health and Welfare, Mr. Martin, said October 24.

He made the announcement after the Progressive Conservative Party tried unsuccessfully to adjourn the regular business of the House to discuss the proof of age now required of those applying for the universal pensions.

21 P.C. Rise In Canada Bond Sales: Returns at the end of the first week indicate Canada Savings Bond sales running well ahead of last year. Sales were up in both dollar amount and number of applications with almost 209,000 buyers purchasing a total of \$67,572,100. Compared with last year's returns for the same period this represents a 4% increase in buyers and a 21% rise in dollar volume.

Across Canada: Mines Minister Gemmill announced that the Government plans to set up a "Northern Ontario development administration" to develop the natural resources of the north. He said the first evidence of the plan was a \$1,000,000 government grant for development of mining roads....Eleven Maltese immigrants who claim they are stranded in Canada and want to go home, yesterday refused offers of bridge-building jobs at \$1 an hour, the Canadian Press reported from Port Arthur, Ontario....Wholesale prices for Canadian industrial and farm products, which eased in August from their peak in July, declined again in September, the Bureau of Statistics announced October 24.



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Vol. 2, No. 206

Friday, October 26, 1951.

2 P.C. Income Tax Levy For Old Age Security: Ottawa, October 25 (CP) -- Two new social-security taxes to finance universal pay-as-you-go old-age pensions of \$40 a month for everyone over 70, beginning January 1 next, were announced to the House of Commons today by the Minister of Finance, Mr. Abbott.

He disclosed:

1. A special two-per-cent levy on taxable income to begin July 1 next, with a limit of \$60 a year on the amount any one taxpayer will be asked to contribute. This is expected to yield about \$95,000,000 a year.

2. Another two-per-cent levy on corporation incomes--with no limit--beginning January 1 next. This is expected to yield \$65,000,000 a year.

At the same time, in what he called a 2-2-2-formula for social-security taxing, Mr. Abbott announced that one-fifth of the 10-per-cent sales tax will be diverted to pensions financing, providing \$145,000,000 a year.

The sum of these tax changes--estimated at \$300,000,000 to \$310,000,000 annually--will go into a special social-security fund from which the \$40-a-month payments will be paid to all Canadians over 70 without a means test.

This scheme goes hand-in-hand with old-age assistance of the same amount --but with a means test--going into effect at the time for those aged 65 to 69 in provinces that conclude agreements with the federal Government.

Mr. Abbott also announced that he plans in his budget next spring to discard the 20-per-cent defence surtax levied on personal and corporation incomes last April and to put the tax rates at whatever then seems necessary.

An estimated 2,500,000 taxpayers--half of the country's labour force--will contribute to the pensions through the new levy of two-per-cent on taxable income in addition to the share they pay through the sales tax.

Those who don't pay income tax--which takes in the other half of the labour force and those not normally employed -- will make their contribution solely through sales tax.

Mr. Abbott estimated the universal pensions will cost \$330,000,000 a year in the first full year--1952-53. To make up the difference between this figure and the estimated revenue from the new tax set-up, the Government will advance loans to the fund. However, the fund eventually, will become self-supporting.

The total cost of social security, including the federal Government's share of federal-provincial assistance to those aged 65 to 69, will be \$365,000,000 a year--\$1,000,000 a day.

While Mr. Abbott disclosed the financial arrangements for the scheme, the Minister of National Health and Welfare, Mr. Martin, estimated that approximately 482,000 of an estimated 700,000 persons 70 and over already have qualified for \$40-a-month cheques beginning next January.

As the two Ministers thus launched the long-awaited pensions legislation, spokesmen for the three Opposition parties unanimously endorsed the proposals, though they agreed today's high prices would make a higher payment desirable.

Export Rise Effects September Surplus: Ottawa, October 25 (CP) -- Canada's exports in September outpaced imports to give her the second monthly surplus this year.

In a preliminary statement today, the Bureau of Statistics estimated September shipments at \$323,500,000, a \$40,000,000-jump from \$282,700,000 last year.

Imports at \$311,800,000 climbed only \$32,000,000 from last year's \$279,700,000, leaving surplus of \$11,700,000.

Only previous monthly surplus this year was in July when domestic exports of \$378,600,000 outclimbed imports of \$370,600,000, a favourable balance of \$8,000,000.

The September surplus reduced the overall deficit for nine months of trade to \$324,100,000 -- still one of the highest in history.

Another major development in September was a sharp reversal in Anglo-Canadian - American-trade trends.

Canada's exports to the U.S. dropped about \$6,000,000 from a year ago but shipments to Britain climbed more than \$20,000,000, helping Canada to effect a surplus.

Shipments to the U.S. were estimated at \$189,500,000 compared with last year's \$195,900,000. Imports increased to \$212,000,000 from \$177,400,000.

The deficit of \$23,300,000 in the month's trade with the U.S. brought the total U.S. deficit for nine months to \$431,000,000.

In trade with Britain, Canada exported \$52,800,000 worth of goods, a sharp jump from \$30,600,000 last year. But purchases from that country fell sharply to \$28,600,000 from \$36,200,000, giving Canada a surplus of \$24,200,000.

Trade with other Commonwealth countries was less favourable. Exports climbed to \$16,200,000 from \$14,100,000 but imports showed greater increase to \$26,300,000 from \$23,700,000, giving those countries a surplus for the month of \$10,100,000.

Millions Of Bushels Of Grain Buried In Snow: Edmonton, October 25 (CP) -- Millions of bushels of grain--the difference between the west's greatest crop and an ordinary yield--are buried under heavy snow on the prairies.

It is questionable whether any appreciable amount, let alone all, will be harvested before spring. Normally all the crop would be off the fields now.

Across Canada: Four nursing sisters and 11 Air Force doctors and medical orderlies yesterday became the first all-medical group to graduate from an R.C.A.F. para-rescue course. In a ceremony at tactical air group headquarters here they received para-rescue badges from Air Marshal W.A. Curtis, Chief of Air Staff....The Board of Transport Commissioners reserved decision yesterday on a Bell Telephone Co. request to increase Ontario-Quebec phone charges, after Montreal and Toronto combined to launch a strong attack against the \$15,800,000-a-year rate boost....The federal-by-election in Calgary West will be held December 10. The seat was left vacant by the resignation due to ill-health July 5 last of A.L. Smith, Progressive Conservative member.... Plans for construction of a \$3,000,000 housing project for army and air force personnel in the Halifax area are nearing completion, a spokesman for Central Mortgage and Housing Corporation said yesterday....The CBC ended the 1950-51 fiscal year with deficit of \$1,271,874 it was disclosed when the Corporation's annual report was tabled in the House yesterday.

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Monday, October 29, 1951.

Budgetary Surplus Now \$513,200,000: Ottawa, October 26 (CP) -- The federal Government's budgetary surplus climbed by \$11,200,000 in September to bring the total to \$513,200,000 for the first six months of the current fiscal year.

The figure was more than 17 times greater than the \$30,000,000 surplus forecast by the Minister of Finance, Mr. Abbott for 1951-52.

The monthly treasury report, issued today through Mr. Abbott's office, showed that the surplus climbed at a slower rate in September. Revenues exceeded expenditures by \$11,200,000 in September compared with \$93,000,000 in August.

In September, 1950, revenues exceeded expenditures by \$3,300,000 and the budgetary surplus for the first six months of 1950-51 was \$296,000,000.

Revenues in September last totalled \$288,300,000 compared with \$214,400,000 in the corresponding month of 1950. In the first six months of the fiscal year, revenues amounted to \$1,805,300,000, compared with \$1,281,400,000 for the corresponding period of the 1950-51, an increase of \$523,900,000.

September expenditures were \$277,100,000 compared with \$221,100,000 in August and \$211,100,000 in September, 1950. The \$66,000,000 increase over the total for September, 1950, was due mainly to an increase of \$53,200,000 in the month's expenditures on defence.

In the first six months of the year, which ends next March 31, the expenditures totalled \$1,292,110,705 compared with \$985,484,736.

Defence expenditures amounted to \$93,200,000 in September and to \$458,200,000 in the six-month period. The Department's appropriation for the year is \$1,614,000,000.

The Defence Production Department, established this year, spent \$11,700,000 out of its total appropriation of \$115,000,000.

The report said that although defence expenditures are continuing to increase they do not as yet reflect fully the accelerated programme approved by Parliament.

Individual income tax collections for the first six months were \$151,300,000 higher at \$465,800,000.

Corporation income tax receipts were \$201,600,000 higher at \$512,400,000, due in part to higher earnings and to higher taxes.

Custom import duties were up \$53,200,000 and excise tax collections were up \$152,600,000.

Referring to non-defence expenditures, the report said they amounted to \$822,200,000 in the first six months, a decrease of \$12,700,000 from the corresponding period of last year.

Governor-General's Term Again Extended: Ottawa, October 26 (CP) -- A second extension--until next autumn--of the term of Viscount Alexander as Canada's Governor-General was announced tonight by the Government.

Informed quarters said the step, taken after consultations among the King, Viscount Alexander and the Prime Minister, Mr. St. Laurent, was taken for one reason: the Government thinks Canadians would like to have His Excellency around longer and His Excellency was quite willing to stay.

The extra five or six months--this is expected to be the last extension--will give Mr. St. Laurent more time to see if a suitable Canadian is available to fill the job when it becomes vacant.

Reports here say the Prime Minister shares the view that it is time a Canadian acted as the King's representative in Ottawa.

The Governor-General's present term, as once extended, would expire April 17--five years after his arrival. The second extension will project it forward to next September or October, giving him another summer here and another chance to take one last, long look at Canada.

By next October, he will have served $5\frac{1}{2}$ years, above average but still short of the record established by Earl Grey who was Governor-General for two months short of seven years between 1904 and 1911.

Move Toward Equalization Of Freight Rates: Ottawa, October 26 (CP) -- The House of Commons today embarked on a study of Government legislation empowering the Board of Transport Commissioners to work a fundamental change in the country's railway transportation policy--the long-awaited equalization of freight rates.

The Chamber opened second reading of the legislation, which implements some recommendations of the Royal Commission on Transportation, preparatory to sending it to a special committee for hearings and detailed examination.

Opposition members generally welcomed the legislation--and its primary aim--though some Maritime representatives in their ranks expressed fear the equalization would eliminate the traditionally-low rates granted years ago to the Atlantic Provinces.

The Minister of Transport, Mr. Chevrier, piloting the legislation, has given assurance that it will not.

The legislation, product of a two-year study of transportation problems by the Royal Commission, specifies that it shall not interfere with the Maritime Freight Rates Act, which provides low rates for some Maritime traffic, or the Crow's Nest Pass rates, which do the same for certain Western traffic.

Introduced at the last session, but only now being proceeded with, the bill also authorizes the payment of a subsidy of not more than \$7,000,000 a year to the Canadian National and Canadian Pacific Railways for the maintenance of trackage in sparsely-settled, low-traffic areas of Northern Ontario.

Across Canada: The Secretary of State for External Affairs, Mr. Pearson, arrived in London, England, Sunday....Unemployment in Canada increased by 7,700 during September as lay-offs and part-time work continued in industries ranging from auto factories to textile plants....Canada's two telegraph companies have been granted permission to boost telegram rates effective November 1. A board order authorizes increases of 10 and 15 cents on standard-wordage telegrams, plus varying increases on charges for extra words...."The Quebec Social Allocations Commission" is to be the name of a commission which will be created at the forthcoming session of the Quebec Legislature, Premier Duplessis told newspapermen. This commission will combine the work of old age pensions, pensions for the blind and mothers' allowances....Though Canada's gold mine operators have appealed to the Government to find a higher price for their product, only a few of them are taking up the Government's offer of a "free" market for gold as an alternative to federal aid, the Minister of Finance, Mr. Abbott disclosed Saturday.

Week-End Football Results: (Saturday) Big Four, Ottawa 13, Hamilton 9; Western Canada Union, Edmonton 4, Winnipeg 1. (Sudden-death semi-final); Inter-collegiate, McGill 26, Western 0, Toronto 15, Queen's 7; Ontario Union, McMaster 50, Windsor 6, Sarnia 36, Balmy Beach 0. (Sunday) Big Four, Alouettes 34, Toronto 22.

GOVERNMENT

OF CANADA

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OTTAWA - CANADA

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Vol. 2, No. 208

Tuesday, October 30, 1951.

Morale Of Troops Exceptionally High: Ottawa, October 29 (CP) -- The Minister of National Defence, Mr. Claxton, said today conditions in Korea "are far from desirable" from the human welfare standpoint but that the morale of Canadian troops is exceptionally high.

"We hope", he told the House of Commons in reply to statements about the bad conditions under which the 25th Brigade is living, "that all our commitments there will be ended as soon as possible."

The conditions were such that the men would be asked to serve only one year before a replacement is provided.

There was no way to compare Korea with Western Europe and the last war. No recreational centres in large cities could be established. No non-military groups such as the Salvation Army were operating with any army in Korea.

The armies, instead, were using services personnel. The number of Canadian welfare officers and other ranks was as great per capita as the welfare agencies had provided in Europe. There were six officers who looked after welfare matters in the brigade, all with staffs. They were aided by 13 chaplains.

Mr. Claxton said the reports he gets indicate that veteran officers have never seen a formation with higher morale.

Embargo On Meat Exports To U.S. Suggested: Ottawa, October 29 (CP) -- The federal Government was told today by Leon Balcer (PC--Three Rivers) during continued debate on the Address that an embargo on Canadian meat exports to the U.S. and larger loans to farmers for production improvements could help to reduce the cost of living.

R.R. Knight (C.C.F.--Saskatoon) said the Government should encourage serious reading in Canada by removing duties on good books. He said the Government should make a start on establishing a national library and also suggested extension of federal aid to education.

First Canadian To Atlantic Pact Defence College: Ottawa, October 29 (CP) -- An Army ordnance officer, Lt.-Col. Robert T. Bennett, 33, of Ottawa was named today as the first Canadian to go to the new Atlantic Pact Defence College in Paris.

For six months, beginning in November, he will study with 50 other Army, Navy and Air Force officers from the 12 member countries in a school set up on the orders of Gen. Eisenhower. Most will eventually go to posts in the North Atlantic Treaty Organization forces or headquarters.

Canada herself has a defence college devoted to turning out senior military officers and civilians who could fill key posts in wartime. In addition, Canadian officers attend British and American defence colleges.

The NATO school is a new venture in this field.

Five Match Companies Fined \$85,000: Montreal, October 30 (CP) -- Mr. Justice Valmore Bienvenue in Court of King's Bench yesterday found five Canadian match companies guilty of operating a monopoly and assessed fines totalling \$85,000.

The accused companies are Eddy Match Company, Ltd., Canada Match Ltd., Commonwealth Match Company, Ltd., Federal Match Ltd. and the Valcourt Match Company.

Fines assessed were:

Eddy Company \$25,000; Valcourt, \$25,000; Commonwealth, \$15,000; Canada Match, \$10,000; Federal Match, \$10,000.

Counsel for the defence, said an appeal might be considered. He was granted 30 days delay for payment of fine and costs.

Judgment was postponed last June 29 until today to give more time for consideration and Mr. Justice Bienvenue's ruling ran to about 70 closely-typed pages.

Canada May Be Among Leading Aircraft Producers: Seigniory Club, Quebec, October 30 (CP) -- Canada may one day emerge as one of the world's leading countries in aircraft production, Air Vice-Marshal Frank McGill said yesterday.

The head of the Defence Production Department's aircraft programme said that the first objective of the Department is to get the planes needed by the services, and the second is to make the industry strong and competitive.

At the moment, he said in a speech before the Air Industries and Transport Association, the Department is concentrating on the production of fighter and trainer aircraft.

The United States is producing heavier transport planes in such large quantities that in the event of an emergency, Canada may be able to get some transport aircraft from that country.

New Technique In Cold-Exposure: Ottawa, October 29 (CP) -- A new machine and medical technique, which may revolutionize the whole approach to cold-exposure treatment, has been developed at Canada's National Research Council laboratories.

Experts said today the machine and the technique may become a medical "weapon" in the hands of Canada's troops if they have to face the bitter cold of the Far North.

The new development is a product of co-operative effort of Research Council scientists and members of the Banting Medical Research Institute, Toronto.

Now reaching the practical stages after two years of development, the technique is to warm the body's vital machinery--the internal organs--first and then steadily increase the blood flow to the outer segments of the body.

Across Canada: The Petroleum and Natural Gas Conservation Board yesterday started its final hearing of evidence before submitting a report to the Alberta Government on the advisability, or otherwise, of permitting the export of natural gas from the Province....Premier Frost of Ontario said last night a "new deal" is pending for Northern Ontario mining communities that will end their municipal taxation problems under the Government's current grants system....Awards of \$1,500 to stimulate interest in aviation reporting in Canada were announced by Air Industries and Transport Association at the Seigniory Club yesterday....Princess Elizabeth and Prince Philip attended the New York Rangers -- Canadiens hockey match at the Montreal Forum last night.

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Vol. 2, No. 209

Wednesday, October 31, 1951.

26 UN Fighting Men Visitors: Ottawa, October 30 (CP) -- Twenty-six fighting men from nearly as many countries will be dined and toasted here Thursday as a cross-section of the unique UN army making war for freedom in Korea.

The Cabinet, the city and the military will join in a welcome to a group of wounded veterans brought to this continent for a tour that is meant to demonstrate the unity and scope of the UN forces.

Cpl. Jean Raymond Roy, 25, of Montreal, a section leader with the Royal 22nd Regiment in Korea, is the lone Canadian in a group also representing the United States, United Kingdom, Australia, Korea, France, Thailand, Greece, the Netherlands, India, Ethiopia, New Zealand, Norway, Belgium, Turkey, South Africa, Colombia, the Philippines and Luxembourg.

Another Canadian, navy PO. Thomas Dawe of Nanaimo, B.C., remained in the U.S. with the rest of the group of 40 to 50 men brought back. The 26 men coming here by plane from New York at 11 a.m. Thursday will leave Friday morning for Buffalo to resume their tour of the U.S. Ottawa is the one Canadian stop.

The party will be greeted by high-ranking officials on arrival and will tour Ottawa in private cars before a luncheon in the House of Commons given by the Minister of National Defence, Mr. Claxton.

From 2 p.m. until 4 p.m. the servicemen will tour the Commons, attend a parliamentary session, and meet the press. They will visit the National Gallery later in the afternoon.

At 6 p.m. service officers and military attachés will be hosts to the veterans at dinner and at 9 p.m. they will appear on the stage of an Ottawa theatre. Major-General E.L.M. (Tommy) Burns, Deputy Minister of Veterans Affairs, will introduce them.

House Committee Gets Freight Rates Bill: Ottawa, October 30 (CP) -- The Minister of Transport, Mr. Chevrier today rejected an Opposition request that freight rate increases be refused until Parliament has passed legislation providing for an equalization of the rates across Canada.

He spoke before the House of Commons gave the second reading--approval in principle--to a bill authorizing the Board of Transport Commissioners to establish uniform freight rates, as far as possible, for all parts of Canada.

The bill was referred to a 31-man, all-party committee for detailed study. The committee may hear representations from the provinces, the railways and other interested parties.

Canada To Commence Production Of U.S. Howitzers: Ottawa, October 30 (CP) -- Canada has decided to make a start in the production of 105-millimetre United States howitzers for the Canadian Army.

The Defence Production Department today announced the award of a \$2,-150,000 contract to Sorel Industries Limited, Sorel, Que., and officials disclosed that the money will cover production of the new U.S. weapon.

Later, Canada expects to begin building heavier 155-millimetre U.S. howitzers, first for the Canadian forces and perhaps eventually for the U.S.

So far, however, no contracts to cover either the 105-mm or the 155-mm howitzer have been received from the U.S.

N.R.C. Tells Of Electric Pulse For Human Heart: Ottawa, October 30 (CP) -- A heart machine with a tiny electric pulse, designed to prevent failure of the human heart during surgery, is the newest thing in Canadian electro-medical research.

It is a box-like machine of dials and switches about the size of a mantel radio. Attached is a flexible plastic tube with a wire carrying two electrodes which can be inserted in the jugular vein to touch a vital region of the heart.

By means of electrical pulsations through the electrodes, it can reactivate a heart which has stopped beating and can control the rate of heartbeat during operations--an important consideration for the surgeon.

It can do this without the necessity of opening the chest wall to get at the heart.

Scientists at the National Research Council's electrical laboratories, where it was built, stressed today that it is still in the experimental stage. Defence authorities are interested in it.

Most Powerful Cancer Weapon Operates At London, Ontario: London, Ont., October 30 (CP) -- The world's most recent and most powerful cancer weapon went into operation today in the War Memorial Children's Hospital on its first patient.

Two simple movements--the setting of an electric clock dial and the flick of a switch--marked the unofficial opening of the cobalt 60 beam therapy unit, known as the cobalt bomb.

Across Canada: Montreal gave Princess Elizabeth and the Duke of Edinburgh the biggest welcome of their tour yesterday as 1,500,000 people along a 75-mile procession route shouted their acclaim in two languages....Nova Scotia's Health Minister Harold Connolly announced yesterday that Nova Scotia will take part with the federal Government in providing old age pensions to persons in the 65-69 age group....The Minister of Trade and Commerce, Mr. Howe, yesterday told the House of Commons that the over-all situation with respect to storage space for Western grain is "very good."....Industrial employment, payrolls, and average weekly earnings reached record levels at the beginning of September, the Bureau of Statistics reported yesterday.... T.E. Applewhaite, Liberal member of Parliament for the British Columbia ridding of Skeena, will go to Tokyo to help negotiate the fisheries treaty with Japan. He will join the Canadian delegation there.



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Thursday, November 1, 1951.

First Contingent Of 27th Sails Monday: Ottawa, October 31 (Globe) -- The first contingent in the movement of the 5,500 men of the 27th Brigade being posted to the Hanover area in West Germany will sail from Quebec on Monday, November 5 on board the SS Canberra. There will be several hundred in this first movement which will be followed by other sailings, all from Quebec, at intervals of a week or 10 days stretching from now until mid-December.

The advance party of the Brigade left a fortnight ago and is now in the area preparing for the arrival. The men leaving on Monday are now at Valcartier and it has been arranged that sailings will be from Quebec rather than Halifax in order to simplify the movement. Rotterdam will be the port of debarkation.

The rotation system will be used for the Brigade in Germany with married men serving one year and single men two years. The present strength of the 27th means that replacements will equal in numbers the men now going overseas.

The first Canadian troops to be sent to Europe after the war arrived in Rotterdam October 31.

Discuss Status Of 27th Brigade In Europe: Ottawa, November 1 (CP) -- Canada's 27th Brigade is likely soon to become the first allied formation to serve in post-war Germany without occupation status. Canada also has requested that she and not Germany foot the bills.

United Kingdom occupation authorities in West Germany have agreed in principle, it is understood, with Canada's wishes that the Brigade not be classed as an occupation unit and that Canada herself pay the costs.

It is another matter, however, to work out the legal arrangements that can put these wishes into effect and Anglo-Canadian discussions are going on in Bonn now trying to solve this legal problem.

The American, British, French, Netherlands and other forces now stationed in Germany have a dual character. They are classed as occupation troops on the one hand and as part of Gen. Dwight Eisenhower's Atlantic Pact integrated force on the other.

Canada's stand is that the 27th Brigade has no connection with the occupation, that it is going there purely to join the Eisenhower force as a deterrent to Russian aggression.

Urges Lowering Of Tariffs To Reduce Living Costs: Ottawa, October 31 (CP) -- A front-bench Liberal member, charging that monopolies are rampant in Canada, urged the Government today to knock down the tariff walls and let competitive, low-priced American goods into the Canadian market.

Offering that as the Government's best weapon against high prices, A. Wesley Stuart, Liberal, Charlotte, N.B., told an intent House of Commons that he could see no reason why Canadians should pay twice what Americans do for manufactured products, especially when the same companies made the same goods in the two countries.

Applauded by members on all sides, he suggested a three-months suspension of tariffs against American imports and predicted that the cost of living would drop "many points" if that were done.

He said that Canada is "thick" with monopolies and cited the automobile industry as "the greatest monopoly of them all." That, he said, was a "fact"; everyone knew it.

Canada's automobile industry could produce as cheaply as did its American counterpart if it was forced to.

He mentioned toothpaste, electric toasters, refrigerators, washing machines and other manufactured goods as examples of commodities which cost twice as much in Canada as they did in the U.S.

He would like, he said, to see the manufacturers called before a Commons committee to justify the differential.

And he asked the rest of the House to join him in seeing what could be done "to put these monopolistic organizations in their place."

18 Canadians To Visit Behind "Iron Curtain": Ottawa, October 31 (CP) -- Mr. Jean Lesage, Parliamentary Assistant to the Secretary of State for External Affairs, said today one Canadian has given notice of intention to travel to Russia since a regulation requiring such notice was enforced June 30 last.

Eight others have said they intend to travel to Hungary and nine to Poland, he told John Diefenbaker (P.C.--Lake Centre) in reply to a House of Commons question about the issuance of passports for travel to those three Iron-curtain countries.

Mr. Lesage said Canadian passport generally are valid for travel to all countries. However, it now is required that those intending to visit Russia, Poland and Hungary, among other countries, report their travel plans and the length and purpose of their visit.

No record is kept of how many return.

Auditor-General's 1950-51 Report: Ottawa, October 31 (CP) -- The spending habits of some government Departments were criticized in the Auditor-General's 1950-51 report, tabled today in the House of Commons.

The report prepared by Watson Sellar, Auditor-General of Canadian Government accounts, was appended to the Public Accounts for the fiscal year ended March 31 last.

Mr. Sellar drew attention to several instances where savings might have been effected and to others where the Departments may have exceeded authority to make expenditures. In some cases he suggested legislative changes to tighten the control of Parliament over expenditures.

C. Of C. Asks Deferment Of Price-Fixing Legislation: Quebec, October 31 (CP) -- The Canadian Chamber of Commerce today asked the Government to take no present action on its proposed legislation concerning resale price maintenance.

It urged that the Government "exercise restraint" until the Chamber can obtain the views of its 700 member Boards of Trade and Chambers across the country; and that, in any event, no action be taken at this session of Parliament.

Across Canada: The Canadian Congress of Labour ended a two-day executive meeting in Ottawa with a statement by its President that it is as strong and harmonious as ever. A.R. Mosher, head of the 200,000-strong body which had a stormy convention in Vancouver in September, said harmony in the executive is complete denial of news reports suggesting an internal split...Medical treatment benefits now available to recipients of war veterans allowances will be continued for those men even if they stop taking the allowances to take the new universal old age pension instead, the Minister of Veterans Affairs, Mr. Lapointe said yesterday....René B. Perrault of Montreal yesterday was elected President of the Canadian Chamber of Commerce, succeeding Francis G. Winspear of Edmonton, President for the last year....A determination to fight for all-Canadian pipelines to bring western natural gas and oil to Ontario via the lakehead was expressed last night by Premier Leslie Frost in an election speech at Fort William.

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Friday, November 2, 1951.

Increased Exports To Britain Overshadow Decline With U.S.: Ottawa, November 2 (CP) --

For the first time in almost two full years of healthy monthly climbs, Canada's exports to the United States dropped slightly during September.

But the decline was quickly absorbed by increased shipments to Britain and most other countries, resulting in a net advance of 15 per cent in Canada's total domestic exports.

The Bureau of Statistics yesterday reported shipments to the U.S. during September at \$186,730,000, down \$6,000,000 from \$186,730,000 in September last year.

The last time there was a decline was in October, 1949, when shipments to the U.S. totalled \$148,100,000, down \$800,000 from \$148,900,000 in October, 1948.

The decline of exports to the U.S. during September cut the monthly percentage of Canada's total exports absorbed by the U.S. to 58 per cent, compared with 69 per cent a year earlier.

Shipments to Britain jumped to \$52,514,000 -- almost double the \$30,439,000 in September last year -- and helped bring total domestic exports to all countries to \$320,100,000, up \$41,000,000 from last year's \$279,100,000.

Added to \$320,100,000 worth of domestic exports during September were \$3,400,000 worth of foreign exports bringing the total to \$323,500,000.

In a previous statement, the Bureau estimated over-all imports at \$311,800,000, giving Canada a small \$11,700,000 surplus--the second monthly surplus this year. The previous \$7,900,000 surplus was in July.

Price-Fixing Issue Referred To Commons-Senate Committee: Ottawa, November 1 (CP) --

The Government will delay legislation against retail price fixing and place the issue before a Commons-Senate Committee.

Notice of resolution to create the committee was given in the House of Commons today by the Minister of Justice, Mr. Garson. This, he said, will give everyone a chance to present views.

Mr. M.J. Coldwell, CCF Leader, wondered whether the resolution would supersede intimation in the Throne Speech that the Legislation would be introduced at current session.

Mr. Garson said it would complement, not supersede it. He did not say how long the committee will sit. It appeared likely the Government will take no action until the committee makes recommendations. That might take weeks.

It is learned that the Government decision followed an appeal by manufacturers and suppliers that action against fixing minimum prices on retail goods be held up until the subject could be reviewed.

Those in favour and against banning the practice -- which some believe covers 15 per cent of all goods entering retail trade--had an opportunity to bring views before the four-man MacQuarrie Committee in a year-long study of combines legislation.

The committee will be of 26 members of the Commons and probably about 12 Senators.

Delegates To FAO Conference In Rome: (Press Release No. 56, November 2) -- The Department of External Affairs announced November 2 that the Canadian delegation to the forthcoming FAO Conference in Rome will be headed by the Right Honourable James G. Gardiner if his parliamentary duties and attendance at the Annual Federal-Provincial Agricultural Conference make it possible for him to leave Canada. Dr. G.S.H. Barton, Special Assistant to the Minister of Agriculture, will attend as alternate head of the Canadian Delegation. Other members of the Delegation are:

Dr. S.C. Hudson, Principal Economist, Economics Division, Department of Agriculture; Mr. S.J. Chagnon, Vice-Chairman, Agricultural Prices Support Board, Department of Agriculture; Dr. D.A. Macdonald, Director, Forestry Branch, Department of Resources and Development; Dr. L.B. Pett, Chief, Nutrition Services, Department of National Health and Welfare.

Dr. H.H. Hannam, President of the Canadian Federation of Agriculture, Mr. J.H. Tremblay, Agricultural Secretary of the Canadian Embassy, Paris, will act as advisers to the delegation.

The Conference opens on November 19 and is expected to continue until December 7.

Old Age Security Bill Approved In Principle: Ottawa, November 1 (CP) -- A pension of \$60 a month for persons 70 and over was advocated in the House of Commons today by Stanley Knowles (CCF--Winnipeg North Centre).

He spoke before the House of Commons gave second reading--approval in principle--to a bill authorizing \$40 a month to those 70 and over starting in January.

Mr. Knowles said \$40 a month is not enough to give the aged a decent living standard.

New Freight Rate Increase Asked By Railways: Ottawa, November 1 (CP) -- The railways today applied for a new freight-rate increase which--with what they already seek--would send rates up about 10 per cent.

An increase of between 5 and 6 per cent was asked to compensate companies for the 20 per cent defence surcharge on income tax in the last federal budget. It would be in addition to a 5 per cent application now pending before the Board of Transport Commissioners.

Together, the two hoists would add about \$45,000,000 to the annual national freight bill.

The surcharge tax application came in the form of an amendment to requests made to the Board several months ago for higher rates to meet wage increases and a short work week, resulting from the general rail strike of August, 1950.

The railways then asked a 5 per cent rate boost to cover wage increases, and one of 14 or 15 per cent--depending on how the higher rates were applied--to cover the short work week. In July the Board granted a temporary 12 per cent increase, leaving the rest of the case to be determined finally at hearings to open November 12.

The railways now have asked to have the proposed 14-15 per cent increase amended to one of 17-18 per cent.

Across Canada: Copies of speeches at General Assembly of the United Nations in Paris will be airmailed to Ottawa for members of the Senate and the House of Commons, Mr. Jean Lesage, Parliamentary Assistant to the Secretary of State for External Affairs, Mr. Pearson, said yesterday...Newfoundland's population has increased more than 11 per cent since last census in 1945 to 357,762, the Bureau of Statistics said. Last census, before union with Canada, showed population of 321,819...The Canadian Association of Consumers has submitted to the Government a request for a conference of various national groups to discuss ways of easing inflation...Premier Smallwood announced yesterday he intends to dissolve Newfoundland's first provincial legislature to seek a new mandate on his Government's economic development programme.

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Monday, November 5, 1951.

Government To Increase Grants To CBC: Ottawa, November 4 (CP) -- The Minister of National Revenue, Dr. McCann, has given notice on the House of Commons order paper of plans to set up the annual Commons committee on the Canadian Broadcasting Corporation and to extend its grants from the federal treasury.

The resolution which precedes a measure to amend the Canadian Broadcasting Act of 1936 would provide for a grant from the treasury of \$4,750,000 for the current fiscal year and \$6,250,000 for each of the next four fiscal years.

This is in line with some recommendations in the Massey Royal Commission report, which recommended that CBC deficits be made up from grants from the Government, rather than by increased radio licence fees or loans which had to be repaid.

The 1936 Act would also be amended to increase the number of Governors of the CBC from nine to 11, and to provide benefits from the pension fund for full-time CBC employees.

Another resolution gave notice of establishment of a select committee on radio broadcasting, which will "consider the annual report of the CBC and review the policies and aims of the CBC and its regulations, revenues, expenditures and development."

Trade Commissioner In New Orleans: Ottawa, November 2 (CP) -- Mr. Gerald A. Newman, the Trade and Commerce Department's Export Division Director, will leave that appointment to take charge of a new Trade Commissioner's office to be opened in New Orleans early next year.

Appointment of the 46-year-old trade expert to the U.S. post, announced today, is in line with the Department's policy to bolster its field forces in the U.S. in the hope of capturing a bigger share of the American market for Canadian goods.

A survey was made of the southern U.S. market last year and it was decided there were excellent opportunities for the expansion of Canadian trade in the Southeastern U.S.

New Orleans will be the latest link in the chain of Canadian trade offices at Boston, New York, Washington, Los Angeles and Detroit.

Mr. Newman has covered Canadian trade fronts in Europe and the U.S. during 22 years of service with the Trade and Commerce Department.

Railways Request Interim Increase: Ottawa, November 4 (CP) -- In a new manoeuvre aimed at circumventing expected delay in freight-rate hearings, the railways Saturday called for a quick temporary increase of five per cent in their tolls.

The proposed "interim" boost is roughly half what the carriers already were seeking on an established basis before the Board of Transport Commissioners, which only Friday postponed hearings indefinitely from November 12 on that case.

The five-per-cent increase would cost freight shippers about \$22,500,000 a year. It would come on top of a 12-per-cent temporary increase obtained July 4. That jump, with the further 10 sought by the railways, was to have been reviewed at the November 12 hearings.

Immediately the railways launched their surprise move, spokesmen for provinces opposing rate increases said here the temporary hoist would be opposed just as strongly as other increases fought by the provinces in the last five years.

Living Costs At New Peak: Ottawa, November 5 (CP) -- The Bureau of Statistics has reported that living costs reached a new peak in September mainly due to increased clothing prices.

The cost-of-living index went up six-tenths of a point to 190.4 from 189.8 points during August. It is based on 1935-39 prices equalling 100.

The clothing sub-index jumped 6.9 points to a peak 213.8 from 206.9. The increase was said to have been due to the introduction of new Fall and Winter lines, higher in price than when these items were surveyed last March.

Another important group, the food sub-index, showed its second drop in two months. Lower meat and egg prices, although somewhat offset by increases in the cost of other food items, dropped the food sub-index 1.4 points to 249.7.

CFA President On Proposal For Embargo Against Meat Export To U.S.: Peterborough, Ont., November 3 (CP) -- H.H. Hannam said last night that an embargo against the shipment of Canadian meat to the United States would bring "tragedy" to livestock men and "disaster" to the country.

The President of the 400,000-member Canadian Federation of Agriculture, in a speech before a joint meeting of the Peterborough Chamber of Commerce and County Federation of Agriculture, criticized such a proposal, made in the House of Commons. He described it as "one of the most foolish" that could be put forward by a Canadian.

House Of Commons Again Alters Working Hours: Ottawa, November 2 (CP) -- Over mild protest, the House of Commons changed working hours again today and decided to sit only three nights weekly until the end of this session, expected about mid-December.

The aim is to shorten the traditionally lengthy and tiring Parliamentary hours and give the Parliamentarians the occasional night off.

The Chamber endorsed the report of a special committee recommending that these hours go into effect Monday for the remainder of this session:

Monday, Tuesday and Thursday--2:30 to 10 p.m., with a dinner adjournment from 6:15 to 8 p.m.

Wednesday--2:30 to 6:15 p.m., with no evening sitting.

Friday--2 to 6:15 p.m., with no evening sitting.

Across Canada: Premier Joseph Smallwood today set November 26 as the date for Newfoundland's second general election as a Canadian Province....The Quebec Legislature will re-open November 7....The Canadian carrier Magnificent left Norfolk, Va. Sunday with 48 Sabre jet fighter planes being sent to England for use by RCAF units operating there....Dr. Harry M. Cassidy, internationally-known welfare worker, died in hospital in Toronto on November 2 at the age of 51....Appointment of John E. Goodison, Canadian industrialist and government official from Sarnia, Ont., as Assistant Agent-General of the United Nations Korean Reconstruction Agency, was announced Saturday.

Saturday's Football Results: Big Four; Hamilton 31, Alouettes 6, Toronto 23, Ottawa 18. Western Canada Union; Edmonton 15, Saskatchewan 11. (First game of best-of-three final). Intercollegiate; McGill 19, Queen's 2, Toronto 13, Western 13. Ontario Union; Balmy Beach 23, Sarnia 15. (First game of total-points series).

(The Big Four has ended in a three-way tie for first place between Toronto, Ottawa and Hamilton. Ottawa has won the bye in the play-off and Toronto and Hamilton are to play a two-game, total-point series November 7 in Toronto and November 10 in Hamilton.)



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Tuesday, November 6, 1951.

27th Sails For Germany: Quebec, November 5 (CP) -- Canada today sent on their way to Western Europe 500 specialists for the main body of the 5,500-man force trained for General Eisenhower's armies of defence.

The troops from the 27th Canadian Brigade sailed from Wolfe's Cove aboard the "Canberra" while R.C.A.F. Mustangs, joining in farewell ceremonies, roared low over the ship.

The Minister of National Defence, Mr. Claxton, told the men their job overseas will be the "defence of Canada."

Mr. Claxton told the men they were the forerunners of the Brigade in the ranks of North Atlantic Treaty Organization forces under Gen. Eisenhower.

Advance parties of the 27th already have gone over to get the former German Army camp near Hanover ready for the rest of the Canadian force due to follow in the next few weeks.

The 27th Brigade will be located in the British sector of Western Germany, some 40 miles from the Russian Zone.

Mr. Claxton explained to reporters this morning that while the men of the 27th will not in fact be occupation troops, they will have that status from the legal point of view. This is to give them the benefit of all military, "immunities and amenities," he said.

The Minister handed personally to many of the soldiers copies of a booklet entitled "Off to Europe," giving tips about how to behave among austerity-ridden Europeans.

Mr. Howe Before Canadian Society Of New York: New York, November 5 (CP) -- The Minister of Defence Production, Mr. Howe, disclosed tonight that in spite of innumerable difficulties Canada is "pushing ahead" with the erection of a string of air stations across her 4,000-mile-wide northern frontier as a guard against possible enemy attack.

Some of these stations -- coupled with a big radar screen to warn of approaching aircraft -- lie close to the North Pole, more than 3,000 miles north of the Canada-United States border, Mr. Howe said in a speech before the Canadian Society of New York.

There were these other developments:

1. Canada may soon have, in Canadair Ltd. of Montreal, "one of the largest aircraft factories in the world." Now producing Sabre jet fighters, Canadair soon will be also turning out T36 Beechcraft trainers for the American Air Force and T33 jet trainers for the R.C.A.F., employing 18,000 persons.

2. The United States was negotiating to purchase a "large number" of mobile early-warning radar sets which Canada is developing and producing. It was the "best piece of equipment for the specific purpose at present in production anywhere." Three hundred of them were being shipped to North Atlantic countries in Europe under a mutual aid programme.

3. Canada is doing "pioneering" work on atomic energy, to supplement the work of the United States and the United Kingdom. She is specializing on Arctic warfare, problems of radio transmission in northern Canada and defence against atomic, chemical and biological attack.

4. Currently, Canada's defence spending -- on a per capita basis -- equalled annually about \$27,000,000,000 worth of defence spending by the United States. By 1953 -- when Canada reaches her defence-spending peak -- "the figure is likely to be closer to \$40,000,000,000 if translated into terms of American capacity."

Considering Ways To Aid Wheat Movement: Ottawa, November 5 (CP) -- The Government is considering ways to help Western farmers who have grain piled up on their farms because of elevator congestion, the Prime Minister, Mr. St. Laurent, told the House of Commons today.

In reply to questions from Saskatchewan members, he said no firm decision has been reached.

Mr. Jutras On Food Prices: Ottawa, November 5 (CP) -- A Liberal member from Manitoba told the House of Commons today not to blame the food producer for the high cost of living.

René Jutras, Provencher, suggested that food prices, though they were above pre-war, were not high in relation to the prices of other commodities entering into living costs.

Joining the resumed Throne Speech debate, he said that a high standard of living went hand-in-hand with the increased cost of living. Statistics proved that the worker today laboured fewer hours for his milk, butter and other foods than before the war.

He suggested the solution to the cost-of-living problem lay in commodities and products other than food. The farmers had done their best to stabilize food prices.

Across Canada: Princess Elizabeth and the Duke of Edinburgh made two brief appearances at Campbellton, N.B., last night as their train made its first stop in the Maritimes....The fact-finding phase of a nation-wide sickness survey started last fall has been completed, the Minister of National Health and Welfare, Mr. Martin, said last night. A great mass of information, on what the Minister called the most comprehensive study of its kind ever carried out, is being tabulated and analyzed....The railways will be called today to give evidence on new Government legislation aimed at the equalization of the railway freight-rate structure across the country. This was decided at the organization meeting of a special 31-man Commons committee....The Hospital for Sick Children in Toronto is named as major beneficiary in the income of a \$13,000,000 charitable foundation established under the will of mining magnate J.P. Bickell. Details of Mr. Bickell's will show total assets of \$14,577,518, from which \$235,000 has been earmarked for federal and provincial succession duties.



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Vol. 2, No. 214

Wednesday, November 7, 1951.

Commons Approves Committee On Price-Fixing: Ottawa, November 7 (CP) -- The House of Commons last night approved a government resolution to establish a special parliamentary committee to study retail price-fixing.

Approval came after the Minister of Justice, Mr. Garson, said the Government is not backing down on plans to ban resale price maintenance practices.

The resolution was adopted on division--without a formal vote.

Mr. George Drew, Progressive Conservative Leader, ended the debate by interjecting a statement that his party had sought a wider inquiry than that envisioned by the Government. Since it could not obtain that, it would support the partial inquiry as contained in the resolution.

As the two-day debate drew to a close, Mr. Garson explained why the Government was not going ahead with legislation immediately, but instead was setting up the committee.

He told the House that since the Government made known in the Speech from the Throne of its intentions to act against resale price maintenance he had been besieged by large and small business men to delay action until they could be heard before the "bar of public opinion."

He had received representations, he said, from the Ontario and Canadian Pharmaceutical Associations and the Canadian Manufacturers Association. However, the biggest part of the appeal did not come from these organizations, but from the small retail dealers, some of whom he knew personally.

Commons Committee To Study Defence Expenditures: Ottawa, November 6 (CP) -- The Prime Minister, Mr. St. Laurent, announced in the House of Commons today that the Government has decided to set up a House committee to study defence expenditures.

He said the committee will be established at this session so it can complete its organizational work and get down to active examination of defence spending during the spring session.

He disclosed that the setting up of the committee had been discussed at a meeting he had with Opposition party leaders last month.

C.P.R. Challenges Freight Rates Bill: Ottawa, November 6 (CP) -- The Government's legislation for a new freight rate set-up was challenged on several points by the Canadian Pacific Railway today before the House of Commons' special committee dealing with the rate "equalization" statute.

In a four-hour session before the committee, F.C.S. Evans, C.P.R. Vice-President and General Counsel, described the bill's outline of a national policy of rate equalization as "far too sweeping" and called for the dropping or the changing of some specific sections.

The C.P.R. officer testified after counsel for the Government-owned Canadian National Railways said that company had no objection in principle to the legislation and announced it was offering no argument now.

High Commissioner For India Speaks In Montreal: Montreal, November 7 (Gazette) -- India's role in world affairs is essentially that of a peacemaker, but she will exert her full strength to resist aggression from within and without her borders, Hon. Ramji Ram Saksena, High Commissioner for India in Canada, declared here yesterday.

"As between good and evil, right and wrong, India has never been and will never be neutral," he said in an address to the Rotary Club of Montreal.

At the same time he emphasized that social and economic betterment is necessary to relieve pressures which provide fertile ground for subversive doctrines and ideologies within India's borders.

"India without foreign investment capital and loans cannot hope to implement its programme of industrialization and better social conditions," he said.

Scientists Complete Arctic Study Tour: Ottawa, November 6 (CP) -- Canada has completed another ocean-going expedition to chip away mysteries of her Arctic frontier.

The Department of National Defence announced today that nine Canadian scientists have completed a two-month, 6,000-mile Arctic tour aboard the Defence Research Board's 80-foot ship, Cancolim II.

Led by T.H. Manning of Ottawa, the Research Board's special adviser on the Arctic, the scientists spent a major part of their time investigating the Beaufort Sea area north of the Yukon, and then eastward to Amundsen Gulf, about 1,500 miles north of Edmonton, defining the limits of the continental shelf and water characteristics.

P.E.I. Population Increase: Ottawa, November 6 (CP) -- The population of Prince Edward Island increased 2,740 in the last 10 years to 97,787 at June 1 from 95,047 at the corresponding date in 1941, but was below the peak 109,078 in 1891, the Bureau of Statistics reported today.

Figures for the Island's cities, towns and incorporated villages, with figures for June 1, 1941 in brackets: Charlottetown 15,689 (14,821); Summerside 6,522 (5,034); Souris, 1,176 (1,114); Montague 1,058 (769); Kensington 811 (767); Georgetown 760 (769); Borden 695 (512); Alberton 674 (554).

Across Canada: Workmen yesterday boarded the Canadian Pacific Liner, Empress of Scotland, to ready the three-cabin suite to be used by Princess Elizabeth and Prince Philip on their voyage home after their Canadian tour. The 26,300-ton passenger ship arrived at Quebec from Liverpool, and will leave Friday night for Portugal Bay, Nfld., where the Royal Couple will embark for the United Kingdom, November 12....The fourth session of the 23rd Quebec Legislature will be opened Wednesday afternoon by Lieut.-Gov. Fauteux.... A Bureau of Statistics spokesman said that there appears to be nothing in the statement by two labour unions to substantiate their claims that the Bureau's cost-of-living index is inaccurate....Ontario's domestic consumption of hydro-electric power has increased by 97.4% since 1945, Robert H. Saunders, Chairman of the Ontario Hydro Electric Power Commission, said at Kemptville yesterday.



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Thursday, November 8, 1951.

Canada And World Peace Plan: The Paris report by Associated Press on the world peace plan as enunciated by President Truman contained a paragraph which said that the Secretary of State for External Affairs, Mr. Pearson, "indicated that Canada was consulted and supports the tripartite proposal."

Ambassador Of Germany: (Press Release No. 57, November 8) -- The Department of External Affairs announced on Nov. 8 that Dr. Werner Dankwort on that date presented to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of the Federal Republic of Germany to Canada.

Mr. Walter E. Harris, Minister of Citizenship and Immigration was present. Mr. H.F. Feaver, Head of the Protocol Division, presented Dr. Dankwort to His Excellency the Governor General. The Ambassador was accompanied by the following members of his staff: Dr. J.F. Ritter, First Secretary, Mr. D.W. Keller, First Secretary, and Dr. Gerwin, Second Secretary.

Dr. Dankwort entered the German Foreign Service in 1920 and served at Berne, Zurich, Geneva, Trieste and Stockholm. In 1949, he was appointed Acting Chief of the Permanent Mission of the Federal Republic of Germany to the Organization for European Economic Co-operation. In September 1950, Dr. Dankwort was given recognition by the Canadian Government as Consul General of the Federal Republic of Germany in Ottawa.

Commons Votes Down Price Control Amendment: Ottawa, November 7 (CP) -- The House of Commons today voted 160 to 19 against a C.C.F. motion calling for use of price controls and subsidies to reduce living costs and to "equalize the sacrifices which the people are asked to make at this time."

The motion, technically one of non-confidence in the Government, was supported only by the C.C.F. and Social Credit parties. It was opposed by the Liberals, Progressive Conservatives, J.L. Gibson (Ind. -- Comox-Alberni), P.E. Gagnon (Ind. -- Chicoutimi) and Dr. R. Poulin (Ind. -- Beauce.)

Shortly after the division, another non-confidence motion was moved by Victor Quelch (SC -- Acadia). It charged the Government with "failing" to increase war veterans allowances to keep them in line with the increase in the cost of living.

That motion and one moved earlier by the Progressive Conservatives will likely be voted on some time next week.

Freight Rates Equalization: Ottawa, November 7 (CP) -- The Minister of Transport, Mr. Chevrier, and Canadian Pacific Railway spokesmen came into sharp conflict today over the impact of the Government's freight rate equalization legislation on the national economy.

In testimony before the House of Commons special committee studying the statute, the CPR suggested it could cause some "chaos and dislocation" and proposed amendments which it said would facilitate equalization with less disturbance to regions and industries.

The Minister defended his bill and in turn argued that the Canadian Pacific's ideas would defeat the aim of the Royal Commission on transportation for a new and streamlined freight rate structure.

Overseas Trade And Britain's New Austerity Measures: Ottawa, November 7 (CP) -- Canada's overseas trade prospects for 1952 darkened today as new austerity measures were taken by Britain to chop off about \$1,000,000,000 worth of imports from dollar countries.

Imposing new and tighter import controls, and quotas on foodstuffs and strategic goods, Britain's Conservative Government virtually spiked Canada's hopes of building up trade in Britain to assist her in overcoming a deficit in world trade.

However, there was a sympathetic understanding by Canadian trade and agricultural officials. They said there appears to be no other way out for Britain, described by the Conservative Government as at the edge of bankruptcy.

Canada - U.S. Northern Exercise: Edmonton, November 7 (CP) -- A six-month joint Canadian - United States Army engineer exercise to test equipment and personnel under northern conditions will start January 15, Western Army Command announced today.

An advance party of 41 Canadian and United States Army engineers is preparing a 500-man camp at Silver Creek on the Alaska Highway. Problems of airstrip construction, snow compaction, field defence and demolition under winter and spring conditions will be studied.

Across Canada: Canada's Chief of Naval Staff, 52-year-old Vice-Admiral Harold T.W. Grant, C.B.E., D.S.O., is retiring from his post after 37 years in the Royal Canadian Navy. Naval headquarters officially confirmed his retirement December 1 when he will be succeeded by Rear-Admiral E. Rollo Mainguy, C.B.E.....Growth of Canada's armed forces was reflected in appointment of a new Assistant Deputy Minister of National Defence, the second such appointment within a month. He is Elgin B. Armstrong, 38, of Toronto who will be in charge of financial services....Growing friendly relations between the Quebec Government and the federal Government are reflected in the Speech from the Throne at the opening of the fourth session of the 23rd Legislature, the Canadian Press reported....The regional cost-of-living index for Vancouver declined slightly in September, but increased in eight other cities, the Bureau of Statistics reported yesterday....In the Big Four football play-offs, Hamilton Tiger-Cats virtually eliminated Toronto Argos in Toronto yesterday by taking the first of home and home games 24 to 7 on a slushy field.

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Friday, November 9, 1951.

Canada To Give India \$10,000,000 Worth Of Wheat: Ottawa, November 8 (CP) -- Canada has decided to give India \$10,000,000 worth of top-quality wheat to be shipped as soon as Canada's transportation crisis eases.

The only stipulation, it was learned, is that India, in selling the wheat to dealers, will use the money in some economic project which will help build up the country.

Funds to cover the gift will come from Canada's \$25,000,000 contribution to the six-year Commonwealth programme to help strengthen South and South-East Asia against the threat of Communist aggression.

India's share of the \$25,000,000 will be \$15,000,000. The other \$10,000,000 will go to Pakistan for projects to be worked out soon with the help of a Pakistani technical mission which will arrive here shortly.

The other \$5,000,000 of Canada's contribution to India will likely be used to build irrigation and power projects, send technicians to Canada for training, develop transport facilities and buy agricultural and building materials to increase land yield.

Mr. Howe On Trade With U.K.: Ottawa, November 8 (CP) -- The Minister of Trade and Commerce, Mr. Howe, showed no concern today regarding the United Kingdom's decision to slice imports from dollar-area countries by almost \$1,000,000,000 a year.

As far as Canada is concerned, he told the House of Commons, there is no cause for "great alarm."

Though the Government has no details of the new British austerity plan, there is nothing in the United Kingdom situation which leads him to believe that smaller amounts of goods "can be taken from Canada."

Wheat sales to Britain were at a minimum. Other exports were mostly raw materials, metals, iron ore, lumber and materials of that type--materials in great demand throughout the world and for which Canada could find markets.

The question of the possible impact of Britain's new austerity drive on Canadian exports was brought up in the Commons by a Prairie farmer, P.E. Wright (CCF--Melfort). He was particularly concerned that the new restrictions might affect exports of wheat -- "which are so essential to our Western economy."

Mr. Howe said that while the Government has no particulars of the U.K. plan--announced in the British House of Commons yesterday--the Government does have "an understanding" with Britain that she "will continue to buy North American supplies of wheat from Canada."

"That practice is being followed. The imports of wheat now are no greater than required for immediate consumption and I look for no reduction in that direction.

"In general the imports from Canada are raw materials, metals, iron ore, lumber and materials of that type.

"Although all materials are in great demand throughout the world I see nothing in the situation in the United Kingdom that would lead me to believe that smaller amounts can be taken from Canada.

"All materials of that type are readily saleable in the world, and I cannot view the announcement with great alarm as far as the Canadian position is concerned."

1,500 More To Sail To Europe November 12: Ottawa, November 8 (CP) -- Another 1,500-man segment of Canada's 27th Brigade, slated for defence duty under Gen. Eisenhower in Europe, will sail from Quebec Monday.

The contingent, Defence Headquarters said today, will bring to about 2,350 the number of Canadian soldiers already in Germany or en route. More than 500 sailed from Quebec last Monday and an advance party of 300 already is in camp at Hanover.

The remainder of the Brigade, totalling about 6,000, will sail at weekly intervals until mid-December. The entire group is expected to be in Germany by the end of the year.

Included in Monday's contingent, will be the 1st Canadian Infantry Battalion together with the 58th Independent Field Squadron, Royal Canadian Engineers, and the 194th Infantry Workshop, Royal Canadian Electrical and Mechanical Engineers.

First Post War German Ambassador: Ottawa, November 8 (CP) -- The first German Ambassador named to Canada presented his credentials to the Governor General today and hailed the occasion as the start of a campaign to win Canadian trade, investment and friendship for West Germany.

Dr. Werner Dankwort, a career diplomat who paints as a hobby, outlined in an interview a four-point programme designed to strengthen and broaden Canadian-German ties in all possible fields, from the commercial to the cultural.

"Germany has made her choice," he said, "for freedom, peace and civilization."

"She is willing to take her place as an equal partner in defence of Western culture, civilization and ideals. We have a common cause today. We are here to make friends."

Mr. Abbott To Attend Conference Of Finance Ministers: Ottawa, November 8 (CP) -- The Minister of Finance, Mr. Abbott told the House of Commons today he plans to attend a January 15 meeting of Commonwealth Finance Ministers in London, called by the United Kingdom Government.

Replying to a question from Howard Green (PC--Vancouver Quadra), he said he expects the purpose of the meeting is to discuss matters of common concern.

Closer Co-Ordination Declared Defence Need: Toronto, November 9 (Globe) -- Closer co-ordination is required between the defence production programmes of Canada and the U.S., according to speakers at yesterday's annual meeting of the Canadian Industrial Preparedness Association.

Thus far, ran the theme of the addresses, liaison between the two programmes has been of a mere token nature. Defence orders placed in this country by the U.S. have served only to whet the productive appetite of Canadian industry.

Commented M.W. Mackenzie, Canada's Deputy Minister of Defence Production: "Canadian industry will have to take a greater part in the U.S. defence programme if we are to make the fullest use of our Canadian productive facilities and if we are to reduce the gap in our international balance of payments."

Across Canada: Legislation to provide universal pensions at 70 received third and final reading in the Commons yesterday after weathering a final opposition assault on some of its provisions and a CCF attempt to change the method of financing the payments....Mr. Howe said last night that an order freezing new passenger-car models in the United States to conserve machine tools will apply automatically to Canada....A total of 271 candidates officially entered the field yesterday for the November 22 Ontario election....Brig. Gen. D.C. Draper, CMG, DSO and Bar, Toronto's police chief for 18 years, died yesterday in Toronto, aged 77.

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Monday, November 12, 1951.

Royal Couple Says Farewell: St. John's, Nfld., November 11 (CP) -- On the eve of her departure for England, Princess Elizabeth said Canada has become a second home "in every sense."

Today she and Prince Philip received the last and one of the heartiest welcomes of their 15,000-mile North American tour from this old city.

In a farewell broadcast the Princess spoke of her five-week-long tour through "this vast and splendid land."

It was not easy to say goodbye because she was "leaving a country which has become a second home in every sense." Wherever she and the Duke had been throughout the 10 provinces "we have been welcomed with a warmth of heart that has made us feel how truly we belong to Canada."

1,000 British Jets Ordered By R.C.A.F.: Ottawa, November 11 (CP) -- Britain, short of dollars, will benefit by possibly as much as \$25,000,000 through an agreement by which one of her industrial companies will provide Canada with medium-powered jet engines for a big trainer aircraft programme.

The Minister of Defence Production, Mr. Howe, announced Saturday that arrangements have been completed to have Rolls-Royce Company of the United Kingdom build Nene jet engines for Canada's T33 jet trainer aircraft programme, under way at Canadair Ltd., Montreal.

The programme calls for the construction of 500 of the twin-engine American-type jet aircraft for the R.C.A.F., involving the minimum supply of 1,000 engines.

Though financial details were not disclosed, it appeared likely that Canada will pay about \$25,000 for each of the engines, making a total of \$25,000,000 for the 1,000 required.

Rolls-Royce will provide the engines as the aircraft come off the Canadair assembly lines. Some facilities will be set up in Canada, probably at Montreal, to assemble and test engine parts, but initially the first supply of the engines will be imported complete from Britain.

Then, as the Canadian aircraft production programme gains speed, Rolls-Royce will use whatever manufacturing facilities it requires in Canada to speed up engine deliveries.

Under the agreement, said Mr. Howe in a statement, Rolls-Royce will "make use of such existing Canadian facilities as they can, without interference with the present Canadian programme."

2nd Battalion "Pats" Relieved: With Canadian Forces in Korea, November 5 -- (Delayed) -- (CP) -- A simple ceremony marked the formal relief of the 2nd Battalion, Princess Patricia's Canadian Light Infantry, by the unit's 1st Battalion. The 1st Battalion's movement to Korea was completed today by arrival in the regimental area of its last two companies.

10,000 Watch Remembrance Day Ceremonies In Ottawa: Ottawa, November 11 (CP) -- Canada's capital paid homage to the nation's war dead today in sombre simplicity touched by a display of her past, present and future fighting man-power.

The Governor General, Viscount Alexander, placed the first wreath at the base of the National War Memorial, and then he took the salute in a march past of war veterans and active members, reservists and cadets of the three services at the foot of Parliament Hill.

The ceremonies were watched by about 10,000 persons.

The Prime Minister, Mr. St. Laurent, took part in the observance along with members of his Cabinet and representatives of Commonwealth and foreign embassies here.

Reports Morale Of Troops High: Hong Kong, November 11 (AP) -- A Canadian religious leader who has just completed a tour of Korean battlefronts said today the morale of British and Canadian troops there was "excellent."

Right Rev. Norman B. Kennedy, Moderator of the Presbyterian Church in Canada and Minister of the First Presbyterian Church in Regina, arrived in Hong Kong Saturday. He was accompanied by Canada's Chaplain of the fleet, E.G.B. Foote.

Canada Wheat Supply Higher: Ottawa, November 11 (CP) -- Wheat supplies in the four major exporting countries of the world for export and carryover at the end of their crop years was slightly lower than a year ago, but much higher in Canada, the Bureau of Statistics reported Saturday.

The total in the four countries amounted to 1,165,000,000 bushels, compared with 1,172,000,000 a year ago. The estimated increase of 175,000,000 bushels in Canada offset decreases elsewhere.

Across Canada: An independent controlling body for Canadian radio, to regulate the broadcasting operations of both the CBC and private stations, was proposed in the House of Commons by George Drew, Progressive Conservative leader....The Minister of National Revenue, Dr. McCann, indicated to the House of Commons that he thinks the Canadian dollar will buy about 40 cents worth by 1936 values...The Quebec Legislative Assembly approved unanimously on November 9 a government bill for Old Age Pensions at 65....First draft of Canada's Korean veterans to be brought home under the army's rotation plan are at sea, bound for Vancouver, army headquarters announced Saturday.

Football Results: (Saturday) Big Four Union: Toronto 21, Hamilton 7. (Hamilton wins two-game-total-point series 31-28). Intercollegiate: Toronto 11, McGill 7. Western 20, Queen's 13. Western Canada Union: Saskatchewan 12, Edmonton 5. (Best two-out-of-three series tied 1-1). O.R.F.U. Senior: Sarnia 26, Balmy Beach 7. (Sarnia wins two-game-total-point series 41-30).



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Tuesday, November 13, 1951.

Mr. Pearson's Address Before UN Assembly: Paris, November 12 (CP) -- The Secretary of State for External Affairs, Mr. Pearson, said today there is "real danger" in the widening gulf between East and West. He urged the Soviet Union to help "realize rather than laugh at, the deepest hopes of mankind."

In a speech before the United Nations General Assembly, Mr. Pearson lashed out at the Soviet Delegate, Andrei Vishinsky, for rejecting last Thursday the new western plan for disarmament.

He warned against appeasement and demanded close adherence to the principles of the U.N. Charter. He accused the Soviet Union of boasting of its own humanitarian progress while at the same time refusing to participate in the work of U.N. agencies devoted to humanitarian, social and economic purposes.

Mr. Pearson centred his fire on Mr. Vishinsky's rejection of the three-power peace plan and the Russian counter-charge declaring participation in the Atlantic Pact incompatible with U.N. membership.

"International relations," said Mr. Pearson, "are now, in a very real and dangerous sense, centred on the conflict between two great blocs, facing each other in suspicion and animosity and fear, with the chasm between them growing wider, and the efforts to bridge that chasm becoming less effective."

"Indeed, if we took the statement of the Soviet Delegate on Thursday last at face value, it would show that the Russian Government now has decided to abandon the effort completely, and to use the United Nations, not for the removal of differences, but merely to vilify, sneer at and attack those with whom they disagree."

"This, in turn, naturally produces a hardening on the other side until diplomatic negotiation of any kind becomes practically impossible. That is the real tragedy and the real danger of the present position."

Mr. Pearson said that last week the United States Secretary of State made a serious proposal for the regulation, limitation and balanced reduction of all armaments, and the prohibition of atomic weapons.

"What was Mr. Vishinsky's reply to this three-power disarmament proposal?" he asked. "He could hardly sleep, he said, it made him laugh so much, it was so funny. It makes one wonder whether this pathetic merriment does not conceal an uneasy conscience . . ."

"It is obvious that the Soviet Delegation doesn't expect to get much support for that. Even as propaganda it is poor stuff."

Mr. Pearson said the United Nations "remains our last, best hope for peace."

"But the emphasis is shifting from best to last. We will have to stop that shift if our world organization is to survive as an effective instrument to maintain peace and promote security."

Royal Couple Homeward Bound: Portugal Cove, Nfld., November 12 (CP) -- Their Royal Highnesses were homeward bound tonight snug aboard the Empress of Scotland after a wild, snarling nor'wester with rain in its teeth lashed into this rugged fishing village and threatened to wreck embarkation plans.

As it was, the big white liner was forced to make way from its anchorage and find a spot in the lee of Bell Island so the transfer of Princess Elizabeth and the Duke of Edinburgh could be made in safety.

Five Royal Canadian Mounted Policemen who have guarded the Royal couple throughout their Canadian tour are going to Britain with them at the request of Princess Elizabeth.

\$82,000,000 Orders For Defence Materials: Ottawa, November 12 (CP) -- Crown-owned arsenals, which have been producing at a slow pace because of a lack of contracts, will shortly boost production to full capacity on orders to provide \$51,700,000 worth of ammunition for Canada's forces.

The Defence Production Department announced the contracts today, in detailing total orders valued at more than \$82,000,000 placed with Canadian defence producers in the October 1-15 period.

The Government's arsenals, in Quebec and Ontario, have been producing mostly for foreign account. The \$51,700,000 worth of Canadian orders marks the first major step to speed up the arsenals' production for the Canadian forces.

Arsenal officials said a few months of tooling up will be required to get the plants ready for the big contracts. Eventually, the contracts will require addition of another 1,000 workers to the 2,500 already employed by the plants.

The plants are located at Leaside and Lindsay in Ontario and at Valleyfield, St. Paul l'Ermite and two at Quebec City in Quebec. A seventh plant at Longueuil, Que., has been turned over to Sorel Industries, Ltd., for the production of 105mm howitzers.

Details of the type of ammunition to be produced were not disclosed, but it appeared likely that ammunition for small arms--including the American Garand rifle--artillery shells and even depth charges will be included.

Officials estimated that it may take a full year to complete all of the orders.

First Infantry Unit, 27th Sails: Quebec, November 12 (CP) -- The first infantry unit of Canada's 27th Brigade sailed today for Europe.

The battalion with a field squadron of engineers, work-shops personnel and an advance party of the 79th Field Artillery Regiment left Quebec aboard the 15,000-ton Greek Line ship, Fairsea, for Europe today.

The 1,500 men aboard the Fairsea will bring to about 2,350 the strength of the Canadian force in Germany and en route.

Further sailings within the next few weeks will complete delivery overseas of the 5,000-man brigade which Canada is putting at the disposal of North Atlantic Treaty Organization forces in Command of General Eisenhower.

Across Canada: The Canadian Congress of Labour yesterday accepted the controversial resignation of Pat Conroy, Secretary-Treasurer. Donald MacDonald, 42, of Sydney, N.S., becomes National Secretary-Treasurer and director of organization of the 350,000 member CCL....The Army announced it has decided to adopt the British Centurion tank as equipment for an armoured squadron forming part of Canada's 27th Brigade force now moving to Europe....The Royal Agricultural Winter Fair opens in Toronto today....Prime Minister Winston Churchill may visit Ottawa when he crosses the Atlantic in January to confer with President Truman, it was reported in official circles....Saskatchewan Roughriders yesterday won the Western Canada football championship and the right to represent the west in the Grey Cup final with a 19-18 victory over Edmonton Eskimos.

GOVERNMENT

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Wednesday, November 14, 1951.

Canada-U.S. Extradition Agreement: Ottawa, November 13 (CP) -- A Canada-U.S. agreement to add fraud and false pretences in connection with security transactions to the list of extraditable offences was announced today by the Prime Minister, Mr. St. Laurent.

Aimed principally at Canadian stock promoters who milch American investors, it becomes effective upon the exchange of instruments of ratification by the two countries.

Signed in Ottawa last month by the Secretary of State for External Affairs, Mr. Pearson, the Minister of Justice, Mr. Garson, and Mr. Donald C. Bliss, U.S. Minister to Canada, it adds these offences to the extradition treaty:

1. Obtaining property, money or valuable securities by false pretences or by defrauding the public or any person by deceit or falsehood or other fraudulent means, whether such deceit or falsehood or any fraudulent means would or would not amount to a false pretence.
2. Making use of the mails in connection with schemes devised or intended to deceive or defraud the public or for the purpose of obtaining money under false pretences.

Under the U.S. Constitution, it cannot come into force until ratified by the U.S. Senate. Under Canadian law, it need not be ratified by Canadian Parliament, but the Government intends to allow discussion on it in Parliament.

The Government, however, will not introduce it in Parliament until it has fairly firm assurance that the U.S. Senate will take action on the agreement. Since Congress now is adjourned, this will not come until next year.

Prime Minister Churchill To Visit Ottawa: Ottawa, November 13 (CP) -- Prime Minister Churchill will visit Ottawa for two or three days after his talks with President Truman in Washington in January, the Prime Minister, Mr. St. Laurent announced today.

No dates have been disclosed officially, but it is understood he is expected here in mid-January.

Mr. St. Laurent hinted broadly to the House of Commons that Mr. Churchill may address Parliament, as he did in December, 1941, on his first and only visit as Prime Minister of the United Kingdom.

It was believed here that Mr. St. Laurent accepted the occasion of Mr. Churchill's Washington visit to have him come to Ottawa for a personal get-together.

Official sources said there would be a wide exchange of views between the two Government Leaders, though no particular problem is expected to be on the agenda.

This will be Mr. Churchill's fourth visit to Canada as Prime Minister, though only his second to this capital in that capacity.

He came to Ottawa in December, 1941, from talks with President Roosevelt in Washington. The Japanese had just launched their attack on Pearl Harbour, and Mr. Churchill had made a dramatic, unannounced visit to the U.S. capital.

Mr. Churchill visited Canada again in 1943 and 1944, attending the two Quebec conferences with Mr. Roosevelt, but did not come on to Ottawa.

Mr. Abbott Leaves For Paris, Rome: Ottawa, November 13 (CP) -- The Minister of Finance, Mr. Abbott, left for Paris today to represent Canada on a special 12-man North Atlantic committee to study what each country can do to close the gap in a master plan to bolster North Atlantic defences.

With him were his top international economic adviser, J.J. Deutsch, and Lt.-Gen. Charles Foulkes, Chairman of the Chiefs of Staff Committee.

The 12-man committee was set up by the general North Atlantic meeting here in September to find means of boosting rearmament in the 12 NATO countries. The committee will report on its findings to the next general NATO meeting in Rome November 24.

Canada will play an important part in the Rome conference, where she will be represented by three Cabinet Ministers. The Secretary of State for External Affairs, Mr. Pearson, will preside, and with him will be Mr. Abbott, and the Minister of National Defence, Mr. Claxton.

Before going to Rome, Mr. Claxton will stop off at London for a conference with UK defence officials and to attend a Guildhall luncheon in honour of the Royal Couple.

From London Mr. Claxton will fly to Germany to confer with the Allied High Commission and T.C. Davis, Canadian Ambassador at Bonn.

After a quick look at the area where Canada's 27th Brigade will be stationed, at Hanover and Soest in West Germany, the Minister will go to Rotterdam to welcome the arrival of a 1,500-man contingent of Canadian troops, including the 1st Canadian Infantry Battalion.

Flying overseas with Mr. Claxton will be Air Vice-Marshal Hugh Campbell, Chairman of the Canadian joint staff at Washington, and Commodore H.S. Rayner, Secretary of the Chiefs of Staff Committee here.

These military delegates will be bolstered by others who will be in Paris when Mr. Claxton gets there. They include Gen. Foulkes; Maj.-Gen. J.D.B. Smith, Chairman of the Canadian joint staff at London; and Air Commodore C.L. Annis, director of the joint staffs here.

Mr. Drew On Defence Strategy: Ottawa, November 13 (CP) -- Mr. George Drew said today that Canada, instead of sending defence forces to Europe at this time, should concentrate on the training at home of fast, hard-hitting, mobile mechanized units.

He told the House of Commons that Canada and the U.S. should supply the equipment needed to arm the men available in Europe. Canada should concentrate on the training of units that could be moved quickly to trouble spots.

Mr. Drew spoke before adoption of a resolution establishing a 26-man committee to investigate defence expenditures. The resolution was welcomed by members of all parties.

Mr. St. Laurent said the committee would not be asked to decide on matters of policy. Its duty would be to see that value is being obtained for money spent on defence.

Mr. Drew said it is obvious that "the ultimate issues as the world peace or world war are going to be decided" in Europe and the Middle East rather than in Korea.

The Canadian Brigade in Korea and the Brigade going to Europe were well trained, but he did not think they represented the "highest possible hitting power per man."

Across Canada: For the first time in its peacetime history the U.S. accepted delivery Tuesday of a foreign-made military aircraft. At Downsview, Mr. Howe turned over the first of an estimated 500 de Havilland Beaver bushplanes ordered by the U.S. Government....Nova Scotia's population increased to 638,277 in June this year from 577,962 ten years earlier, a gain of 10.4 per cent, according to preliminary census totals released by the Bureau of Statistics....The Minister of Veterans Affairs, Mr. Lapointe, gave notice of a bill to increase the rates of pension for war pensioners....A special parliamentary committee on retail price-fixing, decided to call 11 major trade organizations to give evidence early next week.



DAILY AIRMAIL BULLETIN

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OTTAWA - CANADA

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Vol. 2, No. 220

Thursday, November 15, 1951.

Ceremony To Mark Movement Of Canadians To Europe: Rotterdam, November 14 (CP) --

The ship bearing the first of the main body of Canadian troops for the defence of Western Europe docked today in Rotterdam where the Canadian Army marched in the triumph of liberation seven years ago.

But most of the drama of the occasion has been reserved until next week, when Gen. Eisenhower is expected to attend a ceremony marking the historic movement of Canadian forces into peacetime Europe.

Then the red-beretted men of the Canadian 27th Brigade's 1st Infantry Battalion will march through the main square of Rotterdam while Gen. Eisenhower takes the salute as Commander of the Atlantic Pact army they are joining in Germany.

Members of the Netherlands Royal Family, Canadian Ambassadors, and dozens of correspondents from Paris and London will join Netherlanders in watching.

In contrast, today's arrival was a quiet climax to a quiet nine-day Atlantic crossing from Quebec City for soldiers of such supporting units as ordnance, service corps and medical units as well as the brigade headquarters staff under Major Douglas Gillan of Ottawa. Brig. Geoffrey Walsh, the brigade commander, is due early next week.

The new arrivals raise to nearly 1,000 the number of Canadian troops already in Europe, with another 4,500 to come.

Maritimes Protest Rail Rate Change: Ottawa, November 14 (CP) -- Governments of the

four Atlantic seaboard Provinces today protested the federal Government's freight-rate equalization measure, arguing before a special House of Commons committee it would break down the historic rate setup of their area and send up rail charges.

Spokesmen for the Maritime Provinces told the committee equalization on the federally-proposed basis should be confined to Central Canada and the West, and they urged that qualifications be put into the measure to guarantee that they keep their present structure.

The Minister of Transport, Mr. Chevrier, steering his bill through the committee set up specially to deal with it, took issue with the Maritime witnesses in a running interrogation through the 2½-hour session.

At one point, he said he thinks the Maritimes and Newfoundland are "fully protected" under the legislation.

Increased Veterans' Allowances Asked: Ottawa, November 14 (CP) -- Members of the

three Opposition groups in the House of Commons today joined forces to urge the Government to increase war veterans' allowances and to make an early start on the South Saskatchewan River irrigation project.

The members spoke in continued debate on the Address in reply to the Speech from the Throne. The debate was expected to end today, but speakers in different parts of the chamber kept talking until the early mid-week adjournment hour. The debate will be resumed and possibly concluded next week.

Relic Of Franklin Relief Expedition: Ottawa, November 14 (CP) -- A faded, century-old message left by a party searching in vain for Sir John Franklin's ill-fated expedition to find the northwest passage has been discovered by an Ottawa seismologist.

Peter Bremner, 24, made the historic discovery beneath a cairn of flat stones on the shores of Cornwallis Island, about 2,000 miles north of Winnipeg.

A lead-sealed cannister contained this message, printed with an old hand press:

"Left August 4th, 1851, by a party in search of the Franklin expedition from the Felix, Capt. Sir John Ross, lying on the south shore Cornwallis Island, 19 miles west of Cape Hotham with HMB Lady Franklin and Sophia, Capt. Penny & Stuart. HMS Resolute, Assistance, Intrepid and Pioneer are N of Griffith Island. Provisions at Cape Hotham, Spencer and Whaler Point. (Signed) "C. G. Phillips, Commander, RN."

Says Canada Leader In Social Security: Ottawa, November 14 (CP) -- The Government leader in the Senate said today that when Canada launches her new \$40-a-month pensions at 70 next January she will have a social-security plan second to none in the world.

Senator Wishart Robertson, moving second reading of the Government's new old-age security legislation, said it was the culmination of a quarter-century of planning.

Across Canada: The Town of Port Hope will come under simulated atomic attack next Monday in a three-day training exercise for the army's No. 1 radiation detection unit....Shipments of motor vehicles from Canadian factories declined during September for the fourth successive month, but cumulative shipments for the first nine months of this year were higher than the corresponding period a year ago....Quebec Government policy in regard to the expansion of the pulp and paper industry is shown in three measures awaiting the attention of the Legislature. That the general policy of not permitting any over-production in newsprint will be continued is stressed in one bill, the Montreal Gazette reports....Yesterday was the warmest November 14 in Montreal's weather history -- top temperature reading for the day was 59. In 1879 the mercury hit 52.9 degrees, this was the record high until yesterday. The warm wave covered Eastern Canada.

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Friday, November 16, 1951.

Three Ministers Delegates To NATO: (Press Release No. 58, November 15) -- The Department of External Affairs announced on November 15 that the Canadian Delegation to the meeting of the North Atlantic Council, which is to open in Rome on November 24, will consist of Mr. Pearson, Secretary of State for External Affairs, Mr. Claxton, Minister of National Defence and Mr. Abbott, Minister of Finance.

They will be accompanied by advisers from the Departments of External Affairs, National Defence and Finance, including Mr. Arnold Heeney, Under-Secretary of State for External Affairs, Mr. L.D. Wilgress, Canadian High Commissioner in the United Kingdom, Mr. Jean Désy, Canadian Ambassador in Rome, Lieutenant-General Charles Foulkes, Chairman, Chiefs of Staff Committee, Air Vice Marshal H.L. Campbell, Canadian Joint Staff, Washington, Major-General J.D.B. Smith, Canadian Joint Staff, London, Mr. J.J. Deutsch of the Department of Finance, and Mr. J.F. Parkinson, Canadian Representative to O.E.E.C., Paris.

Members of the Delegation proceeding from Ottawa will leave by R.C.A.F. aircraft on November 16.

Canadians Now In Barracks At Hanover: Hanover, Germany, November 16 (CP) -- The first full units of Canada's 27th Brigade drove last night through streets lined with lighted shop windows to launch their careers as part of Europe's growing military wall against Communism.

Darkness had descended before the 500 soldiers, warm in battle dress, greatcoats and full kit, marched off a parade square into permanent German barracks situated 40 miles west of the nearest Russians.

Mr. Claxton To Visit Korea: Ottawa, November 15 (CP) -- The Minister of National Defence, Mr. Claxton, disclosed today in the House of Commons that he plans to visit the Canadian troops in Korea though he did not indicate just when.

He expressed regret during a defence debate that he has not had a chance to visit the troops "yet". He had intended to go in May or June or July, but hadn't been able to get away.

He said he plans to welcome the Canadian troops going to Europe at Rotterdam when they land next Wednesday. He is leaving this week-end for the United Kingdom and will visit Canadian defence establishments there while on his way to the Atlantic Pact meeting opening in Rome November 24.

Wheat Crop Estimate Lowered: Ottawa, November 16 (CP) -- Government statisticians yesterday reduced by 17,000,000 bushels their previous estimate of a 579,000,000 bushel wheat crop.

But the outlook still is better than average. The Bureau of Statistics estimated that providing there is no further loss in threshing snow-covered crops next spring, farmers should reap a 562,398,000-bushel harvest for the crop year--second highest in history.

That still would bring the value of the crop to about \$1,000,000,000, and less than 5,000,000 bushels below the record harvest of 567,000,000 bushels in 1928. But the value of the crop again would depend on how well the still unharvested portion of the wheat bears up through the winter months.

200 Soldiers Return From Korea: Vancouver, November 15 (CP) -- Brown and tough, 202 Canadian fighting men came home from the Korean War today.

Some 6,000 persons lined the route as the soldiers, most of them P.P.C.L.I.'s, swarmed off the U.S. Transport. They then marched to the saluting base six blocks away.

Some 2,000 Americans aboard waved obligingly for photographers.

Freedom Of Speech On CBC: Ottawa, November 15 (CP) -- A.D. Dunton, CBC Chairman, said today the CBC feels there can be no freedom of speech on the air unless time is allotted for the expression of a variety of opinions.

Parliament, he said, may consider that policy to be wrong. Should that be the case, he hopes Parliament will say clearly what opinions and ideas the CBC should allow to be expressed through its facilities.

Mr. Dunton made his statement before the House of Commons Committee on Radio. He said there have been criticisms of some of the programmes carried by the CBC.

Defence Programme Labour Outlook: Ottawa, November 15 (CP) -- Canada may have more "spotty unemployment" this winter than last, Arthur MacNamara, Deputy Minister of Labour, today told the National Advisory Council on Manpower.

The Council--set up early this year to advise the Government on manpower problems--also heard from Mr. MacNamara that the defence preparedness programme should not have any troubles from labour shortages in the next six months.

At its third meeting, the Council was advised, too, by the Defence Production Department that in the months ahead--as the production for defence steps up--both labour and management may have to accept some changes.

"On the part of labour, this might involve a willingness to learn new trades and to move into new employment even where it necessitates a change of locale," said a report from the Department.

Management, the report said, might have to take part in training schemes for employees, farm out sub-contracts to areas where there are surpluses of labour and standardize and simplify operations.

Across Canada: The R.C.A.F. officially took over the former bomber base at North Luffenham, England, yesterday, and brought nearer the time when Canadian air strength will join Gen. Dwight D. Eisenhower's Atlantic Defence Force, the Canadian Press reported....The House of Commons Committee on Radio yesterday was told that Windsor, Ont., Ottawa and Quebec City likely will be the next spots to get Canadian television after stations in Toronto and Montreal are in operation....Senator Thomas Reid (L. British Columbia) said his main criticism of the Government's programme of universal old age pensions of \$40 a month is that \$40 isn't enough....Several Opposition members, veterans of either the First or Second World Wars, urged the Government to provide auxiliary services for Canadian troops in Korea.

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Monday, November 19, 1951.

Government Moves To Build Seaway Alone: Ottawa, November 16 (CP) -- The Canadian Government today took another step towards launching the St. Lawrence seaway without the financial help of the United States.

The Minister of Transport, Mr. Chevrier, gave the House of Commons notice that he will move for the creation of a \$300,000,000 "St. Lawrence Seaway Authority" to build and operate the navigation phase of the big shipping-power projects on the river and Great Lakes.

The Minister notified the House he will propose a resolution next Monday for the establishment of the corporation, which would be empowered to borrow up to \$300,000,000 and to set tolls for shipping using the waterway.

Forecast in the Throne Speech at the opening of the session, the proposal underlines the Government's announced intention of going ahead with an "all-Canadian" plan -- except for the power end -- unless the U.S. Congress acts quickly on the long-stalled scheme for a joint undertaking between the two countries....

The Seaway Authority's power to set tolls emphasizes the Government's intention of making the seaway pay its way by charging shipping for the use of the canal locks it will build--a new departure for the federally - operated canal system.

Government authorities have indicated that tolls would be set on a basis to pay off the investment in about 40 years.

Gen. Eisenhower To Take Over 27th In Ceremony: The Hague, November 18 (CP) -- The Minister of National Defence, Mr. Claxton, will give Gen. Dwight D. Eisenhower command of the 27th Canadian Brigade at a ceremonial parade in Rotterdam at noon November 21.

The Canadian Embassy here announced that 1,200 troops--mainly the 1st Infantry Battalion which is arriving by ship Tuesday night--will parade through the centre of the port city.

Both Mr. Claxton and Gen. Eisenhower, Commander of North Atlantic Treaty Organization armies in Europe, will speak. A distinguished audience of high ranking soldiers and diplomats will witness the ceremony, dramatizing Canada's manpower contribution to Western defence.

Later the troops will leave for Hanover to join hundreds of others already there.

Highest Trade Year In History Probable: Ottawa, November 16 (CP) -- Canada's total foreign trade in the first nine months this year edged the \$6,000,000,000 mark, coming within \$400,000,000 of shattering the 12-month record established in 1950.

Imports and exports both were at their peaks, adding emphasis to official estimates that Canada this year will pile up a total foreign trade of about \$8,500,000,000--highest in history.

The only blur on the horizon was a \$323,800,000 deficit in the foreign commodity account, reflecting mainly Canada's heavier buying in the U.S., but Trade Department officials estimated this will be narrowed to about \$250,000,000 by the time the year is out.

Total trade, as estimated by the Bureau of Statistics today, came to \$5,960,200,000, for the nine months, more than \$1,300,000,000 higher than the \$4,507,700,000 in the same period last year. In that year total trade came to a record \$6,331,000,000,

A major development during the nine-month period was that total trade with Britain--reaching \$783,200,000--was higher than in any other similar period since the Second World War.

It compared with \$636,200,000 in the same period last year and with the record \$769,900,000 established in 1949. But the trend was towards an increase in Canada's imports from Britain, thereby reducing the favourable balance.

Mr. Claxton To Discuss Standardized Rifle In U.K.: London, November 18 (Reuters) -- The Minister of National Defence, Mr. Claxton, arrived here Saturday night by air for talks with Government leaders on defence matters.

He is expected to see Prime Minister Churchill, Commonwealth Relations Secretary Lord Ismay, and others during his three-day stay.

Mr. Claxton told reporters that a standardized rifle for the North Atlantic Treaty Organization would be one of the matters discussed.

Princess Elizabeth's Thanks To Officials: Ottawa, November 16 (CP) -- Princess Elizabeth has paid tribute to the officials who had charge of the arrangements for the Canadian tour of her Royal Highness and the Duke of Edinburgh.

A letter, made public today by Charles Stein, Under-Secretary of State, who headed the special committee in charge of the tour, expressed gratitude and admiration to the committee. The letter was handed to Mr. Stein November 11 when the Royal Couple was leaving St. John's Nfld.

Increased Pensions For Disabled Veterans: Ottawa, November 16 (CP) -- Pension increases averaging $33 \frac{1}{3}$ per cent for Canada's 160,000 war disability pensioners, their wives and war widows, were announced today by the Minister of Veterans Affairs, Mr. Lapointe.

He told the House of Commons the increases will become effective next year, the cheques mailed at the end of January carrying the new rates.

At the same time payment of the unemployability supplement, begun last June, will be dropped.

The Minister said the increases had been decided on by the Government after careful consideration of various veterans organizations who urged a straight $33 \frac{1}{3}$ per cent increase across the board. They will add another \$27,916,885 to the war pensions bill. The present cost is \$96,097,683 a year.

Ontario's Population Jumps 20 P.C.: Ottawa, November 16 (CP) -- Ontario's population has jumped more than 20 per cent in the last 10 years, the Bureau of Statistics reported today.

In the latest of a series of preliminary releases on provincial populations, the Bureau said Ontario's present population is 4,562,354, compared with 3,787,655--a gain of 774,699 since the previous census was taken in 1941.

Prevention Of Pollution In Boundary Waters: (Press Release No. 59, November 19) --

The Governments of Canada and the United States on November 19 authorized the International Joint Commission to adopt the measures to facilitate control and prevention of pollution in the boundary waters connecting Lakes Superior, Huron, Erie and Ontario which were recommended in the Commission's report of October 11, 1950.

Across Canada: The Minister of Fisheries, Mr. Mayhew visited the Korean front on Saturday and came under enemy shell fire....The National Advisory Council on Manpower told the Government that the one serious weakness in the present Canadian manpower picture is the shortage of skilled workers....With official reports still to come from two isolated northern districts, Premier Smallwood's Liberal Party had won three seats by acclamation in nominations for the November 26 Newfoundland general election....Equalization of freight rates in Canada is going to take about five years, two railway experts told the House of Commons special committee studying the Government's equalization bill.

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Vol. 2, No. 223

Tuesday, November 20, 1951.

Must Maintain Strength, "Perhaps For Generations": New York, November 19 (CP) --

The Prime Minister, Mr. St. Laurent, said tonight that there is no quick and easy way to peace, and urged against the use of growing western military might to fight a preventive war.

Though he had not the "slightest doubt" that the Western World would win, if it was forced into a Third World War by an aggressor, "the cost will be far greater than the cost of any previous war."

"Even victory," he said in a speech prepared for delivery before the Economic Club of New York, "will bring with it destruction, dislocation and desolation so great as to constitute a threat to civilization itself."

He warned, too, against isolationism, and said the only choice before North Americans "is a choice between wise, patient and intelligent leadership of the free world by the United States or a rapid shrinkage of the circumference of the free world."

The importance of North America in today's world war is not transitory. It represented a permanent shift in the world's real balance of power, "something which may be expected to last for many generations, provided the leadership of North American statesmen and the resolution of our North American population is equal to the power which now is ours."

He praised United States statesmen and United States policy for the loans and gifts to build up the military and economic strength of Western Europe, and said that while the Western nations may differ about tactics, "the rest of the free nations cannot quarrel with the strategy of American leadership."

The Western World could not count "on any early collapse of the totalitarian system erected behind the iron curtain."

"We are faced with the problem of living in the same world with that system for many years to come."

The thing to do was to create and then to maintain "perhaps for generations" military strength so substantial that it could not be challenged by any potential aggressor with any hope of final victory.

High Commissioner In Pakistan: (Press Release No. 60, November 20) -- The Department of External Affairs announced on November 20 the appointment of Mr. K.P. Kirkwood as High Commissioner for Canada in Pakistan, to succeed Mr. D.M. Johnson, who has been appointed Permanent Representative of Canada to the United Nations, New York.

Prior to his return to the Department in February of this year, Mr. Kirkwood had been Chargé d'Affaires a.i. of the Canadian Legation at Warsaw from April 1947.

Brussels Conference On Refugee Movement: Ottawa, November 20 (CP) -- The Director of Immigration, Mr. C.E.S. Smith, will represent Canada at a 33-nation conference opening in Brussels November 26 which will consider a new proposal for movement of 115,000 European refugees to western hemisphere countries next year.

He has been in Rome attending a meeting of the International Labour Office.

Second Unit Sails For Western Europe: Quebec, November 19 (CP) -- The second of three infantry units trained by Canada for the defence of Western Europe headed overseas today from Quebec.

The battalion representing five Canadian rifle regiments sailed from Wolfe's Cove dock.

It was the second infantry unit, formed for Canada's 27th Brigade, to set out from Quebec in eight days. Among the 763 departing soldiers there were a few Dental and Provost Corps and field security personnel.

The group will raise to more than 3,000 the number of men of the 5,000-man Brigade dispatched to Europe.

Final Wheat Payments \$105,000,000: Ottawa, November 19 (CP) -- Prairie wheat farmers who took part in the 1950-51 western wheat pool will share final payments totalling \$105,000,000, the Minister of Trade and Commerce, Mr. Howe, said today in the House of Commons. Cheques will be mailed before Christmas.

This represents a final average payment of 28.65 cents a bushel on the 1950-51 crop -- more than most farmers expected.

It brings the price of top quality No. 1 Northern to the farmer to \$1.855 a bushel, on the basis of deliveries to Fort William, Port Arthur or Vancouver. This is slightly higher than the \$1.833 realized in the previous crop year.

C. of C. Against Price Fixing Ban: Ottawa, November 19 (CP) -- The Canadian Chamber of Commerce, in a brief to the Senate-Commons committee on combines legislation, today recommended that the Government take no action at this session of Parliament on banning the practice of resale price maintenance.

The Chamber, representing 700 Boards of Trade and Chambers of Commerce, said its annual meeting at Quebec had discussed the proposed legislation.

It had been decided to obtain the further feeling of the whole membership, but this could not be done in the time set by the committee for presentation of views.

Across Canada: Higher local and long-distance telephone charges in Ontario and Quebec become effective next Sunday....The Minister of Agriculture, Mr. Gardiner left by air last night for Rome where he will attend the Food and Agriculture Organization's sixth annual meeting....Maj.-Gen. G.R. Pearkes, M.P., adviser on Canada's U.N. Delegation, left Paris for Rotterdam to greet the 27th Brigade Group....Having won the Big Four football championship on Saturday with an 11 to 9 win over Hamilton in Ottawa, making a 28 to 16 victory on the two-game round, Ottawa Rough Riders play the Eastern final November 21 in Ottawa against Sarnia, O.R.F.U. champions.

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Wednesday, November 21, 1951.

Permanent Quarters For Brigade In Germany: The Hague, November 20 (CP) -- The Minister of National Defence, Mr. Claxton, announced tonight Canada is planning to erect permanent quarters for her 27th Brigade in the Soest area of Western Germany--a move which would put a garrison in that key area for any Allied defence stand east of the Rhine.

It is also expected to place the Canadians in their traditional position between the British and Americans, but still under British command, in Gen. Eisenhower's Atlantic Pact army.

In a talk with reporters aboard an R.C.A.F. plane which flew him swiftly on a three-stop flight around Western Europe, the Minister said the barracks will be built by Germans, the work to start in the next few months and be completed late next year.

It is Canada's hope that a way can be found to prevent the Canadian Government from becoming a landowner in Germany, that is, that this would become part of her contribution to the North Atlantic Treaty Organization without remaining Canadian property. It is expected to cost between \$5,000,000 and \$10,000,000.

Mr. Claxton flew into The Hague early tonight for tomorrow's ceremony in which he will turn over the Brigade to Gen. Eisenhower's command after a parade of more than a thousand Canadians through Rotterdam. The troops will arrive late tonight by ship.

The Minister visited Bonn and Hanover earlier. At Bonn he had an hour's talk with Sir Ivone Kirkpatrick, British occupation chief. At Hanover he inspected the attractive quarters which are the main base of the Brigade and the pivot of a 40-to-50 mile area through which the Canadians are now scattered.

He is said to have discussed with Sir Ivone Kirkpatrick the long-term development and maintenance of accommodation for the Brigade. The barracks will be permanent in character and the contract for their construction will be let to a German firm.

Soest is roughly 100 miles southwest of Hanover and 60 miles east of the great defence barrier of the Rhine. It is described by the military as in a strategic position to help fend off any Russian surge for the Rhine.

Mr. Claxton described it an excellent training country. It means a brigade move late in 1952 from the Hanover area, where they're planning to pitch into serious training after Christmas in a drive to be in good operational formation by summer.

Canada-U.S. Tax Conventions: (Press Release No. 61, November 21) -- The Department of External Affairs announced that on November 21, in Washington, Canada and the United States exchanged instruments of ratification bringing into force the two conventions signed in Ottawa on June 12, 1950, amending the existing tax conventions in the fields of income tax and succession duties. At the same time Canada accepted a reservation to the income tax convention liberalizing the exemptions for casual visitors from either country receiving compensation for services performed in the other country.

129,885 Immigrants In First Nine Months: Ottawa, November 20 (CP) -- Canada took a total of 129,885 immigrants from all countries in the first nine months of this year an increase of 75,635 over the same period of 1950, the Immigration Branch said today.

The total included 21,935 from Britain, 6,015 from the United States, 45,834 from North European countries and 56,101 from all other countries. The total from the United Kingdom compared with 9,804 from the British Isles in the first nine months of 1950.

The immigrants included 80,081 males and 49,804 females and the 20,376 skilled workers among them made up the largest single occupation group. Agricultural workers totalled 19,844.

Ontario took the biggest proportion of the immigrants--72,045. A total of 27,524 went to Quebec, 9,649 to British Columbia, 9,078 to Alberta, 5,868 to Manitoba, 2,948 to Saskatchewan, 1,373 to Nova Scotia, 1,036 to New Brunswick, 180 to Prince Edward Island, 163 to Newfoundland and 21 to the Yukon and the Northwest Territories.

To Pay Japanese War Damages Soon: Ottawa, November 20 (CP) -- The Prime Minister, Mr. St. Laurent, promised today that the Government will pay as quickly as possible the claims of Canadians who suffered as a result of Japanese action during the war.

He told Mr. Drew in the House of Commons that the Government has received the report of Mr. Justice J.L. Ilesley, who was appointed a Commissioner to inquire into war claims.

The report has been circulated to Cabinet Ministers for individual consideration but the Cabinet as a whole has not had a chance to co-ordinate views. This would be done at the "earliest possible opportunity."

He said nothing could be done about the war claims until the Japanese Peace Treaty was signed last September.

135,000 Canadians To Train In Atomic First Aid: Montreal, November 21 (Gazette) -- Development in modern weapons would make it imperative to provide early medical care for the thousands of casualties resulting from any atomic attack, Dr. K.C. Charron of the Federal Department of Health and Welfare yesterday told the Province of Quebec Safety League.

The head of Canada's Civil Defence Health Planning Group estimated that in a few months 135,000 Canadians will be trained in basic or advanced first aid to combat the atomic peril.

5-Day Week For Banks: Ottawa, November 20 (CP) -- The House of Commons today gave second reading to a bill authorizing Canadian banks to operate on a five-day week.

James Sinclair, Parliamentary Assistant to the Minister of Finance, Mr. Abbott, said the banks have been finding it increasingly difficult to obtain adequate and competent staffs in competition with establishments which have the five-day week.

Across Canada: A Royal Commission to study what was described as Canada's "obsolete" divorce laws was urged in the Senate yesterday by Senator William Aseltine, Chairman of the Senate's divorce committee for a number of years....Manitoba farmers go to the polls Saturday in a "little election" to say whether they favour the present system of compulsory marketing of oats and barley through the Canadian Wheat Board....Premier Duplessis of Quebec said yesterday padlocking and seizure awaits gambling houses in Quebec Province unless they halt their operations....Opposition parties in the House of Commons renewed a demand that the Government provide auxiliary services for troops in Korea.

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OTTAWA - CANADA

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Vol. 2, No. 225

Thursday, November 22, 1951.

Mr. Pearson Declares Support For West's Disarmament Proposal; Paris, November 21 --

(CP) -- Canada today endorsed the Western disarmament proposal as the first step to end the cold war.

The Secretary of State for External Affairs, Mr. Pearson, in an address to the United Nations Political Committee, described the British-French-American proposal as a way to "cut through the circle of fear."

He struck at the arguments advanced by Andrei Vishinsky, Soviet Delegate, who criticized the Western plan.

Mr. Pearson said it is "a depressing and discouraging fact" that the good faith of the co-sponsors of the resolution has been questioned.

It is arrant hypocrisy for those who do the questioning to argue that resolutions on the same subject, which depend for their results merely on unsupported declarations, could themselves have the slightest possible effect, he said.

He recalled a Soviet resolution before the United Nations declaring membership in the Atlantic Pact "incompatible with membership of the United Nations."

"No single subject that we have discussed or will discuss on the North Atlantic Council will prevent or even make more difficult the type of agreement which is sought in the resolution which we are now considering.

"Indeed, the confidence which certain free states are gaining by the increase of their own defensive strength through collective action should make it easier for them to negotiate for a settlement of political difficulties which, if achieved, would make some of this military strength unnecessary."

Mr. Pearson said he believes that, as Atlantic countries' strength grows, "the time will come when other and unfriendly governments will realize, as we for our part realize, that negotiations are desirable for the limitation of armaments and for many other things."

He said the Anglo-Franco-American resolution is "a good resolution and we are prepared to support it.

"We do not, of course, insist that this particular formulation is the only possible one that could be devised. We are anxious to hear, and will seriously study, any other sincere suggestions that may be put forward."

The "question of confidence is the most difficult of all questions with which we have to grapple."

As a representative of one of the permanent members of the West's proposed disarmament commission, Mr. Pearson said the proposed commission could also study the question of air bases possessed by one country in the territory of another with agreement of both.

He was prepared to have American bases in Canada investigated, and similarly Soviet bases in Czechoslovakia and Poland could be investigated....

Gen. Eisenhower Takes Over Command Of 27th: Rotterdam, The Netherlands, November 21 (CP) -- Canada's crack, red-beret 1st Infantry Battalion made a peacetime landing on Europe's shore today to join Gen. Dwight Eisenhower's forces "to secure peace."

The Allied Supreme Commander stood in a drizzle of rain in bomb-battered Rotterdam which the Canadian forces helped liberate in 1945, to welcome the contingent of 1,200 officers and men and to take command of the 27th Canadian Brigade, of which today's arrivals are a part.

Gen. Eisenhower welcomed the Canadians as "fellow soldiers" and told them:

"Canada is not only contributing to the defence of Europe with the products of her factories, but has now sent troops to the area where there is danger.

"Your arrival here is warmly welcomed because it means that Canada is with us, not only with her great resources within her borders, but actually in the field."

The troops were handed over to Gen. Eisenhower by Mr. Claxton in a ceremony coinciding with the landing of the main part of the Battalion.

October Trade Shows \$31,100,000 Surplus: Ottawa, November 21 (CP) -- Canada's foreign trade stepped up to higher ground in October, resulting in a \$31,100,000 monthly surplus--the third this year--the Bureau of Statistics reported today.

The surplus, paring Canada's 10-month deficit to \$292,700,000 from \$323,-800,000, was sparked partly by a reduction in imports from the Commonwealth while sales to all countries increased.

Exports to all countries climbed to \$375,700,000 from \$318,900,000 in October last year, a gain of \$56,800,000. Imports increased to \$344,600,000 from \$320,600,000, up \$24,000,000, mostly because of larger purchases from the U.S.

This increased buying from the U.S., to \$239,300,000 from \$208,300,000 a year ago, pushed Canada's deficit in trade with her neighbour to \$458,300,000 for the 10-month period.

Exports to the U.S. moved up fractionally to \$210,800,000 from \$207,400,000, but shipments to Britain made far greater strides -- on a relative basis -- to \$64,200,000 from \$48,000,000. This was a gain of \$16,200,000 in exports to Britain, compared with a gain only of \$3,400,000 in shipments to the U.S.

While exports to Britain and other Commonwealth countries increased, imports from these countries declined, giving Canada a larger surplus with which to over-balance the deficit in U.S. trade.

Mr. Howe Sees Removal Of U.S. Import Curbs: Ottawa, November 21 (CP) -- The Minister of Trade and Commerce, Mr. Howe, said today the Canadian Government has reason to believe that steps will be taken at the next session of the U.S. Congress to remove American restrictions on imports of cheese and other agricultural products.

Replying in the House of Commons to a question of Earl Catherwood (PC--Haldimand), Mr. Howe said that legislation providing for removal of the restrictions, imposed earlier this year, was approved by a Congressional committee, but was not passed by the Senate before adjournment.

The Government had reason to believe that the legislation will pass at the next session.

Host To International Red Cross: (Press Release No. 62, November 22) -- The Department of External Affairs has announced that Canada had been selected by the Standing Commission of the International Red Cross Conference as host country to the XVIIIth International Red Cross Conference. The Conference will be held in Toronto from July 23 to August 9, 1952.

Across Canada: Mr. Pearson and Mr. Claxton arrived in Rome by air last night for the NATO Conference, Reuters reported....Pope Pius has received a copy of the Massey Report and has granted a papal blessing on Rev. Georges Lévesque, Quebec Dominican monk, who was a member of the Royal Commission that drew up the report, the Canadian Press reports from Quebec....The Lord Provost of Glasgow, Sir Victor Warren, left Southampton, England, yesterday in the liner Queen Elizabeth on a goodwill visit to the United States and Canada....The Minister of Transport, Mr. Chevrier expressed the hope that the day of Canadian self-sufficiency in oil "may not be far distant."



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Vol. 2, No. 226

Friday, November 23, 1951.

Ottawa, Ontario St. Lawrence Power Agreement Reported: Ottawa, November 22 (Globe and Mail) -- An agreement between the federal Government and the Province of Ontario covering power development on the international section of the St. Lawrence River will be signed next week in Ottawa by Prime Minister St. Laurent and Premier Leslie Frost.

Latest details of the agreement were ironed out last week during a conference between the Minister of Transport, Mr. Chevrier, and Hydro Chairman Robert Saunders, but arrangements for the signing were left over until after the Ontario vote.

Briefly, the agreement will provide for financing and construction of the power installations on the international section by Ontario and New York State, or whatever agency is finally designated in the U.S. to carry out the joint project. Total cost is estimated at about \$400,000,000, to be divided equally between the two partners. It is understood that financial arrangements for the construction have already been worked out between Ontario and New York.

The pending agreement between Ottawa and Queen's Park is tied to the all-Canadian seaway project. The previous agreement of 1941, which was conditioned on ratification of the joint seaway project, provided in effect that the federal Governments would undertake the full cost of seaway and power and that the Province and State would pay later the cost of the power installations.

Progressive Conservatives Win Ontario Election: Toronto, November 22 (CP) -- The Progressive Conservative Party today rolled up the most sweeping election victory in Ontario's recent history.

A vote of near-record proportions returned the Frost administration, all but wiped out the CCF as an opposition party in the Legislature and elevated a reduced Liberal representation to the status of official Opposition.

At midnight, with one seat to come, this was the standing of the 90-seat Legislature:

Progressive Conservative 79; Liberal seven; CCF two; Labour-Progressive (Communist) one.

Not since 1934, when the 112-seat House was reduced to 90 seats, has a political party in Ontario scored such an election sweep. In the 1934 election the Liberals won 66 seats.

As vote-counting neared an end, 1,626,436 votes had been tabulated. This compared with the record 1,765,793 cast in the 1945 election.

The Progressive Conservative victory was scored with 49 per cent of the vote, highest percentage since the Liberal Party swept the 1937 election with 51 per cent.

In re-electing the Progressive Conservative Government, Ontario voters administered to the CCF the sharpest reverse since 1945 when eight members were returned. The party won 34 seats in 1943.

Walter C. Thomson, Liberal Party Leader, ran third in Ontario Riding where four candidates sought office. He lost to T.D. Thomas, who won for the CCF one of its two seats. The party had 21 in the last Legislature.

Progressive Conservatives gained 18 seats from the CCF whose leader, E.B. Jolliffe, was defeated in York South. Eleven of them were in Toronto area ridings where the CCF had been expected to make a strong showing. One of the lost seats was that of Agnes Macphail in York East.

Premier Frost, who campaigned on a promise of "continued good government" carried his entire 18-man Cabinet back into office with him. He was leading an election battle for the first time.

B.C. Population Rise: Ottawa, November 23 (CP) -- British Columbia's population has increased to 1,153,059 from 817,861 in the last 10 years, according to a preliminary report on the decennial census made public yesterday.

Biggest single increase was shown in the Vancouver area, with the population of Greater Vancouver jumping to 524,399 from 377,447. The new population of Vancouver City is 340,272, against 275,353 in 1941.

No Negligence In \$3,500,000 Quebec Bridge Collapse: Quebec, November 22 (CP) --

An inquiry commission report issued today suggested an unexplained scientific phenomenon or sabotage brought about collapse of the \$3,500,000 Duplessis Bridge last January 31 with loss of four lives.

The report, presented the "two hypotheses" in a section titled "subsidiary conclusions."

Commissioners René Lippe, Montreal magistrate, and J. Lucien Dansereau, a Montreal engineer, said the main conclusions arising from evidence heard at Three Rivers from August 27 to September 26 were:

Collapse of the west section of the bridge followed a "rupture" of one of the main steel beams in its metal super-structure;

There was no "fault or negligence" by the Government, its departments or officers, or by the builders of the bridge or their employees.

Across Canada: A vice-president of the Canadian Pacific Railway Company said today that "perfect equalization" of freight rates in Canada is an impossibility. F.C.S. Evans told the Senate's Committee on Transport that equalization can not be achieved by "rigid formula or the stroke of a pen unless you are prepared for disturbances."....A Chinese old age pensioner, Leong Gun, 71, hanged himself because of worry over threats to his family in Red China. His death dramatized the growing terror among hundreds of Chinese here, for the safety of their families in Communist China, the Canadian Press reported from Vancouver....The Radio Committee of the Commons heard a suggestion that the publicly-owned CBC should establish its own news staff in Ottawa to report parliamentary news. Mr. Dunton did not agree....The first of Canada's new anti-submarine destroyer escorts will be launched November 30 at Canadian Vickers Ltd., Montreal, naval headquarters announced yesterday.



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Monday, November 26, 1951.

Mr. Pearson Opens NATO Council: Rome, November 25 (AP) -- The Secretary of State for External Affairs, Mr. Pearson, on Saturday disputed Soviet charges that NATO membership is incompatible with membership in the United Nations.

"This is a travesty of the truth," he said, re-affirming the aim of NATO to work wholly within the framework of the UN charter.

Mr. Pearson, who delivered the opening address here as Chairman of the NATO Council, said that while attending the UN meeting in Paris last week he had heard charges that NATO membership meant disloyalty to the UN.

"Our determination to strengthen our defences under the North Atlantic Pact, when we have unfortunately, every reason to feel that strength for defence is necessary in the world of today, and our loyalty to the principles of the UN charter, are two parts of the same policy," Mr. Pearson said.

"No single subject that we have discussed, or will discuss in our Council, no matter what may be maliciously said to the contrary, prejudices or weakens that loyalty.

"Our objective in the North Atlantic Organization is not to build up armed strength to threaten anybody, but solely to create sufficient forces to ensure that aggression, if it should occur, will not subjugate the free peoples of any part of the community."

Hold Vital Ridge Against 72-Hour Attack: West Sector, Korea, November 25 (CP)-- (By Bill Boss) -- U.N. troops tonight held firm to a vital ridge-top position west of Imjin despite three days of almost-incessant attack by Chinese Reds in massed battalion strength.

After a daylight breather, the enemy resumed his assault today. He was beaten back repeatedly from the West's barbed-wire barricades by hand-to-hand fighting, artillery and mortar fire.

After dusk tonight, snow fell in the hilly battle area where the temperature has been consistently below freezing.

(C.P. points out that Censorship apparently would not let Boss identify the U.N. troops involved. Details he was able to cable from the front indicated this action was a continuation of one he reported November 24. He was allowed to say then that the U.N. troops involved were from the Royal 22nd Regiment, a famed French-Canadian unit under Lt.-Col. J.A. Dextraze of Montreal.)

The Communists are entrenched on a peak to which the ridge rises east of the U.N. troops. But friendly forces now are firmly on another peak at the ridge's western extremity.

(On November 24 Boss said Chinese capture of the eastern peak had allowed the Reds to step up their artillery and mortar barrages and the scale of their infantry attacks.)

The defenders slept three to five hours today--their first break in 72 hours. It boosted their spirits, and as night fell they were ready for more attacks.

(On November 24, Boss reported the Van Doos were making an epic stand on the ridge-top. On November 23 the Van Doos had been attacked from north, south, east and west, separately and simultaneously. They had been encircled and stormed. Seven times in 24 hours they had beaten off all Red assaults. They had not slept for 48 hours.)

Budgetary Surplus Now \$604,700,000: Ottawa, November 23 (CP) -- The federal budgetary surplus climbed another \$91,500,000 in October to bring to \$604,700,000 the total for the first seven months of the current fiscal year, which began April 1.

In his Budget Speech last spring, the Minister of Finance, Mr. Abbott forecast a surplus of only \$30,000,000 for the year, ending next March 31.

The monthly Treasury report showed that the \$91,500,000 increase in October compared with an increase of \$11,200,000 in September.

Revenues in October totalled \$354,600,000 compared with \$253,600,000 in the corresponding month of 1950. In the seven-month period revenues totalled \$2,159,900,000, compared with \$1,535,100,000, an increase of \$624,800,000.

Income tax payments by individuals were \$187,200,000 higher at \$561,900,000 for the seven months. This, said the report, was due in part to higher personal incomes and to the defence surcharge imposed in the last budget.

Corporation tax receipts in the period totalled \$612,800,000, up \$241,200,000 as a result of higher earnings and increased taxes. Custom import duties were up \$59,000,000 to \$206,900,000. Excise tax collections were \$174,400,000 higher at \$501,700,000, due to increased consumer spending and to higher taxes.

27th Brigade Start Heavy Training Schedule: Hanover, Germany, November 25 (CP) -- Brig. Geoffrey Walsh said today units of the 27th Canadian Brigade are starting at once a heavy training schedule to whip them into shape for battle "as quickly as possible."

The 41-year-old brigade commander said in an interview there will be no immediate leave for the troops, who arrived from Canada during the last couple of weeks. Neither will training wait for the whole brigade to be concentrated by the end of December.

For security reasons--the brigade is 40 miles and less from the Russian zone--the St. Catharines brigadier declined to say the target date for battle readiness.

But the next few months training will range from individual instruction to brigade manoeuvres. Nearly half the brigade now is in Germany.

Ottawa Takes Grey Cup: Toronto, November 25 (CP) -- Ottawa Rough Riders won the 1951 Canadian football championship and the Grey Cup from Saskatchewan Roughriders here today by 21 to 14.

It was Saskatchewan's seventh straight loss in East-West competition following a 54-0 defeat by Queen's University in 1923.

Across Canada: Mr. M.J. Coldwell, Leader of the CCF party proposed in an address before the American Trade Union Council for Histadrut, in New York, that the West grant economic and other aid to Egypt and Iran to avert the possibility of that area being taken over by the Communists.... Gratuities of 50 cents a day for Korean service, announced for the army, last week, will apply to personnel of all three of Canada's armed forces in the Far East, a defence spokesman said Saturday.... Newfoundland votes today in its second election as a Canadian province.



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Vol. 2, No. 228

Tuesday, November 27, 1951.

27th Brigade Joins B.A.O.R.: With the Canadians in Germany, November 26 (CP) -- Canada's 27th Brigade has joined the British Army of the Rhine -- the so-called B.A.O.R. -- but orders from Ottawa and London are that it is to maintain its identity as a separate and distinct Canadian formation under this Army's command. Brig. Geoffrey Walsh's formation has been assigned an independent role within an Army gradually building up into a powerful armoured striking force under Gen. Sir John Harding.

It is classed as an independent brigade group and has been placed directly under Gen. Harding's command, rather than in the subordinate 1st Corps, which embraces the three British divisions now in Northwest Germany.

It may, from time to time, temporarily be grouped with a British division for training purposes, but there is no intention of integrating it with a division in the way the 25th Brigade has been made part of the Commonwealth Division in Korea.

Debate On Airfields In Europe: Ottawa, November 26 (CP) -- The controversy over Canadian financing of four or five airfields in Europe, as announced at Rotterdam last week by the Minister of National Defence, Mr. Claxton, came up in the House of Commons again today.

Mr. St. Laurent quoted in full an explanatory story issued by The Canadian Press at Toronto. It said the figure of \$100,000,000, at first attributed to Mr. Claxton as the cost of the fields, was an estimate made by its overseas correspondent, Douglas How.

Mr. Drew, who originally brought the matter up last Wednesday, said the figure was incidental. The report stood except for the figure and the fact remained Canada was to foot the bill for airfields--and for barracks which had not been mentioned by the Prime Minister.

The cost of the airfields was incidental, Mr. Drew said. The fact remained Canada was going to foot the bill. Previous to the airfields' announcements at Rotterdam, Mr. Claxton had announced at the Hague that Canada was going to build barracks near Oest, Germany, at a cost of \$5,000,000 or \$10,000,000.

Japanese May Not Fish In Coast Waters: Vancouver, November 26 (CP) -- The Minister of Fisheries, Mr. Mayhew, said today Japanese no longer will be allowed to fish in British Columbian or Alaskan waters.

Mr. Mayhew, back from Tokyo, where he headed the Canadian Delegation at the International Fisheries Conference, said under the new agreement being negotiated:

Japanese will be denied the right to fish salmon, halibut, herring and other important fish in Alaskan and B.C. waters.

They will be allowed to fish for crab in the Bering Sea adjacent to Alaskan waters, but not for red salmon, an important fish to Americans.

The agreement may not be ready for signing until January, he said.

Japan will join a Pacific Fisheries Commission with Canada and the U.S.

Meyer Holiday Debated In Commons: Ottawa, November 26 (CP) -- Opposition and Government members today in the House of Commons criticized the release, however, temporary, of German General Kurt Meyer from the German prison where he is serving a life sentence for war crimes against Canadian troops in the Second World War.

Mr. Drew protested that there should be "no intermediate stage" of punishment for Meyer. Either he was guilty or he was not guilty. He suggested the entire Kurt Meyer case now be reviewed.

Mr. Ralph Campney, Parliamentary Assistant to Mr. Claxton, said that when Meyer was transferred from a Canadian prison to the German prison some weeks ago, it was understood that he would come under the same rules governing other inmates of the German prison.

The Department, he added, is inquiring as to the rules applied in the German prison.

Ming Sung Ships Missing: Ottawa, November 26 (CP) -- The Government said today that seven ships of the Ming Sung Industrial Company of Canada, flying the Canadian flag, have apparently gone into hiding in Red China waters.

In a return tabled in the House of Commons, the State Department said until recently the ships had been trading between Hong Kong, Macao and Canton.

But when the company failed to make interest payments on the Government-backed \$12,000,000 loan with which the ships were built in Canada, and the banks were requested to initiate legal proceedings, "these seven ships have not, from outward runs, returned to Hong Kong.

Would Raise Freight Rates On Grain: Ottawa, November 26 (CP) -- An attempt by the railways to hoist freight rates on domestic grain movements in the West -- exempt from rate increases for 3½ years -- ran into opposition today before the Board of Transport Commissioners.

Western provincial counsel took immediate issue with the move after the railways told the Board -- in opening their case for a new 10-per-cent increase -- that they wanted to lift the hitherto-exempt Western rates.

Across Canada: Some 4,000 Canadians have made war claims to the Government against the Japanese, including 1,750 former prisoners of war and 125 former civilian internees, it was reported to the House of Commons....Five grain kings were named at the International Grain and Hay Show in Chicago with Canadian farmers carrying off crowns in oats, barley and rye....Two members--one a Liberal and the other a C.C.F.--said today in the Commons that Government pensions should be paid to Canadians at age of 65 instead of 70....Early returns from Newfoundland's general election yesterday showed re-election of Health Minister J.R. Chalker in Harbor Grace. It was the fifth seat won by Premier Joseph Smallwood's Liberal Party--four candidates having received acclamations. Harbor Grace was the first and only constituency to report returns last night....First Canadian performance of New York's Metropolitan Opera Company will be held in Toronto next May 26 to 28....McGill University yesterday received a grant of \$10,000 from the Damon Runyon Fund for cancer research.



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Wednesday, November 28, 1951.

Relief Supplies For Italy: Ottawa, November 27 (CP) -- Two RCAF North Star planes loaded with 19,400 pounds of relief supplies will take off tomorrow from Dorval to carry aid to flood-stricken areas of Italy's Po River valley.

The Canadian gesture was announced in the House of Commons by the Prime Minister, Mr. St. Laurent. He said the Canadian Red Cross was contributing the supplies, some \$15,000 worth of food, medicines, blankets and woollen underwear.

George Drew, Progressive Conservative Leader, said the step would give courage to the Italian people at a time when they are suffering spiritually as well as physically.

Later the RCAF made known the North Stars would be detached from 426 Transport Squadron, still engaged in flying the Korean air lift.

The planes left Dorval today for Malton airport, where the supplies--9,700 pounds to each plane, will be loaded.

Hopes To Give Aid To Universities Soon: Ottawa, November 28 (CP) -- The Prime Minister, Mr. St. Laurent said yesterday in the House of Commons that he hopes it soon will be possible to distribute at least a part of the \$7,100,000 voted at the last session as federal aid to education.

Replying to Mr. R.R. Knight (CCF--Saskatoon), Mr. St. Laurent said the federal Government still is in communication on the matter with the provincial Premiers. He hoped the point was being reached where 40 to 50 per cent of the total grant could be distributed pending final settlement.

Mr. St. Laurent told Mr. Drew that the grants will be made direct to universities. A tabulation has been made on the basis of information received from the Canadian University Council. It has been sent to the Premiers who were asked if it was in order.

Mr. Stanley Knowles (CCF--Winnipeg North Center) asked if the Government had received any request from the Winnipeg School Board for federal aid to education generally.

Mr. St. Laurent said he was not aware of any such request. As long as he was head of the Government he believed he would be forced to ask his colleagues to refuse such a request.

Second Reading For Bill On Financial Administration: Ottawa, November 27 (CP) -- Mr. George Drew, P.C. Leader, charged today the Government has overtaxed each man, woman and child in Canada by \$43 in the first six months of this fiscal year.

In a short, sharp House of Commons attack on Government budgetary policies, he said that came about because the Minister of Finance, Mr. Abbott, was "so grossly and outrageously" in error in estimating budgetary surplus.

He spoke as the House gave second reading to a bill clarifying and bringing up to date laws governing financial administration of the Government, audit of public accounts and financial control of Crown companies. It went to the public accounts committee for detailed study.

Depreciation Curbs Slackened: Ottawa, November 27 (CP) -- Slight easing in the Government's programme to help curb inflation by deferring depreciation on non-essential construction for three years was announced today in the House of Commons.

The Minister of Trade and Commerce, Mr. Howe, said an Order-in-Council has been passed to give relief in three types of cases in which hardship is experienced because of the restrictions.

They are:

1. In the case of new structures, properties will become eligible for normal depreciation allowance on taxable income provided the taxpayer can prove he entered into a contract for construction before April 11 and provided the structure is complete before April 1, 1953.

2. A taxpayer can apply for depreciation from the Trade Department if he can prove he was obligated to acquire a property under a contract entered into before April 11.

3. In the case of new and old machinery the taxpayer can obtain a certificate of eligibility for depreciation if he can prove he was "obligated" to acquire items under a contract entered into before April 11.

Costs Probe Held Not Feasible: Ottawa, November 27 (CP) -- Parliament's special committee on retail price fixing today reversed a decision of yesterday to investigate manufacturing costs and margins of profit on consumer goods.

Mr. James Sinclair (L.--Vancouver Capilano), Chairman, said the committee's decision, initiated through a motion yesterday, was later studied in private by a steering committee.

It was decided the investigation would not be feasible.

Premier Frost To Discuss Seaway At Ottawa: Toronto, November 27 (CP) -- Details of the St. Lawrence seaway and power project will be discussed in Ottawa Thursday by representatives of the federal and Ontario Governments.

Premier Frost said after the first Cabinet meeting since re-election of his Government November 22 that he will go to Ottawa with several Cabinet members and officials of Ontario Hydro Commission.

Increases For Transport Commissioners Opposed: Ottawa, November 27 (CP) -- Progressive Conservatives today failed to block a Government move to raise the pay of Board of Transport Commissioners.

The party lost 164 to 27 when it forced a vote on a bill providing increases.

CCF and Social Credit groups supported the legislation on the ground the pay boosts are needed.

The bill will provide these increases: Chief Commissioner, to \$16,000 a year from \$15,000; Assistant Chief Commissioner, to \$14,000 from \$12,000; Deputy Chief Commissioner, to \$13,000 from \$10,000; other three Commissioners, to \$12,000 from \$10,000.

Across Canada: Incomplete returns in the Newfoundland provincial election indicated the return of the Liberal Government under Premier Smallwood by an increased majority....The Flin Flon branch of the Canadian Legion passed a resolution asking all other branches to petition the federal Government to "persuade Viscount Alexander to accept the appointment as His Majesty's representative to Canada for the period of his lifetime"....More than 16,000 immigrants will arrive at Halifax in December, H.J. Nevin, General Passenger Agent for Canadian National Railways, said yesterday. They represent the largest number of persons to emigrate to Canada in a single month for many years....Canada is making arrangements for the purchase of two British Comet jet-propelled transport planes for the RCAF at a cost of \$3,500,000, defence headquarters said....Ontario Command of the Canadian Legion yesterday asked Ottawa to carry out the life imprisonment term given Kurt Meyer, German war criminal.

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Vol. 2, No. 230

Thursday, November 29, 1951.

Longest Canadian Casualty List Of Korean War: Ottawa, November 28 (CP) -- The Army today issued its 77th casualty list of the Korean war, reporting six men killed in action, one dead of wounds, 33 wounded, and two injured in action.

It was the longest casualty list issued by the army in the Korean war.

It brought to 531 the number of casualties so far suffered by Canadian troops in the Korean action, including 106 dead, 383 wounded, 40 injured and two missing.

Canada Not Bluffing On Seaway, Says Mr. Howe: Washington, November 28 (CP) -- The Minister of Trade and Commerce, Mr. Howe, said tonight that Canada is not bluffing in her proposal to undertake construction of the St. Lawrence seaway project alone.

"It has been suggested in some quarters that the Canadian proposal was a bluff, that Canada could not and would not undertake such a large project alone," the Minister said in a speech prepared for delivery before the Washington Society of Engineers.

"I trust that the official announcement will put an end to that kind of talk. There is no bluff about Canada's attitude. We would need and would seek the co-operation of a designated agency in the United States to develop the international power.

"With that, we can and will complete the other essential works in the St. Lawrence River."

Nevertheless, Canada still preferred to get U.S. participation through early ratification of the 1941 Canada-U.S. agreement to deepen the river for ocean-going traffic.

This preference, said Mr. Howe, had little to do with the sharing of the cost, which Canada is "quite capable" of financing, but because it would help speed actual construction.

"The main reason for the preference is simply that work could start almost immediately after ratification. Any other procedure involves a new series of legal and engineering preparations, formal and informal consultations, perhaps public hearings, and other formalities which might easily take up a year or two."

But time was running out. Canada had been looking forward for early ratification for 10 years and "each additional year of delay costs us more dearly in money and security."

"Failing early ratification, therefore, the Canadian Government has decided to undertake the so-called all-Canadian seaway and to invite the necessary co-operation with respect to an international power development. We can still hope for ratification of the 1941 agreement, but meanwhile we are preparing a second string to our bow."

Governor General Speaks In New York: New York, November 28 -- Field Marshal Viscount Alexander, Governor General of Canada, expressed confidence here tonight that the United States and the British Commonwealth would continue to provide "the sort of leadership" needed by all mankind "in an era of rapid and momentous developments."

Failure in this mission, in the opinion of Paul G. Hoffman, Director of the Ford Foundation, would spell the end of freedom. "Speaking quite literally and without exaggeration, I see no hope for the survival of the free world unless we do stick together," said Mr. Hoffman.

Both men spoke at the annual dinner of the English-Speaking Union of the United States at the Waldorf-Astoria Hotel. It was Lord Alexander's first official appearance here since 1947.

He sought to clarify for the American public the role of the British Commonwealth, and his own position in that organization.

"Today it provides a bridge, almost the only bridge between the democratic states of the West and of Asia," explained Lord Alexander. "It would be dangerous to consider that this bridge could be strong enough to carry the full weight of the exchanges between East and West, (still) there is no international union of independent states which does more to span the gap than the British Commonwealth of Nations."

Holdes Price Fixing Danger To Economy: Ottawa, November 28 (CP) -- Mr. Fred A. McGregor today described resale price maintenance as a "negation of freedom" that will kill the kind of enterprise "so much needed by the Canadian public."

In doing so the 63-year-old former Combines Commissioner, who resigned after a difference with the Government over a delay in tabling a combines report on the flour milling industry, supported a Government proposal to make resale price maintenance practices illegal.

Appearing as a witness before Parliament's Special Committee on Retail Price Fixing, Mr. McGregor, now in charge of writing the Mackenzie King memoirs for the Rockefeller Foundation, maintained that extension of the price maintenance practice had become "alarming" in recent years. If the vital element of price competition is removed, Canada will not have a free economy, but a price-controlled economy--"with prices controlled by manufacturers," he said.

Throne Speech Debate Nears End: Ottawa, November 28 (CP) -- The lingering Throne Speech debate inched towards a finale today as the House of Commons voted 145 to 55 against a Social Credit motion criticizing the Government on the issue of war veterans allowances.

Expressing non-confidence, it was introduced by Victor Quelch (SC--Acadia) and alleged that the Government "failed to compensate the recipients of war veterans allowance for the increase in the cost of living by an appropriate increase."

The motion stirred a brisk Opposition demand that the Government raise the allowances, which go to needy or prematurely-aged veterans at rates of \$40 a month for single men and \$70 for married. The Government already has announced plans to boost the basic war disability pensions.

Newfoundland Election Returns: St. John's, Nfld., November 28 (CP) -- Premier Joseph Smallwood's Liberals picked up strength today as the counting continued of Newfoundland's November 26 provincial election ballots.

At 5 p.m. EST they had elected 14 members as against three Progressive Conservative members elected. One Liberal and one Progressive Conservative were elected in the dual riding of St. John's West. Voting there was close.

Two Progressive Conservatives were elected in St. John's East, another double district.

Across Canada: The Prime Minister, Mr. St. Laurent, said yesterday that the Ming Sung company has been told that seven Canadian-built and Canadian-registered ships they have been operating in Asiatic waters, will no longer be allowed to "carry on under Canadian registry."....A thick bundle of hand-written manuscripts and letters containing Indian lore and detailed descriptions of Eastern and Central Canada as it was 150 years ago was added to the public archives of Canada yesterday. Written by Dr. Edward Walsh, young Englishman who came to Canada in 1803 as medical officer of the 49th Regiment, the documents were recently salvaged from old family papers in Ireland by his great-grandnephew, the Montreal Gazette reports....Lieutenant-Governor Gaspard Fauteux sanctioned a Quebec Government bill to change the title of the Provincial Treasurer to "Minister of Finance of the Province of Quebec."....T.J. Allard, General Manager of the Canadian Association of Broadcasters, said that private radio stations in Canada are anxious to move into the field of television....The All Canada Insurance Federation said an increase in automobile insurance rates is "almost inevitable" in most parts of Canada next year..



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Vol. 2, No. 231

Friday, November 30, 1951.

St. Lawrence Power Agreement With Ontario: Ottawa, November 29 (CP) -- A new step towards the harnessing of urgently-needed power potential in the St. Lawrence River was taken here today by the federal Government and the Government of Ontario.

The two Governments announced that they had reached agreement on the details of arrangements which will permit Ontario to go ahead with the appropriate United States authority--presumably New York State--to develop the hydro phase of the St. Lawrence seaway project.

The announcement came from Prime Minister St. Laurent and Premier Frost of Ontario at the conclusion of two meetings.

Details of the \$400,000,000 project, the cost of which will be shared equally by Ontario and its American partner, will be announced here Monday when the agreement is formally signed in Mr. St. Laurent's office.

Mr. St. Laurent, making the announcement, was brief:

"We have cleared up all the points that remained, and the formal documents will be signed here Monday."

The proposal is for the development of 1,640,000 kilowatts of firm power in the international section of the St. Lawrence. Half of this would go to Ontario and half to New York State.

Under the agreement completed today, Ontario will bear all the cost of the dams and power development. The federal Government will carry the cost of building locks for navigation purposes and use later in the seaway side of the project when Canada itself goes ahead with that stage.

Exports Pass \$3,000,000,000 In 10 Months: Ottawa, November 29 (CP) -- Canada's domestic exports climbed to more than \$3,000,000,000 in the first 10 months this year as overseas markets continued to absorb more of Canada's strategic goods.

While the volume of goods going overseas climbed sharply, sales to the United States didn't maintain the pace and as a result the ratio of exports to the U.S. fell to 60 per cent from 65 per cent a year ago.

Total domestic exports to all countries rose to a record \$3,155,600,000 in the 10-month period, up more than \$600,000,000 from \$2,535,800,000 last year, the Bureau of Statistics estimated today.

In October, shipments totalled \$371,000,000, up from \$315,200,000 in October, 1950--an increase of 18 per cent, brought about mainly by sharp increases in exports to the United Kingdom, Latin America and Europe.

Exports to the U.S. increased only slightly, to \$207,132,000 in the month, compared with \$204,436,000 last year, representing 56 per cent of total shipments, down from the 65 per cent in 1950.

The Bureau estimated that during October, shipments to the U.S. increased only about one per cent, while exports to the U.K. climbed 34 per cent, Latin America, 40 per cent, and Europe, 56 per cent.

Would Ban Price Wars And Loss-Leader Selling: Ottawa, November 29 (CP) -- A move was initiated today to block the possibility of widespread price wars in the event that Parliament bans resale price-maintenance practices.

David Croll (L--Toronto Spadina), a lawyer, placed before Parliament's retail Price-Fixing Committee notice of a motion to make cut-throat price-cutting and loss-leader selling illegal.

This move, came at the end of a stormy session in which charges of "gagging" and using "delaying tactics" were made.

It likely will eliminate a big segment of opposition to the Government's proposal to make price maintenance illegal and enable the Committee to finish work in time to allow the Minister of Justice, Mr. Garson, to place legislation before Parliament at the current session, expected to end about December 19.

Under Mr. Croll's proposal no dealer will be allowed to sell "directly or indirectly" any commodity--with certain exceptions--at a price less than five per cent above cost.

Canadian Frigate To Visit Washington: Ottawa, November 29 (CP) -- The frigate HMCS Swansea, under command of Lt.-Cmdr. J.E. Korning, of Montreal, and Victoria, will pay an informal visit to Washington from December 6-12, Naval Headquarters announced today.

The visit will mark the first time a Canadian naval ship has sailed up the Potomac River to the U.S. Capital. After leaving Washington, Swansea will pay an informal visit to St. George's, Bermuda, from December 14-20 before returning to Halifax.

The 1,445-ton frigate has a ship's company of 122 officers and men.

Second Battalion Reaches German Base: Hanover, Germany, November 29 (CP) -- The second battalion of Canadian infantry reached its training base in Germany today, bringing the total of Canadian troops already under Gen. Eisenhower in the European defence force to more than 3,000.

Today's group, a rifle battalion of Canada's 27th Brigade, came to Hanover by train after docking at Rotterdam earlier in the day. The latest contingent numbered between 700 and 800. It is being posted to the main brigade camp outside Hanover.

The major part of the first infantry battalion arrived here last week.

U.S. Financial Expert At Freight Rates Inquiry: Ottawa, November 29 (CP) -- A United States expert in company finance today told the Board of Transport Commissioners it would be reasonable to allow the Canadian Pacific Railway to earn more money than it is seeking in the current freight rate increase application.

Dr. M.H. Waterman, Professor of Finance at the University of Michigan, testified \$57,450,000 would be a reasonable figure for the C.P.R. to earn to cover dividends, fixed charges and surplus. In the rate application, the company is seeking \$51,000,000.

Across Canada: The Canadian Congress of Labour announced yesterday that Murray Cotterill of Toronto has submitted his resignation as national director of the C.C.L.'s political action committee....Wholesale prices generally are still going down in Canada. The Bureau of Statistics reported that they moved downward in October for the third successive month....The Canadian Association of Broadcasters recommended yesterday that the annual \$2.50 license fee on radio receiving sets be abolished and possibly replaced by some form of federal subsidy to the CBC....The Minister of Agriculture, Mr. Gardiner, left London by air last night for Montreal after talks with Lord Woolton, on Britain's food imports from Canada.



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Monday, December 3, 1951.

Canadian Nuns Convicted, Sentenced In Canton: Hong Kong, December 3 (AP) -- Two Canadian nuns were sentenced to five years imprisonment and three others were ordered deported from China for life by a Communist court in Canton on December 2.

The crowd of 6,000 spectators attending the trial loudly protested the sentences as "too lenient."

After the sentences were announced, Chief Justice Wen Hsu Yuan told the crowd the five nuns would be paraded through Canton so everyone would be able to "recognize their vicious features."

The two nuns sentenced to prison are:

Sister Saint Alphonse Du Rédempteur (Antoinette Couvrette, Ste. Dorothée, Laval County, Que.), head of the orphanage, and Sister Sainte Marie Germaine (Germaine Gravel, St. Pasteur, Champlain County, Que.).

All of the nuns were charged with murder following their arrest nine months ago as part of a Communist campaign to discredit foreign churches in China.

They were accused of the deaths of more than 2,000 Chinese orphans through ill treatment and cruelty at the Canadian Mission of the Immaculate Conception in Canton between October 14, 1949, and January 1, 1951.

Nuns' Conviction "Iniquity", says Archbishop: Quebec, December 2 (CP) -- Most Rev. Maurice Roy, Roman Catholic Archbishop of Quebec, said tonight the trial and sentence of five nuns in a Communist court in Canton, China, was unjust.

In a soft, moved voice, the Archbishop said it "is an iniquity" to have brought charges against the nuns who dedicated their lives in Chinese missions.

700 More Troops Joining 27th: Quebec, December 2 (CP) -- Seven hundred Canadian troops, most of them members of the 1st Canadian Highland Battalion, sailed today for Europe to join the 27th Brigade.

The Canadians set out aboard the 13,500-ton liner, Canberra, making its second trip from Quebec to Rotterdam with men of the force Canada has placed at the disposal of the North Atlantic Treaty Organization.

The Canberra's first sailing was November 5 with specialists of the 5,500-man brigade.

The Battalion will go by train from Rotterdam to join the 27th Brigade at its camp near Hanover in the British sector of Western Germany.

It is made up of companies from the Black Watch, Montreal, the 48th Highlanders, Toronto, the Seaforth Highlanders, Vancouver, the Canadian Scottish, Victoria, and the North Nova Scotia Highlanders.

Australian Minister Addresses Canadians: Ottawa, December 2 (CP) -- Australia's Minister of External Affairs, Mr. Richard G. Casey, told Canadians tonight he is going to work hard for a strengthening of the bonds between Canada and his country.

"The fact that both Canada and Australia are members of the British Commonwealth and are each in close relationship with Great Britain and the United States, puts us in a useful position to co-operate fruitfully," he said.

Mr. Casey, in a prepared speech, addressed Canadians over a CBC trans-Canada network on the eve of his departure for Australia via New York and Washington. He led the Australian Delegation at the United Nations meeting in Paris and spent some days in London before arriving here Friday.

During his three days here, Mr. Casey said he had discussed the future of Korea, security arrangements in the Pacific and the Colombo Plan with officials of Canada's Department of External Affairs. He also had taken up the question of "British-American relations generally and Canadian-Australian relations in particular."

Says Saving On Seaway \$45,000,000 Annually: Toronto, December 3 (Globe and Mail) -- Even if Canada proceeds alone in the St. Lawrence Seaway scheme "there are still many political and constitutional obstacles to overcome--mainly in the United States," said Guy A. Lindsay in an address to the Royal Canadian Institute in Convocation Hall Saturday night.

Mr. Lindsay is Director of the Special Project Branch, Department of Transport, and has been closely connected with all work and studies made on the St. Lawrence project since 1920.

Regarding the question as to whether toll charges on the waterway would defeat its purpose of effecting a reduction in transportation costs, Mr. Lindsay said the saving in transportation costs are estimated at between \$45,000,000 and \$50,000,000 per year.

"As the total annual charges on the all-Canadian waterway would amount to about \$16,000,000, it is obvious that the imposition of sufficient tolls to meet the annual charges will still result in a considerable saving in transportation costs," he said.

Mr. Duplessis On Communism: Quebec, December 1 (CP) -- Premier Duplessis yesterday called for co-operation with "bona fide" labour unions trying to get rid of Communist influence.

The Union Nationale Government leader told the Legislative Assembly the strength of Communists is due to their tenacity rather than their numbers.

On November 29 the United Electrical, Radio and Machine Workers withdrew an application for a provincial certificate as bargaining agent for Three Rivers employes of the Westinghouse Electric Company.

Premier Duplessis told the Legislative Assembly it was an "event of highest importance." He had given orders to Noël Dorion, KC, chief Quebec district crown prosecutor, to "push the case against the union."

Across Canada: The details of Canada's plans to go ahead alone with the St. Lawrence seaway will be made known to Parliament early this week. The Minister of Transport, Mr. Chevrier, is expected to detail the Government's seaway policies Tuesday when he moves legislation setting up a Government agency to handle the job....Special trains and buses now are carrying homeward 166 Canadian veterans of the Korean campaign who arrived in Seattle December 1....Canada's chief prosecutor at the war crimes trials which sentenced German Gen. Kurt Meyer, Bruce J.S. Macdonald, now Windsor's Crown Attorney, defended Meyer's conviction for responsibility in the shooting of Canadian prisoners of war....Eighteen of 21 faculties at University of Toronto last week voted in favour of exchange visits with Russian students.Latest Canadian Press standing in the Newfoundland general election showed 20 Liberals and four Progressive Conservatives elected, with four yet to come....Salutes of 21 guns will be fired by the Canadian army at noon December 11 at traditional saluting bases across Canada to mark the 15th anniversary of the accession to the throne of King George VI.



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Tuesday, December 4, 1951.

St. Lawrence Power Agreement Signed: Ottawa, December 3 (CP) -- The Canadian and Ontario Governments today signed an historic agreement for Ontario to share in the development of 2,200,000 horsepower of hydro energy from the International Rapids section of the St. Lawrence River.

The agreement, signed at 2 p.m. EST, was tabled in the House of Commons a half-hour later by Mr. St. Laurent. It must be ratified by Parliament and the Ontario Legislature.

The Prime Minister told the House the agreement was made in the expectation that the federal Government will undertake an all-Canadian seaway as the navigation phase of the huge river-lake project that has been in abeyance for many years.

Besides being subject to legislative ratification in Canada, the hydro power end of the development also must receive the approval of the International Joint Commission, which controls the use of boundary waters between Canada and the United States.

Ontario would share the estimated \$400,000,000 power cost, and the hydro output, with the appropriate agency on the other side of the border. It has not yet been determined what agency that will be, though it is considered possible here it will be New York State.

The House of Commons will be asked tomorrow to deal with the Government's motion for the establishment of a "seaway authority" to undertake Canadian construction of the St. Lawrence deep waterway.

Mr. Claxton On European Defence Preparations: Ottawa, December 3 (CP) -- The North Atlantic Treaty nations have not yet worked an agreement on sharing the costs of airfield construction and other defence preparations in Europe, the Minister of National Defence, Mr. Claxton, told the House of Commons today.

He made the statement in telling the House that he had not announced new policy in this respect in a controversial press conference at Rotterdam November 21, which has had repercussions in the Commons since.

(A Canadian Press story from Rotterdam quoted the Minister as saying Canada would bear the cost of building four or five new airports for Canadian squadrons in Europe. Douglas How, Canadian Press correspondent, estimated the cost at \$100,000,000 and CP later explained the figure was attributed to Mr. Claxton by the news agency's cable desk in extending How's cable.)

"I had no intention of making announcements in Europe of new policies of which honourable members had not been informed in this Chamber," the Minister said in his first statement since returning from Europe.

While he had made reference to accommodations for troops and to airfields, no doubt these matters were less familiar to members and newspaper men than he had supposed.

Mr. Claxton said the temporary accommodation housing Canadian troops in Europe would have to be replaced by new accommodation. That was a fact, not a policy.

To Do Everything To Help Nuns Held In Red China: Ottawa, December 3 (CP) -- The Prime Minister, Mr. St. Laurent promised the House of Commons today that everything will be done to help the Canadian nuns imprisoned in Red China without bringing more harm to them or other Canadians being detained.

He told Gordon Graydon (PC--Peel) that the Government has no official information about the trial December 1 of five nuns on charges of maltreating Chinese children. Two of the nuns were sentenced to five years' imprisonment and three were expelled.

"It is possible," he added, "that it may be difficult to secure any accurate and reliable information about the so-called trials."

He suggested the expulsion order "may be perhaps the happy denouement, and it would be unfortunate if anything we said or did brought about, as has happened in the past, revocation of the order of expulsion, or the placing of difficulties in the quitting of the country."

Meantime, the Government hopes within the next few days to have more definite information from the British authorities at Hong Kong about the whereabouts of the nuns ordered expelled and those sentenced to imprisonment. It was presumed those leaving China would go through Hong Kong.

P.C. Non-Confidence Motion Defeated: Ottawa, December 3 (CP) -- By a vote of 103 to 39, the Commons today rejected a Progressive Conservative non-confidence motion urging the Government to take "adequate" steps to combat inflation and deal effectively with the high cost of living.

C.C.F. and Social Credit members voted with the Progressive Conservatives.

It was the third non-confidence motion downed in the lengthy Throne Speech debate which began with the opening of this fall session October 9 and has been going twice weekly since.

Previously, the Chamber voted 160 to 19 against a C.C.F. demand for price controls and subsidies and 145 to 55 against a Social Credit motion criticizing the Government for alleged "failure" to compensate needy war veterans for the high living costs.

A surprise non-confidence motion calling for financial assistance to distressed Prairie farmers was introduced tonight by Hazen Argue, (C.C.F.--Assiniboia). It asked the Chamber to express regret that the Government had "failed" to provide for an immediate payment to wheat producers of 75 per cent of the initial price on farm-stored grain.

Mr. H.A. Scott Ambassador To Cuba: (Press Release No. 63, December 3) -- The Department of External Affairs announced on December 3 the appointment of Mr. H.A. Scott as Canadian Ambassador to Cuba to succeed Dr. E.H. Coleman who was recently appointed Canadian Ambassador to Brazil. Mr. Scott is expected to take up his new duties about the end of the year. Mr. Scott has been Consul-General for Canada in San Francisco since June, 1948.

Newsprint Shortage Lessens: Montreal, December 4 (Gazette) -- A reduction this year in the world's over-all newsprint shortage is reported in the annual survey of the Newsprint Association of Canada.

A slightly smaller shortage is predicted for 1952, and in both years apparent shortages are less than three per cent of total estimated demand, the report said.

C.F.A. Opposes Price Maintenance: Ottawa, December 3 (CP) -- The 400,000-member Canadian Federation of Agriculture said today that resale price maintenance is the "foster mother of combines" and should be abolished.

The Federation, in a 10,000-word brief filed with the Parliamentary Committee considering government legislation against price maintenance, said that more than half of all supplies purchased by the farmer are affected by this system of "private price fixing."

Across Canada: Allan A. Lamport, 46-year-old insurance broker, defeated Mayor E. McCallum, seeking a fourth term of office in Monday's municipal election in Toronto....Production at the giant Ford of Canada plant at Windsor stopped Monday after the noon walkout of 6,700 factory employees which union leaders described as "spontaneous."....The Canadian Marconi Company of Montreal has recommended to the House of Commons Radio Committee that a permanent six-man joint operating committee be established to bring about closer liaison between the CBC and private radio stations.



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Wednesday, December 5, 1951.

Seaway Authority Legislation Launched: Ottawa, December 4 (CP) -- The Canadian Government started its St. Lawrence Seaway legislation through Parliament today and was told by the Progressive Conservative Party that construction of the huge navigation-power project is long overdue.

The Minister of Transport, Mr. Chevrier, launched the measure for a Canadian agency to build the navigation phase of the project without the participation of the U.S. Government, declaring the development is important for Canada's economy and urgent for national defence.

Mr. George Drew, PC leader, applauded the step, but was critical of delay and what he termed a lack of vigour on Canada's part in seeking early U.S. action.

Mr. Drew spoke after the Minister had told the House of Commons that Canada intends going ahead alone with an all-Canadian waterway in view of long U.S. delay on a joint scheme.

Canada would prefer to have the U.S. join in the construction, Mr. Chevrier told the House, and he made it clear the U.S. will still be welcomed into the project if Congress acts "at an early date" on a 1941 treaty between the two Governments.

"We believe not merely that it can pay its way, but that the benefits to both Canada and the United States will far outweigh its original cost," he declared to an applauding Chamber in the Government's major seaway speech to the House in the last 10 years.

While the Canadian Government now was saying it was ready to proceed on its own, Mr. Drew said, he could find nothing to indicate that it had taken "nearly as vigorous steps as it should have taken to seek U.S. action at the earliest possible date."

The question should be pressed "with the utmost vigour."

Mr. Drew said the time had come for Canada to say to the U.S. Government that it should recognize the extent to which that country depends on Canada for raw materials.

He was not suggesting Canada should not pool her resources with the U.S. and other Allies. But it was his view that Canadian iron ores should be shipped out of this country in the form of steel, rather than ore, to a greater extent than now.

Mr. St. Laurent Hopes Generation To Be Spared Another World War: Ottawa, December 4 (CP) -- Mr. St. Laurent told the Canadian people tonight he is one of those who still dare to hope that this generation will be spared the scourge of another world war.

Recalling that he had made the same observation in 1948, he said he also still believes that if Canada and the other North Atlantic nations muster the necessary strength to defend the right they will not have to use it in another world war.

The combined strength of the North Atlantic alliance has been growing steadily "and we are certainly better off today than we were three years ago," he said in an address over the CBC network.

But, in building up that strength, there was a duty for every one. It was not something to be left "to the other fellow."

"We need a steady flow of young men for the highest service of all-- whether it be on the battlefields of Korea, on the ramparts of freedom in Europe, or in our own northland.

"But we cannot all serve in the armed forces. Those of us who remain in civil life have a responsibility to lend all the support we can to the armed forces who are serving for our safety."

Canadians would have to provide and pay for their effort to prevent war by "doing without some of the things we would like to have." The Government had never pretended that Canada could have a "painless" defence effort.

"We know many Canadians are having a hard time to make ends meet, and we are honestly doing our best to help.

"But we are not going to promise to remove burdens no Government could take away, unless this country stopped doing its share to prevent another war."

Diplomatic Privileges Discussed: Ottawa, December 4 (CP) -- The privileges granted diplomats in Canada were questioned by some members of Parliament today.

Gordon Graydon (PC--Peel) suggested before the House of Commons External Affairs Committee that certain tax exemptions for the diplomats are an invasion of provincial rights.

Jean T. Richard (L--Ottawa East) said the Committee should examine the immunities granted legations and diplomats in Ottawa.

Mr. Graydon questioned whether taxation privileges granted diplomats were not an interference with provincial rights in view of the fact that taxation of land and property belonged to the Provinces.

An External Affairs legal adviser, said that in international law the constituent units of a federal state did not exist. The Canadian Government was responsible for the country as a whole in dealing with diplomats.

May Have 600,000,000 Bushels Of Wheat For Export: Ottawa, December 4 (CP) -- Canada with an export quota of 233,000,000 bushels of wheat under the International Wheat Agreement, actually may have as much as 600,000,000 bushels for export or carry-over at the end of the current crop year.

In an official report presented to the 10th annual Federal-Provincial Agricultural Conference, the Agriculture Department today said, however, that the world demand for wheat is strong and Canada may have no difficulty in disposing of a large part of her near-record crop.

Nevertheless, the Department expects that Canada will enter the new crop year, beginning next August 1, with a carry-over "well above" the 186,000,000 bushels held by Canada at the beginning of the current crop year.

The forecast is based on the estimate that Canada will have a 562,000,000-bushel crop this year, of which 531,000,000 bushels will come from the Prairies. Approximately 70 per cent of the Prairie crop is expected to be millable.

Across Canada: A Quebec Lands and Forests Department official said preliminary estimates of the 1951 cut indicate it may exceed Quebec's record 1948 figure of 7,491,000 cords of wood cut for consumption by the Province's newsprint mills, which produce more than half Canada's total output.... The Radio Committee of the House of Commons approved a bill authorizing an annual parliamentary grant of \$6,250,000 to the publicly owned CBC for five years.... Ontario, Quebec and British Columbia delegates to the sixth federal-provincial tourist conference in Ottawa questioned the kind of publicity the Canadian tourist industry has been getting.... The Government plans to have Canada's criminal code condensed next year, the Minister of Justice, Mr. Garson told the House of Commons.... Fred McGregor, former Combines Investigation Commissioner, told a parliamentary committee yesterday that he believes abolition of retail price-fixing will reduce prices to the consumer.



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Thursday, December 6, 1951.

Canada's Population Announced At 13,893,208: Ottawa, December 5 (CP) -- Canada's population is more than 100,000 short of the 14,000,000 mark, the Bureau of Statistics disclosed today in a preliminary report on the 1951 census.

Making its first compilation of total population five months after the census was taken, the Bureau estimated total population at 13,893,208--2,386,553 higher than the 11,506,655 in 1941.

All Provinces made gains with the exception of Saskatchewan which dropped 66,817 to 829,175 from 895,992.

Biggest provincial gain in numbers was made by Ontario which increased 774,699 to 4,562,354 from 3,787,655.

The Northwest Territories made the smallest increase, expanding by 2,988 to 15,016 from 12,028.

The 1951 population by provinces with 1941 figures in brackets:

Prince Edward Island, 97,787 (95,047); Nova Scotia, 638,277 (577,962); New Brunswick, 512,186 (457,401); Quebec, 4,010,235 (3,331,882); Manitoba, 771,815 (729,744); Alberta, 936,556 (796,169); British Columbia, 1,153,059 (817,861); Yukon, 8,986 (4,914).

Newfoundland's population was placed at 357,762. The Bureau had no comparative figures for 1941, but noted that a census taken by the Newfoundland Government in 1945, placed the island's population at 321,819 -- giving Newfoundland an increase of 35,943 in the 1945-51 period.

Fifth Contingent Of 27th Brigade To Sail December 8: Ottawa, December 6 (CP) --

The fifth shipload of troops of Canada's 27th Brigade moving to Germany to serve under General Eisenhower, will sail from Halifax December 8 aboard the troopship Fairsea.

A final draft will sail a week later and will complete the movement of the Brigade to the Hanover area of Germany as part of the western European defence forces.

Army headquarters said yesterday the December 8 contingent will include more than 1,200 men of the Royal Canadian Dragoons, a detachment of the 1st Canadian Rifle Battalion, two rifle companies of the 1st Canadian Highland Battalion and smaller detachments of Ambulance, Dental, Engineers and Medical Corps men.

Retail Price-Fixing Ban Discussed: Ottawa, December 5 (CP) -- Opposition Members, supported by a lone Government adherent, today urged the Parliamentary Committee on resale price maintenance to slow down consideration of Government legislation to ban retail price-fixing.

They introduced four motions aimed at slowing the proceedings of the Committee, which has decided to bring the hearing of witnesses to an end tomorrow, and then consider recommendations on the proposed legislation.

All four motions were defeated.

Later, the Committee heard a brief from the Canadian Jewellers Association which supported resale price maintenance as "a basic right of the individual manufacturer."

Alberta-U.S. Reciprocal Gas Plan Proposed: Calgary, December 6 (CP) -- A reciprocal exchange of natural gas between Alberta and the United States was proposed here yesterday by R.R. Herring of Houston, Texas, Vice-President of Prairie Pipelines Ltd. He spoke before the Alberta Petroleum and Natural Gas Conservation Board which is hearing six applications for permits to export Alberta gas.

Under the proposal 200,000,000 cubic feet of gas a day from Southern Alberta would be exported to the Pacific Northwest and in exchange 250,000,000 cubic feet of gas a day from the Texas area would be delivered at Windsor, Ont., for distribution in Ontario and Quebec.

Mr. And Mrs. St. Laurent Honoured By Parliamentarians: Ottawa, December 5 (CP) --

The Prime Minister and Mrs. St. Laurent were honoured tonight at a complimentary dinner tendered by Liberal Parliamentarians on the 10th anniversary of the Prime Minister's entry to the Government.

Senators and Members of Parliament and their wives joined in the "party" in the Parliamentary restaurant and gave the Prime Minister a painting of a Quebec winter scene by Frederick Simpson Coburn, Quebec artist.

Earlier, at the House of Commons opening, Opposition party leaders paid tribute to Mr. St. Laurent.

Mr. George Drew, Progressive Conservative leader, said all members of the Chamber respect the Prime Minister for his public service.

Each member shared the hope that men who had attained success in their own particular fields would be as willing to serve the public as Mr. St. Laurent. He had given up "the comfortable security of his home and the assured income of a leader of the bar" to serve his country.

Across Canada: Notice of a resolution appeared on yesterday's House of Commons

order paper indicating the Government's intention of boosting the number of members of the Board of the National Gallery of Canada. Present number of Board members is five. The report of the Massey Commission on Arts, Letters and Sciences suggested that this number be increased to nine....

A two-day immigrant movement through Montreal, involving 3,293 persons, began on December 6 when four C.N.R. boat trains reached Montreal with 1,930 passengers from Halifax.... Trans-Canada Air Lines announced yesterday it will begin one-way and return on season tourist service on the North

Atlantic route beginning May 1. Off season rates will be announced later....

More than 1,000 Ottawa football fans attended a testimonial dinner December 5 at which tribute was paid the capital's 1951 Grey Cup-winning Rough Riders....

Dr. Orville E. Ault, Director of Personnel Selection, Civil Service Commission, has been posted to the Imperial Defence College at London.... The National

Executive of the Canadian Federation of Mayors and Municipalities meeting in Montreal voted to ask the Department of National Defence to arrange a tour of defence installations during which the Mayors would be able to see demonstrations of the armed forces in action with their best and latest equipment.

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OTTAWA - CANADA

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Vol. 2, No. 236

Friday, December 7, 1951.

Maritime Members Debate Seaway: Ottawa, December 6 (Globe and Mail) -- Prospect of any violent opposition to the St. Lawrence seaway from the Maritime group in the Commons appeared to be melting today as the House resumed debate on the resolution of the Minister of Transport to set up a St. Lawrence Seaway Authority.

It did bring, however, a demand from the Opposition for a government assurance that the seaway would be self-supporting. This was really in the form of a challenge from George Nowlan (PC, Annapolis-Kings).

The Liberal spokesman of the day from the Maritimes, John Dickey, senior member for Halifax, announced his support and contended by urging that in the creation of an outside agency Parliament should not throw over its responsibility to see that a project of this kind was not carried out in a manner that discriminated against any particular section of the country.

Gen. McNaughton On the St. Lawrence Seaway: Toronto, December 7 (Globe and Mail) -- The St. Lawrence project for navigation and power, neither in its physical dimensions nor in its financial implications, is the colossal, stupendous undertaking that some people have set out to picture, Gen. A.G.L. McNaughton told the Empire Club of Canada yesterday.

The Chairman of the Canadian section, International Joint Commission, stressed the vital need of immediate development of the St. Lawrence for both power and navigation. It is this Commission which deals with problems arising from boundary waters.

"The total cost for navigation and power to be incurred over a period of five or six years does not amount to half as much as some of the larger corporations are individually accustomed to spending in a single year," Gen. McNaughton said.

As matters now stand, not more than perhaps a third of the power potentially available from the falling waters on the St. Lawrence, including the Canadian section, was being used, he continued.

"Some of these developments we can make ourselves at our own convenience, but in most cases international considerations are involved," Gen. McNaughton said. "In respect to navigation and in respect also to power there are projects of immense importance which need to be freed from the existing international inhibitions so that they can be undertaken at the earliest practicable date."

No solution for any major question arising in the use of boundary waters was possible except by agreement which respected the rights and interests of neighbours, the speaker declared.

8,434,963 U.S. Cigaretts Seized In 8 Months: Ottawa, December 6 (CP) -- The RCMP has increased patrols at border points in an effort to reduce smuggling of American cigarettes into Canada, the Minister of National Revenue, Dr. McCann said today.

He was replying to John Diefenbaker (PC, Lake Centre) who also asked if a reduction in the taxes on cigarettes is contemplated.

Dr. McCann said the taxes were a matter for the Finance Department.

In a return tabled in the Commons, Dr. McCann said that 8,434,963 American cigarettes were seized between April 1 and November 30. Prosecutions totalled 306 with 301 convictions.

No Change In Kurt Meyer Status: Ottawa, December 6 (CP) -- Ralph Campney, Parliamentary Assistant to the Minister of National Defence, said in the House of Commons today that Kurt Meyer's life sentence has not been changed.

"His sentence remains exclusively within the control of the Canadian Government and has been in no way changed," Mr. Campney said.

His statement was made following demands from opposition members in recent days for a government declaration on its policy towards the former German general, convicted of responsibility for the shooting of Canadian war prisoners. Meyer recently was transferred from the Dorchester, N.B., penitentiary to a British-controlled prison at Werl, Germany, and since was given a week's compassionate leave to visit his family.

Aid For Relatives Of Canadians Of Chinese Origin: Ottawa, December 6 (CP) --

The Minister of Citizenship and Immigration, Mr. Harris, said today the Government is doing all it can to help Canadians of Chinese origin to bring their relatives out of Red China, and is prepared to expand facilities for them, if necessary.

He told Arthur Laing (L--Vancouver South) in the House of Commons that his Department is doing everything it can to expedite the processing of relatives through Hong Kong. The Department's staff there has been increased.

Mr. Laing asked what is being done "in the light of the blackmail being faced by Canadians of Chinese origin, and the conditions of terror imposed on their families in China."

Mr. Harris reviewed the easing of restrictions on Chinese immigration in recent years, and reported that it has climbed to 2,500 this year from seven in 1946.

U.W.O. Develops Mechanical Heart: London, Ontario, December 6 (CP) -- A new

type of mechanical heart which puts oxygen back into the blood and may prove valuable in heart illness and surgery, has been built at the University of Western Ontario Medical School.

The school said the artificial heart, which also performs some functions of the human lung, was developed in three years' work by Dr. Russell A. Waud, head of the Department of Pharmacology.

Across Canada: The House of Commons yesterday paid tribute to A.C. Casselman, chief whip of the Progressive Conservative Party, on the occasion of the 30th anniversary of his election. Congratulations were also extended to two other members first elected to the Commons 30 years ago. They were Joseph H. Harris (PC, Danforth) and W.J. Ward (L. Dauphin)....The federal Transport Department plans to discontinue April 1 next the house-to-house sale of licenses for radios....The Minister of Trade and Commerce, Mr. Howe, said that he intends to recommend to the Cabinet that Prairie farmers be given advances on farm-stored grain and financial assistance on un-threshed grain, beginning some time in January....Toronto Board of Education decided yesterday to make a new request to the federal Government for financial help in providing classes in English and citizenship for new Canadians....A representative of the Ontario Retail Hardware Association contended today that resale price maintenance serves to control competition which is "careless of the social interests of others."....The budget of Quebec Province for next fiscal year, ending March 31, 1953, calls for an expenditure under all headings of \$260,848,244. The figure was \$92,283,181 eight years before....Maritimes and Newfoundland organizations, protesting the freight rate increases sought by the railways, told the Board of Transport Commissioners some rates should be lowered instead....The frigate Swansea yesterday became the first Canadian warship ever to visit the capital of the United States....As in previous years, members of the army, navy and air force will be granted special leave either at Christmas or New Year's, Defence Headquarters announced yesterday.



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Vol. 2, No. 237

Monday, December 10, 1951.

Seaway Authority To Impose Shipping Tolls: Ottawa, December 7 (CP) -- Canada's St. Lawrence Seaway Authority will have power to impose tolls on both domestic and foreign ships using the seaway, but no rate has yet been proposed.

This was made known today as legislation providing for establishment of the Crown agency to construct and administer the seaway was given first reading in the House of Commons.

The Seaway Authority will consist of three men appointed by the federal Government.

The Authority will have power to establish tolls to be charged with respect to:

1. Vessels entering, passing through, or leaving a canal under its administration.
2. Goods or cargo landed, shipped, trans-shipped or stored in a canal or on canal lands under its administration.
3. Use of any wharf, building, plant, property or facilities under its administration.
4. Any service performed by the Authority.

In the event that agreement is reached with the United States on a joint construction, the Authority will have power only to charge such tolls as it is directed to charge by the Canadian Government.

Complaints against the tolls or tariffs fixed by the Authority may be filed with the Board of Transport Commissioners. The Transport Board will consider the complaint and make a decision.

While not fixing the tolls to be charged, the legislation states they must be "fair and reasonable and designed to provide a revenue sufficient to defray the cost to the Authority of its operations in carrying out the purposes for which it is incorporated."

Mr. Chevrier said the St. Lawrence waterway will bring development of a new type of combined iron ore-grain carrying ship, two of which already are under construction in Quebec yards.

He gave no other details, except to say the ship would be designed to carry iron ore on the westbound journey through the waterway and grain on the eastbound journey.

The Minister said whether Canadian or American ships carried the majority of iron ore would be up to the mine owners in Labrador. He believed they would try to get Canadian ships if they could. And there would be more Canadian ships available by the time the seaway was completed.

Parliament Commences Prorogation Drive: Ottawa, December 10 (CP) -- The House of Commons will commence its prorogation drive this week with sittings in the mornings and on Wednesday and Friday evenings.

The Government gave notice of the new hours on Saturday's order paper.

Beginning Wednesday, December 12, the House will meet three times a day, from 11 a.m. to 1 p.m., from 2.30 to 6.15 p.m., and from 8 to 10 p.m., each week day except Friday. On Friday the hours will be the same except that the lunch intermission will be a half-hour shorter, from 1 to 2 p.m.

The Minister of Justice, Mr. Garson, is scheduled to introduce controversial legislation to make resale price maintenance illegal.

Most thoughts are on an adjournment about December 15, which gives Parliament just about one week to debate the price maintenance legislation and other important bills, including one to guarantee loans to western farmers with grain still on their farms and on their fields.

Among other important measures before the House is the one to set up the St. Lawrence Seaway Authority which comes up for second reading--approval in principle--this week.

Aid For Prairie Farmers: Ottawa, December 9 (CP) -- The Government is planning to help Prairie farmers get special bank loans by putting up \$5,000,000 as a guarantee against losses.

The proposal is aimed specifically at Prairie farmers facing financial handicaps because they have been unable to market wheat and coarse grains crops as the result of bad weather or lack of transportation.

The emergency move -- which likely will cover the current crop year, only--was initiated by the Minister of Trade and Commerce, Mr. Howe, Saturday when he gave notice of a motion on the Commons' order paper of Government legislation to create the guarantee.

Secret Scientific Conference: Ottawa, December 7 (CP) -- Top military scientists from Britain, the United States and various parts of Canada, will gather in Ottawa for a three-day meeting starting Monday.

The meeting will be the third scientific symposium sponsored by Canada's Defence Research Board headed by Dr. O.M. Solandt. The meetings provide a medium for younger scientists to present papers on secret investigations to senior Canadian scientists associated with the work of the Board.

Defence Headquarters, announcing the meeting today, said papers will be presented "in the major fields of chemistry, physics, medicine, physiology and operational research." They will cover research activities of the scientific establishments operated by the Board and "are concerned with the applications of science to military and defence problems."

High-ranking scientists from Britain and the U.S. will be on hand to discuss mutual problems and exchange ideas.

Last Of 27th Off For Germany: Quebec, December 7 (CP) -- The last of Canada's 27th Brigade to leave for Hanover, Germany, entrained today at Valcartier Camp for Halifax, where they will board the Fairsea.

The Fairsea, making its second voyage carrying Canadian troops to Rotterdam, will sail at noon Saturday.

The contingent of 700 men moved from Valcartier in two special trains.

Army HQ Prohibits Souvenir Taking: Ottawa, December 7 (CP) -- Army Headquarters today issued strict orders prohibiting the "appropriation" of most types of captured enemy material including just about everything from works of art to planes and jeeps. The order applies to Canadian troops serving in operational theatres such as Korea or Germany.

Army spokesmen said the order results not from any intensive "souvenir hunting" on the part of Canada's troops abroad, but rather to bring Canadian regulations in line with United States orders in Korea. The U.S. regulations forbid home-bound GIs or other Allied troops taking any souvenirs with them except those legitimately purchased.

The new Canadian Army order specifically forbids retention or shipment home of war trophies, firearms, explosives, radio or radar equipment, inflammable or combustible material, motor vehicles, airplanes, surgical or dental instruments or machine tools.

Canadian soldiers also are forbidden to retain or send home "works of art and sciences which were the property of municipalities or of institutions dedicated to religion, charity, education or the arts and sciences."

Across Canada: C.E. L'Ami of St. James, Man., has been named winner of the \$7,500 Westminster Award for fiction, 1951, for his historical novel, "The Green Madonna", the Canadian Press reports from New York. Mr. L'Ami, a native of Ireland, has worked on newspapers in Western Canada and now is a lecturer in journalism at the University of Manitoba....Sales and sales financing of new motor vehicles dropped again during October--the sixth consecutive decline from last year's levels. Cut to about one-half of what they were a year ago, sales of new passenger cars dropped to 13,540 from 26,262 in October, 1950.... With more than 6,000 copies sold, the report of the Massey Royal Commission on national development in the arts, letters and sciences continues to hold its "best seller" position among government publications.



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Tuesday, December 11, 1951.

Canada Offers NATO \$65,000,000 More Arms Aid: Ottawa, December 10 (CP) -- Canada has offered to the North Atlantic Treaty mutual military-aid programme, another \$65,000,000 worth of arms and ammunition besides the \$200,000,000 worth of equipment already sent to Europe.

Mr. C.M. Drury, Deputy Minister of Defence, disclosed this today to the House of Commons' Special Committee on Defence Expenditure in tabling detailed information about Canada's forces and military commitments.

The equipment promised NATO includes \$36,562,482 worth of "armament and ammunition for March, 1952, release." Mr. Drury said the standing group of NATO had been advised the equipment was available, but gave no indication what NATO countries might get it.

Canada already has equipped a division for each of The Netherlands, Belgium and Italy and sent smaller allotments to Luxembourg and other countries. It all comes from existing stocks.

The Deputy Minister's return showed also that Canada has committed a further \$24,784,000 worth of equipment to be diverted from new production some-time in the future.

The documents were tabled following testimony by Mr. M.W. Mackenzie, Deputy Minister of Defence Production. He said Canada has decided to purchase two British Comet jet transports at a cost of \$3,500,000 mainly because Canada's jetliner is not yet fully developed.

Development of the jetliner was being virtually halted -- but not abandoned -- to allow Avro (Canada) Limited to concentrate on fighter production. He said the \$8,000,000 already spent on the jetliner had helped to establish jet research in Canada.

Expects Budgetary Surplus Of About \$200,000,000: Ottawa, December 10 (CP) -- The Minister of Finance, Mr. Abbott, said today he has no intention of recommending any tax changes until he brings down his new budget next spring.

He told the House of Commons he thinks it "undesirable that tax changes should be made more often than once a year."

At the same time, he indicated that he now expects to reap a budgetary surplus this year in the vicinity of \$200,000,000, compared with the estimated surplus of \$30,000,000 when he brought down the budget last spring.

He mentioned no specific surplus figure, but he did say it now appears that revenues will exceed his forecast of \$3,730,000,000 by eight or nine per cent, or by \$300,000,000 to \$350,000,000 and that expenditures will exceed his forecast of \$3,700,000,000 by three or four per cent, or \$112,000,000 or \$148,000,000.

Mr. Abbott spoke in reply to a non-confidence motion by John Diefenbaker (PC -- Lake Centre) which criticized the Government for taxing the people "beyond requirements" and for not relieving them at this session "from unjust and burdensome taxation."

Mr. Diefenbaker criticized the Government's tobacco tax, increased in the last budget, as a "national scandal" which had decreased revenues in that field and led to smuggling and increased lawlessness in the country.

Heavy Penalties Proposed In Price-Fix Ban: Ottawa, December 10 (CP) -- The Minister of Justice, Mr. Garson, today introduced in the House of Commons a bill to outlaw resale price maintenance as forecast in the Speech from the Throne.

The Government is hopeful of having legislation passed before Parliament adjourns, possibly within a week. It will become effective as soon as it is given Royal assent.

The penalty for violations will be a maximum \$10,000 fine or two years in prison for an individual and a maximum fine of \$25,000 for a corporation.

Resale price maintenance is the practice whereby a manufacturer or supplier sets the price at which his goods will be sold to the general public.

The bill specifies that no dealer shall be allowed, either directly or indirectly, by agreement or any other way, to induce or require another person to resell goods:

1. At a price specified by the dealer or established by agreement.
2. At a price not less than a minimum price specified by the dealer or established by agreement.
3. At a markup or discount specified by the dealer or established by agreement.
4. At a markup not less than a minimum markup specified by the dealer or established by agreement.
5. At a discount not greater than a maximum discount specified by the dealer or established by agreement.

HMCS Cayuga Again In Action: Aboard HMCS Cayuga at a UN Naval Base in Southern Japan, December 10 (CP) -- The destroyer Cayuga, already holding a reputation for stirring up the Communists on the west coast of Korea, once again has drawn enemy fire, naval headquarters announced today.

On her most recent patrol, the Cayuga was fired on after anchoring in the channel between a friendly island and the enemy mainland. In answer, the Cayuga fired 15 two-gun salvos and a number of star-shells which kept the enemy quiet enough to allow the withdrawal of a raiding party of UN soldiers.

During her time in this area, the Cayuga anchored three times and drew Communist fire, which one ship's officer described as little better than a pyrotechnic display. None of the enemy shells came close enough to the Canadian warship to make them respect the Reds' gunnery.

P.C. Candidate Winner In West Calgary: Calgary, December 10 (CP) -- Carl O. Nickle, Progressive Conservative, retained the Calgary West federal seat for his party by a large majority today. At 11.30 p.m., with 163 of 199 polls reported, Mr. Nickle had polled 8,962 votes to 5,440 for Liberal Dr. Frank Buchanan and 4,572 for Arthur J. Dixon, Social Credit candidate.

Mr. Nickle, 37-year-old oil journalist, retained for his party the seat left vacant by Mr. A.L. Smith, who retired last summer after representing the riding since 1945.

C. Of C. Delegation Urges Thrift: Ottawa, December 10 (CP) -- A 10-man Canadian Chamber of Commerce delegation conferred with the Prime Minister, Mr. St. Laurent and the Cabinet today and in a brief urged the Government to consider "the vital necessity of thrift in its own operations."

In a 64-page policy submission -- the longest ever drawn up by the Chamber -- the Government was commended for its anti-inflationary policies, but the Chamber observed that the need for saving may have become overshadowed by higher revenues.

Across Canada: The House of Commons voted 129 to 26 yesterday to extend sittings hours in an effort to complete work this week or early next week....The Minister of Finance, Mr. Abbott, said yesterday that increasing strength of the Canadian dollar on the world market "is very gratifying." He was commenting on a New York dispatch reporting the value of the dollar as worth 98 $\frac{1}{4}$ cents in terms of U.S. currency--a jump in value of 9/16ths of a cent from Saturday....Edgar W. McInnis, 52-year-old Canadian historian, yesterday was appointed to the newly-established presidency of the Canadian Institute of International Affairs....French Canada is the only large section of the nation where a living and familiar folk lore exercises a powerful influence on composers, Sir Ernest MacMillan, conductor of the Toronto Symphony Orchestra, told a meeting of the Canadian Club in Montreal yesterday....Hon. Ray Lawson has agreed to continue for an indefinite period as Lieutenant-Governor of Ontario, the Prime Minister's office in Toronto said yesterday....Feeder plant layoffs caused by the Ford Company of Canada strike totalled approximately 500 last night with the possibility of more if the strike continues, the Canadian Press reported from Windsor, Ontario.



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Wednesday, December 12, 1951.

St. Lawrence Seaway Bill Given Second Reading: Ottawa, December 11 (CP) -- The House of Commons yesterday gave second reading (approval in principle) to the bill to create a St. Lawrence Seaway Authority.

Liberal and Opposition members urged that the seaway project be coupled with the federal development of natural resources in other parts of the country.

Members entered pleas specifically for the South Saskatchewan irrigation-power project in the West, the Passamaquoddy tidal power and St. John River power schemes in the Maritimes, the Chignecto Canal between Nova Scotia and New Brunswick and the development of hydro power in the sub-Arctic.

Stanley Knowles (CCF--Winnipeg North Centre) asked if there was a time beyond which it will no longer be possible for the U.S. to join in construction of the seaway.

Mr. Chevrier replied that there must be a time at which it no longer will be possible for the U.S. to participate, but he could not say when that time will be reached.

He said he could only point to the statement made by President Truman to Mr. St. Laurent that if the U.S. Congress does not act at an early date he (the President) will support the Canadian project as the next best thing.

Mr. Knowles then asked if the bill fixed any deadline for participation by the U.S. Mr. Chevrier replied that it does not.

Mr. Chevrier said that during the debate some members had estimated that the seaway would cost \$1,000,000,000 or \$1,500,000,000. The best information available is that the seaway will cost \$245,993,000, to be liquidated in 50 years by tolls charged shipping using the giant canal.

Mr. Chevrier said the Department has no means of operating the seaway 12 months a year, and that the navigation system will be open only for the season now possible for the existing canals.

A firm market for at least 50 per cent of the annual production of iron-ore mines in Quebec-Labrador now is assured, the Minister of Defence Production, Mr. Howe, said during clause-by-clause discussion of the bill.

Six steel companies in the U.S. have contracted to take approximately 50 per cent of the estimated annual production 20,000,000 tons of iron ore. The remaining 50 per cent will be available for sale on markets of the world and Canadian mills will probably use a good part of it.

Howard Green (PC--Vancouver-Quadra) had asked what percentage of the iron ore would go to the U.S.

Mr. Howe said it was difficult to answer because different types of steel required different types of ore. At present, ore mined in the Great Lakes area was put into a pool from which companies in Canada and the U.S. withdrew their needs.

Canada was not self-sufficient in ore. The steel mills used more than was mined here.

He said that Canadian steel mills now have underway a programme for a 33 1/3 increase in production facilities.

Estimate 83 P.C. Of Canada's Wheat Quota Committed: Ottawa, December 11 (CP) -- The world is so hungry for wheat that Canada already has committed in less than four months 83 per cent of her total annual sales quota under the International Wheat Agreement.

The Bureau of Statistics, in its monthly wheat review, said today that in the period August 1-November 27 Canada has sold 81,000,000 bushels under the multi-nation agreement, to countries other than the United Kingdom.

Britain took 26,000,000 bushels, but she has made a firm agreement to buy from Canada a total of 113,000,000 bushels during the current crop year.

"This firm commitment of 113,000,000 together with 81,000,000 bushels already reported to other countries, gives a total of 194,000,000 bushels definitely committed under the agreement up to November 27," the Bureau said.

Since Canada, in the current crop year ending next July 31, has an export quota under the agreement of 233,000,000 bushels, the Bureau estimated that 83 per cent of her annual quota has been committed in less than four months of the crop year.

CBC Television In 1952: Ottawa, December 10 (CP) -- CBC television stations in Toronto and Montreal will at best begin operations in the summer of 1952.

Mr. A.D. Dunton, CBC Chairman, said today the CBC had hoped to have the stations in operation by September last, but work was delayed by shortages of materials, particularly structural steel.

The CBC now hoped to have the stations operating by next summer, but he stressed that was only a hope. It all depends on delivery of structural steel.

Mr. Dunton made the statements as the Radio Committee of the Commons concluded public sittings for this session. The Committee will hold at least one sitting in private to consider a report to be presented to the Commons.

Unemployment Jump: Ottawa, December 11 (CP) -- Unemployment in Canada jumped by 37,400 in the first three weeks of November and is nearly 18,000 higher than the comparative period of 1950, the Department of Labour reported today.

In a review of the employment situation, the Department said job applications at National Employment offices at November 22 totalled 192,900 compared with 155,500 at November 1 and 175,200 at November 23, 1950.

More than a third of the unemployed were women.

Navy Observes Anniversary Of The King's Accession: Ottawa, December 11 (CP) -- Ships and establishments of the Royal Canadian Navy today "dressed overall," flying signal flags and masthead ensigns, and fired 21-gun salutes in honour of the anniversary of the King's accession to the Throne. Naval Headquarters said the same procedure will be carried out on December 14, the King's birthday.

Relief Expedition To Dawson: Whitehorse, Y.T., December 12 (CP) -- Plans for a relief expedition to carry Christmas food supplies to Dawson were mapped by merchants, truckers and the army.

Giant, winterized trucks were prepared for the 100-mile haul over treacherous ice and snow to Dawson, where the North's largest store was destroyed Monday by fire. Two persons died in the flames and property damage was estimated at \$150,000.

Across Canada: Mr. Pearson left London, England, last night, December 11, for Canada....The first session of the new Newfoundland Legislature will open early in the new year, Premier Joseph Smallwood said yesterday. No date was given....Howard B. Moore, Managing Director of the Federation of Automobile Associations of Canada, said yesterday in Toronto that credit restrictions have forced some Association members to close, and cut car sales by 85 per cent in some areas....Carl O. Nickle retained Calgary West for the Progressive Conservatives by a plurality of 4,308 votes, final returns showed yesterday....Captain T.D. Kelly, of the Imperial Oil Co., estimated at \$200,000 damage resulting from twin blasts that ripped through the giant tanker, Imperial Leduc at Sarnia....The Canadian Catholic Confederation of Labour reiterated its requests to the Quebec Government dating back to 1947 to end the rise in living costs through price arbitration.



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Vol. 2, No. 240

Thursday, December 13, 1951.

Seaway Bill Given Third Reading: Ottawa, December 12 (CP) -- In a historic step, the House of Commons today gave third and final reading to a bill authorizing the Canadian Government to go ahead with construction of the St. Lawrence Seaway with or without United States co-operation.

The bill, which now goes to the Senate for three readings and Royal Assent, provides for establishment of a Crown company to undertake construction of the seaway.

When the measure was adopted, the Commons quickly approved a companion bill ratifying an agreement with Ontario for the development of power on the international section of the river.

The Government has indicated that it hopes to have the navigation and power projects launched at the same time. But, said the Minister of Transport, Mr. Chevrier, the legislation gave the Government power to go ahead on the navigation project alone, undesirable as such a course of action might be.

The navigation bill will come into force on a date to be fixed by Government proclamation. Mr. Chevrier said the proclamation probably will be delayed until the Ontario Legislature ratifies the power agreement.

Rodney Adamson (PC--York West) asked if it was correct to say that "if we get no co-operation whatsoever from the United States it is our intention to go ahead with these projects."

Mr. Chevrier said he did not think he could go that far. The United States Government will have to authorize some American agency to develop the international power jointly with Ontario. The Canadian Government undertook to do all it could to press for the power development.

Mr. Adamson then asked if it would be possible to go ahead without the power project, economically suicidal as that might be.

Mr. Chevrier replied that undesirable as it might be to proceed with one project without the other the legislation did give the Government the authority to go ahead alone with the navigation works.

C.C.F. National Health Plan Rejected: Ottawa, December 12 (CP) -- The House of Commons today rejected a C.C.F. demand for a national health plan that would include free hospitalization, medical care and health insurance.

The demand was made in a non-confidence motion sponsored by Joseph Noseworthy (CCF--York South) during the closing phases of the Debate on the Address in Reply to the Speech from the Throne. The motion was defeated 189 to 11, with everyone but the C.C.F. voting against it.

(Debate on the Address was finally ended on December 12. During its course there were six motions of non-confidence launched, all being defeated by wide margins.)

Various reasons were given for the opposition to the C.C.F. motion.

Mr. George Drew, Progressive Conservative Leader, said his party has long realized the necessity for a plan of health in Canada. This was his party's stand:

"We stand in favour of a plan which, in co-operation with the Provinces, will give the people the maximum of services, and yet be a plan of freedom, where the doctors will not be civil servants, and which will allow free choice between doctor and patient.

"We have got a full realization of the deficiencies in treatment services in Canada and in our preventive services, and we stand ready to implement a plan to overcome these deficiencies, and which will raise health standards in Canada to the equal of that in any other country of the world."

Mr. Drew said it had to be remembered that health matters fall within the jurisdiction of the provinces.

Expansion Of National Art Gallery Is Sought: Ottawa, December 12 (CP) -- Legislation for expanding the National Gallery, Canada's federal art centre, was introduced in the House of Commons today by the Minister of Citizenship and Immigration, Mr. Harris.

The measure implements some recommendations of the Massey Commission on the Arts and Sciences, and Mr. Harris said its aim is to foster greater public interest in the fine and applied arts.

The Minister said it is planned to enlarge the extension service of the gallery. The industrial design section, started experimentally four years ago, would be continued. The gallery would be able to accumulate a fund for purchasing art objects.

Progressive Conservative and C.C.F. speakers spoke in approval of the legislation.

Korean, Veterans To Vote Even If Under 21: Ottawa, December 12 (CP) -- The House of Commons today gave first reading to a Government Bill making a series of technical amendments in the Dominion Elections Act and changing its name to the "Canada Elections Act".

The legislation grants to Korean veterans the right to vote in federal elections even if they are under the legal voting age of 21. This right previously was granted to under-age veterans of the Second World War.

It also provides for voting by proxy by Canadian service personnel who become prisoners of war.

R.C.M.P. Probe Chinese Blackmail: Vancouver, December 12 (CP) -- Communist China's extortion letter racket, reported to have taken \$1,000,000 from Chinese in Vancouver and Victoria, was under R.C.M.P. investigation here today.

The R.C.M.P. believe Communists among Canada's Chinese may be the guiding hands in the racket, informing Peiping racketeers of rich Chinatown residents.

The letters indicate an intimate knowledge by Oriental Chinese of the state of their victims' bank accounts in Canada.

Chinese in both Canada and the United States have been forced to provide money to save relatives and friends in China from execution.

Leaders in Vancouver's 7,000-member Chinatown blame Communist politicians in China and not the Red Government for the blackmail letters.

Some Chinese, who came to Canada less than two months ago, reported that politicians, members of the Red Farmers' Institute, direct the racket.

"These leaders get the extortion letters sent and then divide the booty," said Foon Sien, head of the Chinese Benevolent Association.

Across Canada: News from home now is reaching the 27th Canadian Infantry Brigade in Germany, and Canadian airmen in the U.K. The Army said that 1,000 words daily, compiled by the Canadian Press in Toronto, is sent overseas. It goes from Ottawa by radio teletype to the R.A.F. at Stambridge, England. It is relayed by teleprinter to airmen stationed at North Luffenham and Hanover, Germany, for the Canadian Brigade. The news is mimeographed for distribution.Premier Duplessis of Quebec said yesterday that the Quebec Government will amend its labour laws to ban employers' union....Senator John T. Haig, Progressive Conservative Leader, told the Senate yesterday it ought to adjourn next Friday until January and leave the House of Commons legislatively stranded as a protest against batches of major legislation arriving in the Senate only in the last few days of the session....A \$45,000 slash in the \$95,000 rental charged the Canadian International Trade Fair for three CNE buildings was approved by the Toronto Board of Control yesterday....Maj.-Gen. G.R. Pearkes, opposition military critic in the House of Commons, said in Germany yesterday that he is impressed with the men of the 27th Brigade and their quarters in Germany.



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Vol. 2, No. 241

Friday, December 14, 1951.

Most Defence Funds Spent On R.C.A.F., Committee Told: Ottawa, December 13 (CP) -- Canada's heaviest defence expenditures in the last two years have been for the R.C.A.F. and most of these new air weapons are still on the secret list.

The House of Commons' Defence Expenditures Committee got a document today showing that out of \$1,237,830,178 worth of defence orders placed since April, 1950, to November this year, \$788,585,635 was for Air Force equipment. Delivery has been taken on \$157,004,557 of it.

The Air Force total includes a \$545,372,261 item listed merely as "classified for security reasons." Much of it is believed to be the latest-type electronic equipment used in modern air warfare.

Other secret orders included \$26,277,973 under the heading of ammunition, of which Canada has taken \$2,215,334, and a \$14,130,154 item under the heading of artillery and naval guns, mortars and missile launchers.

Mr. M.W. Mackenzie, Deputy Minister of Defence Production, told the Committee that the \$14,130,154 item, now all delivered to Canada, included the latest-type anti-aircraft guns. But the remainder of it was secret.

Half Year's Imports Increase "Spectacular": Ottawa, December 13 (CP) -- A "spectacular upsurge" in imports was Canada's "most notable" foreign trade development in the first half of 1951, the Bureau of Statistics said today.

Total imports climbed to more than \$2,000,000,000 in the six months, an increase of about \$650,000,000 over the corresponding period last year.

"In spite of an increase in the value of exports," said the Bureau, "the increase in imports was sufficient to create a sharply adverse balance of \$339,800,000 on the half-year's trade."

It said the deficit was a direct result of trade developments with the U.S. Trade with all other countries yielded a small favourable balance.

Other developments:

1. Exports rose to \$1,762,600,000--a gain of about \$300,000,000 from \$1,448,100,000 in 1950.

2. The trend continued toward greater trade with the U.S. and declining trade with the U.K.

3. Trade with Japan climbed, placing that country as the third largest market for Canadian goods, behind the U.S. and the U.K.

4. Trade with Europe became even more concentrated on countries outside the Iron Curtain.

5. Canada, in 1950, still ranked third in world trade but dropped to fourth place as an exporter -- from her usual third-place -- outpaced by increased exports by France.

Noting the steady upward trend in imports, the Bureau said it would be difficult for exports to keep pace until sharply expanded by production capacity and this could be done only slowly.

The more immediate way to balance trade was to reduce home consumption. However, the Bureau said that rather than reduce consumption, Canada was using more goods than ever, stimulated by a high prosperity and population increase.

To Increase Trade With West Indies: Ottawa, December 13 (CP) -- The Minister of Trade and Commerce, Mr. Howe, announced in the House of Commons tonight that negotiations have been completed to expand trade with the British West Indies, starting January 1.

The scheme, subject of months of negotiation, has been approved by the United Kingdom.

Canada will be able to:

1. Broaden categories of goods which exporters have been able to ship under a 50-per-cent quota granted by the BWI on the basis of 1946-48 average imports. The list will include additional food products, leather, metals, electrical and textile goods.

2. Allow Canadian exporters to obtain an open licence -- that is, without quota restrictions--on some strategic metals, newsprint, steel, some vegetables, fish, animal feed, jute goods, kraft paper and other goods.

3. Add about 100 new items to the quota list for less essential items. The British West Indies has agreed to increase this quota, also based on 1946-48 shipments, from 33 1/3 per cent to 40 per cent.

Mr. Howe said the scheme, an extension to the Canada-BWI trade liberalization plan, is "definitely a step in the right direction."

It will help expand Canada's exports to that part of the sterling area, but Mr. Howe said he did not believe the dollar value of the increased trade will be large. Amount of the increase could not be estimated with accuracy.

5-Year Grants To CBC Upheld: Ottawa, December 13 (CP) -- The House of Commons voted 55 to 28 tonight against a Progressive Conservative attempt to have parliamentary grants to the CBC voted annually instead of for five-year periods.

The move was sponsored by Donald Fleming (PC--Toronto Eglinton) while members continued clause-by-clause study of a bill, later given third and final reading, to provide annual grants of \$6,250,000 to the public-owned CBC.

Mr. Fleming's motion would have limited the grant to one year, leaving it up to Parliament to vote the grant in successive years. He said this would permit Parliament to maintain control over the CBC.

The Minister of National Revenue, Dr. McCann, opposing the motion, said a five-year grant would enable the CBC to plan for the years ahead.

Newfoundland Minister Resigns: St. John's, Nfld., December 13 (CP) -- O.L. Vardy, Housing Administrator and Minister Without Portfolio in the Newfoundland Government, resigned today after a policy split with Premier Smallwood.

Announcing the resignation, Mr. Smallwood said the Liberal Government will not contest a by-election for the vacant seat, making it practically certain the seat will go to the Progressive Conservative opposition.

Minister Plenipotentiary Of Sweden: (Press Release No. 64, December 14) -- The Department of External Affairs announced that on December 14 Dr. Klas Erik Bök presented to his Excellency the Governor General at Government House his Letter of Credence as Envoy Extraordinary and Minister Plenipotentiary of Sweden to Canada. The Secretary of State for External Affairs, Mr. Pearson, was present.

Across Canada: First group of Danish aviators to receive training in Canada under the North Atlantic Treaty air training plan are due at London, Ontario, December 19, the Air Force said yesterday....The Minister of Justice, Mr. Garson, denied rumours circulating in parliamentary corridors that the Government is preparing to ditch its legislation to ban resale price maintenance practices....Walter Reuther, international president of the United Automobile Workers of America, said last night that he and local union officers have evolved a programme to put an end to the unauthorized (Ford) strike at Windsor, Ontario....Arguing for higher freight rates, the CPR said yesterday that "inadequate" earnings have "hamstrung" its operations. The claim was advanced as the Board of Transport Commissioners heard concluding evidence in the railways' application for a general 10-per-cent rate increase estimated to add about \$45,000,000 a year to the national freight bill....The final draft of Canada's 27th Brigade embarked at Halifax to join the NATO army in Europe.



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Monday, December 17, 1951.

Foreign Exchange Control Ended: Ottawa, December 14 (CP) -- The Canadian Government today abruptly ended 12 years of control over foreign exchange. Canada now has the same freedom of money exchange as enjoyed by only two other countries -- the United States and Switzerland.

The Minister of Finance, Mr. Abbott, made the announcement in the House of Commons as exchange markets closed at 5 p.m. EST. He said an order-in-council has been passed ending foreign exchange control and that covering legislation will be introduced in Parliament next spring.

This action means that all restrictions have been eliminated from movement of money in and out of the country. For instance, Canadians now can buy -- if they have the money -- securities on the New York market, accumulate all the funds they need for travel abroad. No more forms are necessary. There is no limit on the amount of U.S. dollars a person can keep or take out of the country.

Mr. Abbott said later at a press conference that the decision to lift exchange restrictions almost was taken on September 30, 1950, when Canada freed the dollar.

But it was decided to wait and watch developments resulting from that move. Mr. Abbott said he discussed the matter again with Mr. Graham Towers, Governor of the Bank of Canada, about six weeks ago as Mr. Towers was going to London for a visit.

It was decided to reopen the subject on his return and after Mr. Abbott had returned from the North Atlantic Treaty meeting in Paris last week.

The conclusion was reached, with Cabinet approval, to no longer rely on exchange restrictions to maintain Canada's economic well-being, but "rather on the general handling of our domestic economic situation," Mr. Abbott said.

The Foreign Exchange Control Board, which controlled capital and tourist-dollar movements, will still exist, but only on paper. Many of its 350 employees will be either shifted to other Bank of Canada jobs or dismissed.

While the Government has abolished its foreign exchange controls, it still will continue to administer its reserves, now about \$1,600,000,000 in U.S. dollars and gold.

Banks, corporations and individuals will be able to hold as much U.S. -- or any other currency -- as they choose.

But the Government, through the official reserves, will still be able to maintain a measure of economic stability to prevent wild fluctuations in the market value of the Canadian dollar.

Through a special exchange fund, officials will be able on behalf of the Finance Minister, to buy and sell American dollars, and buy Canadian dollars on the New York market, if there is heavy selling pressure forcing down the value of the dollar.

Senate Committee Would Amend Seaway Bill: Ottawa, December 14 (CP) -- The Senate's Committee on Transport today, inserted an amending clause in the St. Lawrence Seaway legislation to put more control on the powers of the President of the three-man Seaway Authority.

Senator Thomas Reid (L-British Columbia) termed the wide powers being given the President as "dictatorship." He moved that rather than invest all authority in the President without reference to the other two members of the three-man body, that the President's powers be subject to by-laws to be passed by all three.

With that single change the Committee endorsed the measure setting up the Authority to construct and administer the navigation end of the project. It also approved without change another bill approving an agreement with Ontario for development of power on the international section of the St. Lawrence River.

W.J. Matthews, counsel for the Transport Department, said the President was purposely being given a free hand so he could "get things done."

He promised to bring the Committee's amendment to the attention of the Minister of Transport, Mr. Chevrier, along with another question about the possibility of dealing with competitive foreign shipping through tolls to be charged on shipping using the seaway.

In regard to tolls, Mr. Matthews warned that "we should be careful not to do anything to arouse the Americans." It was Canada's hope that the U.S. would still decide on joint construction of the seaway, though the legislation was based on the presumption Canada would proceed alone.

The Committee sent the bills back to the Senate where the amendment will be considered.

Loan Support For Prairie Grain Farmers: Ottawa, December 14 (CP) -- The Minister of Trade and Commerce, Mr. Howe, proposed in the House of Commons tonight that the federal Government underwrite special loans to Prairie grain farmers, granting a 25-per-cent guarantee on loans to be limited to \$1,000 to any one farmer.

The Government's guarantee will cover any loans made by banks to farmers with grain still on their farms and fields during the current crop year.

It is a move designed to aid those farmers who have been hit financially by the transportation and storage crisis which hampered movement of Western grain to market, and also those whose harvesting has been delayed by bad weather.

Mr. Howe's statement on the Government's guarantee was made in introducing a resolution to set aside \$5,000,000 to cover any losses by the Government which may result from the guarantees to the banks.

Mr. Claxton To Visit Troops In Korea: Ottawa, December 16 (CP) -- The Minister of National Defence, Mr. Claxton, in a message broadcast to Canada's forces in Korea, told them tonight they are writing "a new chapter in Canadian history."

"While you are fighting for peace, any fighting is still fighting; and being in Korea is no picnic, as I will no doubt find out for myself when I visit you in a few weeks' time," the Minister said.

Mr. Claxton is to fly to Korea two days after Christmas to inspect the Canadian forces.

His message was broadcast over the trans-Canada network of the CBC on the first anniversary of the landing in Korea of the 2nd Battalion of the Princess Patricia's Canadian Light Infantry.

Across Canada: The Parliamentary session is expected to be brought to a conclusion this week....A membership meeting of the Street Railwaymen's Union (A.F.L.-T.L.C.) today rejected a conciliation board report on the Union's wage dispute with the Toronto Transportation Commission. The members also voted to empower the union's executive board to call for a strike vote when it deemed one necessary....Air Force Headquarters at Ottawa yesterday that airmen stationed in the U.K. have been urged not to arrange for their families to join them until suitable housing has been located....The federal Government on December 14 announced salary and pay increases, retroactive to December 1, for members of the armed forces, the Civil Service and the R.C.M.P. Ranging from about four to 14 per cent, the increases go to approximately 164,000 persons in those three branches of Government service and add roughly \$40,000,000 a year to the existing Government payroll of about \$515,000,000....Ways of easing the impact of freight-rate increases on long-distance shippers -- such as those of the Prairies and the Maritimes -- are being studied by the Board of Transport Commissioners, its head said on December 14.

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Tuesday, December 18, 1951.

Seaway, Power Bills Pass Senate: Ottawa, December 18 (CP) -- The Senate yesterday gave final approval to the Government's St. Lawrence Seaway legislation, including an amendment made by its Transport Committee.

Senator Wishart Robertson, government leader, said the Government concurred in the amendment which provides more control over the powers of the President of the St. Lawrence Seaway Authority to be set up to construct and administer the navigation end of the project.

It provides that the powers of the President shall be set out in bylaws which will be subject to the approval of the Government. Previously the measure gave the President wide statutory authority.

Also endorsed was the companion bill approving an agreement between the federal Government and Ontario by which the Province will undertake power development along the international rapids section of the St. Lawrence in conjunction with an appropriate United States authority, presumably New York State.

Both bills are based on the assumption that Canada will proceed alone with the seaway project, but leave the door open for U.S. participation. They need only royal assent to become law.

Anti-Price Fixing Legislation Introduced: Ottawa, December 18 (CP) -- The Government today urged the Commons to approve legislation outlawing resale price maintenance, but the Progressive Conservative Party sought to kill the measure on the grounds that it would destroy small business.

The Minister of Justice, Mr. Garson, opening debate on second reading of the bill, made a 15,000-word speech in which he said that price maintenance forces the poorer class of consumer to pay higher prices than under free-price competition. His speech initiated what may become one of the hottest debates of the session.

Mr. E.D. Fulton (P.C.--Kamloops) introduced a motion that the legislation be given a six-month hoist -- parliamentary procedure to kill the legislation.

Mr. Fulton charged that the Government is not giving the little business man a fair chance, that it was trying to destroy him with legislation that favored "big business".

Consumers, said Mr. Garson, are looking for justice on the issue from Parliament and the Canadian Government. The public was largely unorganized and unprotected and they were asking questions why the Government, which does not control prices itself, allows "private control" of prices by manufacturers.

October Trade Deficit With U.S. \$27,400,000: Ottawa, December 17 (CP) -- Canada's foreign trade is undergoing tremendous expansion, but the big problem of countering the deficit in trade with the United States still remains.

Her adverse balance in trade with the U.S. during October totalled \$27,400,000 -- bringing the 10-month deficit for 1951 to \$457,200,000 -- the highest since the dollar problem days of 1947 -- a Bureau of Statistics report showed today.

Unlike 1950, when Canada experienced the rarity of three monthly favorable balances in her U.S. trading account, 1951, so far, has produced only deficits -- one month after another.

The main factor is a sharp increase in imports. Canada's purchases from the U.S. during October totalled \$238,300,000, pushing the 10-month total to a record \$2,385,200,000 -- higher than even the 12-month total of

\$2,130,500,000 for 1950.

Sales or exports to the U.S. were estimated at \$210,800,000, with the 10-month total at \$1,928,000,000, slightly below the total of \$2,050,600,000 for the whole of last year.

However, Britain's heavier demand for essential goods came to the aid of Canada's export picture, helping to whittle down the U.S. deficit by about \$150,000,000.

Despite Britain's shortage of dollars, Canada's traditional favorable balance with the U.K. was maintained.

The surplus in trade with the U.K. totalled \$31,500,000 in October -- the highest since October, 1949 -- bringing the 10-month total to \$143,700,000, more than double the \$68,300,000 balance for 1950.

Navy Chief's Press Conference: Ottawa, December 17 (CP) -- Major role of the R.C.N. under the North Atlantic Treaty Organization is anti-submarine warfare, Vice-Admiral E.R. Mainguy said today.

The Admiral, who this month took over command of the R.C.N. and who two years ago wrote the "Mainguy Report" on the Navy's internal problems, said at a conference in the Parliamentary Press Gallery that he, as Chief of the Naval Staff, is "against" any R.C.N. activity or development which does not have to do with anti-submarine work or the defence of harbors.

At today's conference, he said Canada's naval role had been discussed at NATO conferences, and it was generally considered that Canada's main responsibility is anti-submarine work.

He also said that the Navy, now about 12,000 strong, plans to expand to about 21,000, and that the pace will be geared with the production of 14 anti-submarine escort vessels, first of which was launched recently near Montreal.

Approve Agricultural Products Board: Ottawa, December 18 (CP) -- Continuance in 1952 of government floor prices for eggs and bacon was announced to the House of Commons yesterday by the Minister of Agriculture, Mr. Gardiner.

He said the Government will continue to buy any eggs offered at the year-end at 38 cents a dozen for grade "A" delivered in Montreal and bacon Wilshire sides at \$32.50 a hundredweight.

Mr. Gardiner made his announcement as the Chamber considered legislation, later adopted, to establish an Agricultural Products Board to handle government bulk purchasing of farm products.

U.S. Travel Dollar Harder To Attract: Ottawa, December 17 (CP) -- D. Leo Dolan, director of the Canadian Travel Bureau, said today competition for the U.S. travel dollar is at its toughest point in history.

Addressing a luncheon meeting of the Editors and Public Relations Group of the Professional Institute, Mr. Dolan said, "The travel industry still ranks third as a source of U.S. dollars but every year Canada has to work harder to attract them."

Across Canada: More than 700 immigrants from Europe will spend Christmas in Government immigration quarters at Quebec, it was announced yesterday by immigration authorities. A Christmas tree has been set up in the main hall of the immigration building and presents will be opened by children of immigrant families Sunday.... Supreme Court of Canada yesterday ordered a new trial in the \$100,000 slander and libel action launched against Premier Douglas of Saskatchewan by Walter Tucker, the Province's Liberal leader. By unanimous decision it dismissed the appeal of Mr. Douglas and upheld the ruling of the Saskatchewan Court of Appeal which had ordered a new trial.... Canada's production of feed grains for livestock is expected to reach a near-record total of 20,300,000 tons in the current crop year, but there still are shortages in some areas....



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Wednesday, December 19, 1951.

Seaway Bill Now Needs Only Royal Assent: Ottawa, December 19 (CP) -- The legislative way was cleared yesterday for Canadian construction of a St. Lawrence seaway power and navigation development which will open great lakes ports to ocean shipping. The Senate received a report from the House of Commons that it had concurred in a single amendment made by the Upper Chamber to the navigation measure. This placed more control on the powers of the President of the three-man seaway authority to be set up to construct and administer the seaway.

Already endorsed by both Houses is a companion measure ratifying an agreement with Ontario by which the Province will undertake, presumably with New York State, power development on the International Rapids section of the St. Lawrence River.

Both measures leave the door open for United States participation should the U.S. Congress reverse its long failure to act. Both the power and navigation measures now need only Royal assent to become law. This will be given before Parliament adjourns. Both will come into force by proclamation of the Government.

Debate Anti-Price-Fixing Legislation: Ottawa, December 18 (CP) -- An angry debate swirled today around the Government's anti-price fixing legislation. It threatened to carry this lingering session of Parliament into Christmas weekend and perhaps beyond. As party lines were drawn around the controversial bill, Mr. Drew warned, with a possible hint of a filibuster, that his Progressive Conservative forces are prepared to carry on their campaign against it "for a long time."

Sharp words were traded across the floor of the Chamber as debate continued on second reading of the bill, which would prohibit manufacturers from setting the prices at which retailers must sell their merchandise.

James Sinclair (L--Coast-Capilano), Chairman of a parliamentary committee which studied the legislation, charged that the Progressive Conservatives were indulging in "obstruction" and were the "historic friends of privilege, monopoly and reaction."

Transport Board Reserves Judgment On Rates: Ottawa, December 18 (CP) -- The \$44,-500,000-a-year application of the Canadian railways for a new freight-rate increase was taken under consideration today by the Board of Transport Commissioners. The Board reserved decision on the 10-per-cent rate-boost request after more than three weeks of battling between the railways and eight Provinces -- all except Ontario and Quebec -- who fought the proposed increase.

The railways closed out their case for the higher rates late today, urging on the five-man board that they had made out a case for a temporary five-per-cent increase immediately and for another five per cent later in more permanent fashion. The provincial governments argued that the railways had not proved any need for higher rates at this time. The new rates were asked by the railways on the grounds of higher expenses for wages -- resulting from the 1951 general strike settlement -- increased costs of materials and the impact of the "defence surcharge" of 20 per cent on corporation taxes included in the last federal budget.

Commuters Subject To U.S. Draft: Windsor, Ontario, December 18 (CP) -- Two-hundred of 1,400 Windsor residents who work in Detroit tomorrow will become subject to United States draft regulations, J.M. McCaffrey, President of the Windsor Commuters' Association said today. He said that a U.S. selective service order making "draft-age" aliens working in the U.S. subject to induction into the U.S. Armed Forces had been passed June 19. A six-month period of grace granted by the directive expires tomorrow.

Provincial Lotteries For Quebec: Quebec, December 18 (Montreal Gazette) -- Premier Duplessis today renewed his request for an amendment of the Criminal Code which would permit provincial lotteries in Quebec for the aid of education and lotteries. Mr. Duplessis made his remarks during consideration of the Quebec City legislation before the Private Bills Committee of the Legislature.

He said "millions of dollars" spent outside the Province on sweepstakes tickets and other games of chance would stay in Quebec and be available for social welfare enterprises.

Eight Canadian Priests Reported Under Detention: Hong Kong, December 18 (Reuters) -- Eight Canadian Roman Catholic priests and one brother have been placed under house arrest by the Chinese Communists in Suchow, in Northern Kiangsu Province. They are members of the Canadian mission there operated by the Jesuits with headquarters in Montreal.

Across Canada: Toronto's street car and bus operators, seeking a wage increase, decide today whether to strike to back up their demands. An affirmative vote would paralyze public transportation in Canada's second largest city at the height of the Christmas shopping season....The Controller of Civil Aviation has ruled that fare-paying passengers must not occupy seats in the operating compartment of a civil transport plane....One of Calgary's most brilliant and colorful figures, Arthur LeRoy Smith, K.C., former Member of Parliament for Calgary West, died in hospital on December 17....Police in Montreal yesterday gave their legal adviser the last of 597 summonses issued against stores who defied a holy day municipal by-law more than a week ago....Snowstorms and blizzards swept Canada from the Maritimes to the Rockies yesterday....Another draft of 80 officers and men of the 2nd Battalion of the Princess Patricia's Canadian Light Infantry is expected to arrive at Seattle, Wash., by ship from Korea and will be flown home in time for Christmas by the RCAF....Wheat pools in Alberta, Saskatchewan and Manitoba handled a record 256,000,000 bushels of grain in the 1950-51 crop year, an official announcement said yesterday.

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Thursday, December 20, 1951.

Mr. Pearson Before Senate External Affairs Committee: Ottawa, December 20 (CP) --

The Secretary of State for External Affairs, Mr. Pearson, said yesterday the Western World has more to gain than to lose by admission of Greece and Turkey to the North Atlantic Treaty Organization, despite the threatening attitude of Russia.

He told the Senate's External Relations Committee the move would be a step toward peace rather than war. It would protect NATO's southern flank at a place where aggression could spark a third world war whether Greece and Turkey were allied or not.

Russia, he said, had threatened Turkey that she would consider Turkish membership a "provocative act." But he did not believe that the Kremlin, despite that threat, would do anything as a result that Russia would not do otherwise.

In an hour-long discussion, the Minister ranged over a wide field of international topics and urged Senate endorsement of the protocol signed by the 12 NATO member countries for admission of Greece and Turkey, a decision taken at NATO's Ottawa meeting last September.

When Parliament approved the protocol he said, it was not planned to wait to see how "other countries" were getting along with the necessary parliamentary approval. Canada did not "want to get too far ahead," but neither did she want to hold things up.

Meeting shortly after the Committee broke up, the Senate unanimously endorsed the protocol which, when approved by the legislatures of all member states, will allow an invitation to Greece and Turkey to come into NATO as full members.

Senator John T. Haig, Progressive Conservative leader, Senator Leon Gouin (L-Quebec), Chairman of the Committee, and others had high praise for Mr. Pearson's work in the international field in the last year.

In his committee appearance, Mr. Pearson made these other points:

1. Canada hopes for the emergence of a "European community"—he said he liked that phrase because it was indefinite—and an "Atlantic Community" and possible eventual merging of the two.

2. No question had arisen about Yugoslavia's entry into NATO. If she were attacked, she undoubtedly would appeal to the United Nations.

3. There were many who believed that admission of Spain to NATO would produce political problems which would outweigh any military advantages.

4. The "burden-sharing problem"—what each country would contribute—was still one of NATO's biggest problems. There was no use having 40 divisions of armed strength if it meant economic ruin of which the Communists would take advantage.

5. The time was coming when NATO would "have to do more" than simply discuss Germany. German formations in the European army would bring the Republic into association with NATO if and when such an army was integrated with NATO.

"We have tried," said Mr. Pearson, "to provide the foundation in NATO for something more than a military alliance." A NATO committee now was studying how far things could go along the lines of an "Atlantic community." But whether an organization of that kind could emerge "without giving up a good deal of national sovereignty" he could not say.

The NATO countries had given up some national sovereignty, but purely for defensive purposes.

Mr. Woodward On St. Lawrence Seaway: Ottawa, December 20 (CP) -- Stanley Woodward, United States Ambassador, said yesterday he hopes Parliament's action in authorizing the Canadian Government to build the St. Lawrence seaway will stimulate action by the U.S. Congress on a joint project.

Mr. Woodward issued a press release as he left for Washington to report to the White House and the State Department on the passage of seaway legislation at the current session of Parliament.

The legislation empowers the Government to build, without U.S. aid, the navigation section of the project and authorizes Ontario to join with the appropriate U.S. authority in developing power in the river's international rapids section.

Mr. Woodward expressed pleasure at the passage of the two measures and added: "Canada is going ahead while leaving the door open for us." "I still think the joint (Canada-U.S.) project is the best one, but the most important consideration is an early start," he said.

Anti-Price Fixing Debate: Ottawa, December 19, (CP) -- Mr. George Drew, Progressive Conservative leader, charged today that the Government was trying to distract attention from its lack of action against the high cost of living by pushing through legislation to prohibit resale price maintenance.

The Prime Minister, Mr. St. Laurent and his supporters had admitted, said Mr. Drew, that the legislation would have little effect on the cost of living. He suggested that if the Government really wanted to tackle the cost-of-living problem it would reduce taxes, cut expenditures and remove some credit restrictions.

Mr. Drew spoke as debate on the bill to prohibit the fixing of retail prices by manufacturers and suppliers was carried through its third day mainly by Progressive Conservative and Liberal members.

With no end of the debate in sight, the Prime Minister, Mr. St. Laurent, served notice that unless the work of the session is completed by adjournment hour Friday, members will be asked to return December 27 to handle the remaining business.

Army Identification Not Good As Passport: Ottawa, December 19, (CP) -- The Minister of National Defence, Mr. Claxton, revising a statement he made yesterday, said today identification certificates issued to members of the Canadian 27th Brigade are not accepted as passports when the men go on leave in various countries of Europe.

In his earlier statement, Mr. Claxton had said he understood the certificates were accepted.

The certificates are accepted by European countries when the men move in formation or on duty, but "so far we have not succeeded in making arrangement for them to accept the identification cards when they are on leave.

"We are continuing to make efforts to secure that acceptance. They have agreed in principle but have not put it into effect."

Across Canada: Bona Arsenault (L-Bonaventure) said yesterday he plans to introduce at the next session of Parliament a bill to change the name of Dominion Day-- July 1--to Confederation Day....Lt.-Col. Jacques Dextraze, who has led the Royal 22nd Regiment through its long bitter battles in Korea, is scheduled to arrive in Vancouver by plane on December 20, from Tokyo....Storms whipped the east coast yesterday, mountainous waves flooding a village on Newfoundland's west coast and endangering shipping. No loss of life was reported....The Prime Minister is to open a new \$750,000 armory at Sault Ste Marie on January 19.



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Vol. 2, 246

Friday, December 21, 1951.

November Exports Set New Record: Ottawa, December 20, (CP) — Canada exported more goods in November than in any previous month in history, chalking up the biggest monthly trade surplus in almost two years.

A preliminary Bureau of Statistics statement today estimated November exports at a record \$384,400,000, nosing out the previous high of \$378,600,000 last July.

This peak in exports, outpacing imports which dropped to \$326,600,000 — one of the lowest monthly totals for the year — gave Canada a \$57,800,000 surplus in her November trade — the biggest since the \$74,900,000 favorable balance in December, 1949..

It chopped the country's foreign-trade deficit from \$292,300,000 for the 10 months to \$234,500,000 for the 11 months. The Trade Department previously had predicted that the 12-month deficit may be about \$250,000,000.

The record-making month included a peak in exports to the United States. Shipments totalled \$212,800,000, slightly higher than the previous high of \$211,400,000 last May.

Imports from the U.S. declined to \$226,300,000 — the third lowest monthly total for 1951 — but higher than the \$214,800,000 in November last year.

Nevertheless, the higher exports sliced the traditional deficit in U.S. trade to \$13,500,000 for the month — lowest for the year — and only a fraction of the 1951 monthly peak of \$92,300,000 last April.

A surplus in trade with all countries helped to counter the impact of the U.S. deficit, which, for the 11-month period rose to \$470,700,000 — about six times the 12-month deficit of \$80,000,000 last year

Shipments to the United Kingdom increased to \$59,100,000 from \$38,800,000 in November, 1950, but purchases from the U.K. declined to \$33,300,000 from \$40,200,000.

This gave Canada a favorable balance of \$25,800,000 — slightly higher than the surpluses in the first part of the year, but below the peak monthly surplus of \$31,500,000 in October.

The November surplus boosted the 11-month favorable balance to \$169,500,000 — double the 12-month total of \$68,300,000 for 1950. In 1949 Canada had a surplus of \$401,800,000.

November trade with other Commonwealth countries also was favorable. Exports climbed to \$24,000,000 from \$15,400,000 last year. Imports dropped to \$17,800,000 from \$29,900,000 — resulting in a \$6,200,000 surplus.

Total exports to all other countries climbed to \$88,500,000 from \$47,200,000 in November, last year, and imports increased to \$49,200,000 from \$43,000,000, with the balance of \$39,300,000 in Canada's favor.

May Invoke Closure In Commons: Ottawa, December 20, (CP) — The House of Commons tonight completed a day of complex manoeuvrings that brought Government legislation to a full stop temporarily, and choked off an attempt at non-stop sittings with an embattled House rushing towards Christmas.

Facing a government threat to apply the throttle of "closure" to debate on anti-price-fixing legislation, the Progressive Conservative group opposing the legislation switched its fight for the day to what developed into a hot issue over House hours.

At the end of morning, afternoon and night sessions, the Commons was still debating the last of a series of Progressive Conservative amendments to a CCF Social Credit motion for round-the-clock sittings. Liberals had sided

with the two smaller opposition groups in defeating Progressive Conservative amendments, and evidently were backing the non-stop proposal.

By the night's adjournment at the regular time of 10 p.m., the Progressive Conservatives -- by the device of putting up speaker after speaker on three amendments -- had managed to stave off a vote on the non-stop-hours proposal, which likely would have carried in a vote.

The result was that the Government's remaining legislative program in the dying days of the session -- highlighted by the price-fix bill -- made no progress during the day. Its second reading debate had touched off opposition among the Progressive Conservatives.

Their protest today, at the proposal for unlimited sittings and the Government threat of closure on the principal of the price-fixing bill to go into effect Thursday, December 27, if House business is not cleared tomorrow, was that the Government was trying to push the measure through without enough debate.

Composers' Group Asks Fee Increase: Ottawa, December 20, (CP) -- The Composers, Authors and Publishers Association of Canada today asked the Copyright Appeal Board for permission to increase fees charged the CBC and private radio stations for use of music and other works in its repertoire.

H.E. Manning of Toronto, counsel for CAPAC, at the outset of a presentation which he will continue tomorrow, said the Association needs additional revenue to meet higher living and operating costs. Part of the fees collected by CAPAC are paid to authors of the music or other works.

At present, the radio fees are based on the number of radio receiving sets in Canada. The charge is 14 cents a licensed set, with the CBC paying seven cents and the private stations as a group paying seven.

For 1952, CAPAC proposes that the fees be based on population and on the commercial revenue of radio stations. The private stations would pay 4-5ths of a cent per capita of population and 2½ per cent of their commercial revenue. The CBC would pay one cent per capita and 2½ per cent of commercial revenue.

Rebates of nine per cent would be provided for stations providing CAPAC with logs of their programs.

The Canadian Association of Broadcasters, whose membership includes most of the privately-owned stations in Canada, will oppose CAPAC's request when Mr. Manning completes his presentation.

27th In Camps By Christmas: Ottawa, December 21, (CP) -- Canada's 6,000-man 27th Brigade will be settled in camps in the Hanover area of Germany before Christmas, the army estimated yesterday.

The final, 700-man detachment of the brigade, which sailed from Halifax December 14, now is at sea aboard the transport Columbia and is due in Rotterdam today or Saturday. It will entrain immediately for Hanover.

The second-last detachment, a 1,200-man force of infantry, transport and medical units, left Halifax December 8 aboard the transport Fairsea and arrived at Rotterdam December 16. It has since dispersed to camps in the Hanover district.

Canadians In Europe To Join German Yules: Hamburg, December 20, (CP) -- At least one out of every five Canadian soldiers in Germany will spend Christmas with a German family as a result of a German-Canadian friendship campaign.

Eleven hundred of the 5,000 Canadian soldiers of the 27th Infantry Brigade stationed in the British Zone of Germany under NATO Command have been invited to German homes for holiday dinners, a Canadian spokesman said today.

Meanwhile, several hundred German children are having a swell time at the Christmas parties given by many Canadian units.

Dominion Drama Festival: Ottawa, December 21, (CP) -- Pierre Lefevre, actor-manager of the Young Vic Touring Company, will arrive here January 6 and confer for several days with Richard MacDonald, secretary-treasurer of the Dominion Drama Festival, before going to Vancouver to start his tour as adjudicator for the festival, it was announced yesterday. The festival, will start at Vancouver January 16 and conclude at Corner Brook, Newfoundland, March 20-22.



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Wednesday, December 26, 1951.

House Resumes On December 27 Prices Legislation Debate: Ottawa, December 21 (CP) --

A reluctant House of Commons, stalled in efforts to get an early decision on the Government's prices legislation, decided on December 21 to take a brief Christmas holiday and come back to work Thursday, December 27.

The adjournment became effective at the customary 10 p.m. rising hour. As the House rose over the holiday with a good-natured flurry of greetings after acrimony of the previous few days, the suggestion was heard that the late-year session might stretch to New Year's.

The Minister of Public Works, Mr. Fournier, Government floor leader, wished the Commons a "Merry Christmas" as it adjourned.

Mr. George Drew, reciprocating, wondered what plans the Government had made for sitting on New Year's Day.

Mr. Drew hinted his party would be prepared to drop its filibuster against the bill if the Government was prepared to drop the legislation.

Mr. Fournier assured him that the first item of business when the Commons meets again Thursday, December 27, is Bill 36 -- the anti-price-fixing legislation.

Prime Minister St. Laurent said he could "make it quite clear that there is not, nor is there likely to be, any intention of the Government not to proceed with this bill before Parliament prorogues."

Revenue Jump Due Mainly to Income Tax: Ottawa, December 21 (CP) --

Corporation and personal-income-tax collections jumped in November, boosting the Government's budgetary surplus by \$30,000,000 for the month and bringing the eight-month total for the 1951-52 fiscal year to \$634,700,000, a monthly treasury statement disclosed today.

The eight-month surplus was 21 times higher than the \$30,000,000 forecast by the Minister of Finance, in his budget speech last spring for the fiscal year ending March 31 next. Recently, Mr. Abbott, noting the sharp increase in the surplus, revised his forecast and said it may be about \$250,000,000 or \$300,000,000.

During November, revenues totalled \$308,100,000, an increase of more than \$50,000,000 from the \$251,900,000 in November, last year, and bringing total revenues for the eight-month period to \$2,468,000,000 -- a \$681,000,000-gain from \$1,787,000,000 in the first eight months of the last fiscal year.

Government spending during the month increased to \$278,000,000, sharply higher than the \$209,200,000 in November, 1950, pushing the eight-month total to \$1,833,251,000 -- a half-billion-dollar increase over the \$1,381,036,000 in the corresponding period last year.

Most of the increase in spending was stimulated by an expanded rearmament effort.

The big boost in revenues, said the treasury statement, was mainly due to higher corporation and personal-income-tax collections

Corporation-income-tax collections climbed to \$94,297,000 from \$76,204,000 in November last year, boosting the eight-month total to \$707,071,000 from \$447,778,000.

"This increase was due to higher corporate earnings in 1950 and 1951 and to the increased rates of taxation imposed in the September, 1950, and April, 1951, budgets," the treasury statement said.

Personal-income-tax collections increased to \$70,000,000 for the month, from \$40,500,000 in November, 1950, boosting the eight-month collections to \$632,000,000 up more than \$200,000,000 from \$415,000,000 in the corresponding period last year.

Excise taxes also were higher, climbing to \$74,128,600 from \$66,850,000 for the month and \$575,789,000 from \$394,115,000 for the eight months.

Cardinal Spellman Greeted Canadians In Korea: With The Canadians In Korea, December 25, (CP) -- Francis Cardinal Spellman had an enthusiastic greeting Monday for Brig. J.M. Rockingham at the Commonwealth Division airstrip, where nearly 100 Canadians were among 400 Commonwealth soldiers to meet the churchman.

The Roman Catholic Archbishop of New York told the Canadian commander: "I am delighted to meet you. Everywhere I've been between New York and Korea I've been told the most wonderful things about Canadians. In the United States, in Japan and in Korea it seems that no one can talk too much about Canadians."

Troops Give Christmas Party For German Children: Hanover, Germany, December 23 (CP) -- More than 100 German youngsters -- orphans and children of needy families -- were guests Saturday at a Christmas party given by non-commissioned officers of the 1st Highland Battalion of the 27th Canadian Infantry Brigade.

The party for the German children came in the midst of the brigade's preparations for a home-style Christmas. The brigade is part of the Western World's contribution to defence of Europe against possible Soviet aggression.

Brigade pipers welcomed the happy faced children, aged between three and nine. The youngsters were served a lunch of turkey, cocoa, cake, candy, fruits and ice cream.

About 50 sergeants and warrant officers adopted the children for the afternoon. It was the first of a series of kids' parties to be given in the next few days by Canadian troops.

Seek \$300,000 More Fees From Radio Stations: Ottawa, December 21 (CP) -- Canadian radio stations would be asked to pay almost \$300,000 more in copyright fees next year under a proposal outlined today to the Copyright Appeal Board.

H.E. Manning of Toronto, counsel for the Composers, Authors and Publishers Association of Canada, outlined the plan as the three-man appeal board continued hearings on copyright fees proposed for 1952. The board is headed by Mr. Justice J.T. Thorson, president of the Exchequer Court.

Mr. Manning said it was proposed to charge radio stations \$602,420 in 1952, compared with \$304,802 this year, for use of works in the repertoire of CAPAC. However, if the stations took advantage of a discount, they would pay \$548,160.

The increase sought by CAPAC is opposed by the Canadian Association of Broadcasters, whose membership includes most of the privately-owned stations in Canada. The CBC has indicated that it will not offer any major objection to the proposed increase.

Across Canada: Most of Canada's political leaders and members of the Cabinet spent Christmas in Ottawa. The Prime Minister and Mrs. St. Laurent spent the holiday in Quebec....Post Office spokesmen said this year's Christmas mail appeared to be the biggest volume ever. Regular staffs of about 46,000 were augmented by 27,000 temporary helpers....The R.C.A.F. has made available a North Star plane to return 16 members of Parliament from the West to the resumed session of Parliament on Thursday.

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Thursday, December 27, 1951.

Italy Released From Military Limitations: Ottawa, December 26 (CP) -- Canada has released Italy from certain obligations under the Italian Peace Treaty, including military limitations, because they are "not consistent with Italy's position" as a democratic freedom-loving nation.

The External Affairs Department disclosed this tonight in releasing the text of a note delivered to the Italian Ambassador here. The note was in reply to an approach by the Italian Government on the subject of interpretation of the preamble and political and military articles of the Treaty, signed by 20 nations at Paris in February, 1947.

The Governments of the United States, Britain, France and some other treaty signatories have taken similar action to ease the obligations of the four-year-old Treaty now that Italy has cemented her lot with the West by becoming a member of the North Atlantic Treaty Organization.

Canada's note said this country agrees that the spirit of the preamble of the Italian Treaty "no longer exists, and has been replaced by the spirit of the United Nations charter." The preamble cited Italy as joining in a Fascist war of aggression and being partly responsible for it.

It agreed also that political clauses of the Treaty "are superfluous." These imposed on Italy the obligation to maintain certain human rights and fundamental freedoms within the country, but these rights have since been written into the Italian Constitution.

The Canadian note said "the Government of Canada agrees that the military clauses of the Treaty are not consistent with Italy's position as an equal member of the democratic and freedom-loving family of nations, and hereby releases Italy from its obligation to Canada under articles 46 to 70 and annexes relevant thereto."

Parliament Reassembles: Ottawa, December 26 (CP) -- Parliament, after a brief five-day holiday, goes to work again tomorrow (December 27) in an extraordinary post-Christmas sitting.

In recess since Friday, the House of Commons and Senate are convening to resume consideration of the controversial anti-price-fixing bill that got bogged down in the lower chamber during the late stages of the fall session.

A few other items of business are on the order paper -- at least one of them contentious -- but the main debate was expected to centre about the Progressive Conservatives' continuing attempt to have the prices bill put over until the regular 1952 session.

There has been no indication of how long the sitting will go on, though an expected thin attendance may tend to cut down the length of the debate. Membership from outside Quebec and Ontario may be thin. Only 17 Western members took up an R.C.A.F. offer to be airlifted in by a North Star plane today.

A further damper on extended debate will be a Government threat to apply closure -- a shutdown of discussion -- if the prices debate strings out much longer.

The Prime Minister told the House Thursday he was planning closure in the resumed sitting. He had not given the necessary notice by the time the Commons arose, but the shadow of the drastic move still hung over the House.

Mr. Gordon On Canada's Progress: Montreal, December 27 (Gazette) -- Donald Gordon, Chairman and President of Canadian National Railways, in a statement yesterday

reviewing 1951, said nearly every facet of Canada's economy showed a marked and continuous expansion.

There was a "healthy increase" in population, Canada's status as a primary food producer among countries of the world was undiminished, and "our growth in industrial strength has brought us recognition appropriate to a senior member of the world community,"

The growth and development achieved in 1951 are "the continuation of a trend" which began with the onset of the Second World War.

"At the same time that new and important secondary industries have been taking form and thriving in our healthy economic climate, new discoveries of natural wealth have been simultaneously broadening our horizons.

"Improved technologies have given greater scope to the initiative and enterprise of development-minded Canadians, and resulted in the opening up of areas whose significance has been known for some time, but whose resources were not previously regarded as economically available.

"The international situation has played a part in the stimulation of industrial development in this country, giving impetus to the establishment of new resources of strategic materials and influencing the trend of industrial growth."

Mr. Gordon said the C.N.R. intimately associated with these 1951 activities. From Newfoundland to British Columbia the Company's engineers and development officers were active working in close liaison with both government and industry. The combined planning "indicates that more than \$600,000,000 will be spent in the immediate future on industrial plant and development along our lines."

C.F.A. Urges Passage of Prices Bill: Ottawa, December 26 (CP) -- The Canadian Federation of Agriculture today addressed a letter to members of Parliament urging immediate passage of the Government's legislation to outlaw the system of resale price maintenance.

Taking action on the eve of the re-opening of Parliament to consider the controversial bill which would stop manufacturers setting retail prices on their goods, the Federation said it would "be of great value to all Canadian consumers as well as to every farm family in Canada."

The letter, signed by C.F.A. President H.H. Hannam and sent to every member of the House of Commons, said elimination of price fixing is being given attention in advanced democratic countries, including the United States and Britain. The proposed bill, if enacted, would "put Canada in the forefront of democratic peoples in efforts to eliminate special privileges to private firms and corporations."

Across Canada: Income of Canadian farmers was up 25 per cent in the first nine months of this year compared with the corresponding period of 1950. The Bureau of Statistics reported that farmers got an estimated \$1,864,900,000 from sale of farm products and from grain adjustment and participation payments on previous years' crops during the period. This compared with \$1,487,600,000 in the first nine months of last year.... Jean Lesage Parliamentary Assistant to the Secretary of State for External Affairs, Mr. Pearson, said in an interview he will leave January 2 to join Canada's delegation at the United Nations General Assembly in Paris.... Some 25 families have been forced from their Greater Montreal homes as flood waters of Rivieres des Prairies continues to rise from two to four inches per hour.... A three-year-old tradition was maintained as the towns of Tecumseh, Ontario, and Tecumseh, Michigan, exchanged Christmas greetings.

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Friday, December 28, 1951.

Mr. Howe's Year - End Economic Review: Ottawa, December 27 (CP) -- The Minister of Trade and Commerce, Mr. Howe, declared today that 1951, a year in which a record total of \$4,600,000,000 was poured into expansion of the Canadian economy, was "a good year" for Canadian business. He forecast it will be as good in 1952.

In a 3,000-word annual review of Canadian economic development, the Minister noted:

1. Capital investment -- one of the keys to Canadian prosperity -- jumped \$800,000,000 from the previous high of \$3,800,000,000 in 1950.

2. Inflation, one of the big threats to the economy at the beginning of the year, slackened in the last half. As Government anti-inflationary action took hold, prices advanced less rapidly towards the end of the year. Panic buying disappeared.

3. The threat of communism and unprovoked aggression in Korea had been met. A "solidarity of opinion and of will power" was marshalled through the North Atlantic Organization "to supply a positive answer to the communist challenge". Rearmament was undertaken on a large scale. A start was made on the Colombo Plan to raise living standards in South and Southeast Asia.

"The events of 1951", he said, "justify an increasing optimism, not only for our future here in Canada but for the future of the countries of the free world with which we are associated."

In the year's expansion of the economy, the major preoccupation was with rearmament, "a complicated and protracted business", resulting in rising prices and in shortages of raw materials. But, on the other hand, "some slackness appeared in our economy in the last half of 1951. Sales of some consumer goods declined and unemployment occurred in certain localities, but these are specific, not general difficulties."

Canada undertook a three-year, \$3,500,000,000 defence - production program and distributed \$1,326,000,000 worth of defence orders in the first seven months of the year. But the Canadian program was small compared to that in the United States and a large part of the equipment had to be imported from the U.S. There were delays in production, but these were gradually being overcome.

In the field of resources development, some of the projects were of "heroic proportions", helping to supply the Western World's defence needs. In the last five years, estimated Mr. Howe, \$2,500,000,000 was spent in Canada on expansion of natural resources, "most of this in fields essential to the defence of the free world".

The St. Lawrence seaway and power project loomed large in Canadian economic thinking. "We cannot afford much longer to be without this project", said Mr. Howe. "We need the power. We need the seaway for the transportation of our bulk commodities. Without these our economic growth would be hindered."

The increase in arms buying from the U.S., and the high demand for U.S. consumer and capital goods in Canada, resulted in a deficit in Canada's foreign trade, but it should not be assumed, said Mr. Howe, that the deficit resulted from any "basic weakness" in Canada's foreign trade structure.

Anti-Price-Fixing Bill Debate: Ottawa, December 27 (CP) -- The House of Commons voted 137 to 26 tonight against the third Progressive Conservative attempt to defeat the Government's anti-price-fixing bill.

The motion, introduced a short time earlier by Mr. George Drew, urged that the subject matter of the legislation be tested before the Supreme Court of Canada to determine constitutionality. Liberals, C.C.F. and Social Credit members voted against it. J. L. Gibson (Ind. -- Comox-Alberni) sided with the Progressive Conservatives.

Mr. Drew suggested the Supreme Court might feel that the subject matter of the bill is beyond the jurisdiction of Parliament and rightly could be enacted only by the provinces.

The Minister of Justice, Mr. Garson, assured him that the law officers of the Crown had had "no doubt whatever" about the right of Parliament to enact the legislation. The Justice Minister said that question had been considered as a matter of "routine", as in the case of all legislation which a Government introduces.

Mr. Drew suggested the subject matter of the bill is similar to the Dominion Trade and Industries Commission Act of 1935, which later was declared outside the jurisdiction of Parliament by the Supreme Court. That question should be considered since limits had been placed on the ability of Parliament to declare that any action was a criminal act.

Earlier, the Chamber cleared two other progress-blocking motions out of the path of the bill.

Mr. Claxton and Mr. Lapointe Fly to Korea: Edmonton, December 27 (CP) --

The Minister of National Defence, Mr. Claxton, and the Minister of Veterans Affairs, Mr. Lapointe, made a two-hour stop in Edmonton late today on their way to Korea.

The Ministers, making their first visit to Canadian troops on the Korean front, landed at Edmonton airport an hour and 20 minutes late after bucking strong headwinds on the flight from Ottawa.

They were accompanied by Dr. O. M. Solandt, Chairman of the Defence Research Board, and a number of senior officers. At Edmonton, Ralph O. Campney, Parliamentary Assistant to the Defence Minister, joined the party.

The R.C.A.F. plane left Edmonton airport at 7:41 p.m. MST (9:41 p.m. EST) for the eight-hour flight to Anchorage, Alaska. On this hop the plane, a C5, is expected to buck 40-knot winds.

Troops Receive Christmas Hospitality in Germany: Hanover, Germany, December 27 (AP) -- Nine hundred Canadian soldiers who spent Christmas with German families agreed today that their visit helped create friendship between their countries.

"It was a marvellous idea", said Brigade Maj. D. Gillen of Ottawa. "This Christmas has done an awful lot towards German-Canadian understanding".

The Christmas invitations resulted from a Canadian program of making friends with the Germans among whom they are stationed while reinforcing Western defences in Europe. A group of German volunteers organized the issuing of invitations and the dispersal of Canadian soldiers among German families. Everywhere, the soldiers reported, they were received with friendly hospitality, and fed sumptuous dinners. Most received Christmas gifts from their hosts.

Across Canada: A direct, all-Canadian air service between Canada and New Zealand will be inaugurated by Canadian Pacific Airlines, on December 28, G. W. G. McConachie, company president, announced in Vancouver. The new service will be an expansion of the existing fortnightly schedule from Vancouver to Sydney, Australia, via Honolulu and Fiji.... Canada now has one motor car for every seven persons, the Bureau of Statistics has reported George L. Roberts, President of the Ontario Secondary School Teachers' Federation criticized progressive trends in education, particularly in Toronto. He, attacked what he termed education for juvenility in his presidential speech to the 32nd annual assembly of the federation in Toronto Many of Canada's dollar-a-year men who were called to Ottawa to help blueprint the rearmament programme have now returned to their civilian jobs, the Canadian Press reported.

