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WEEK'S EVENTS IN REVIEW

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. The texts follow:

To the Prime Minister of the Netherlands:

"I take great pleasure in extending to you and to the Dutch people the most cordial greetings of the Government and the people of Canada on the occasion of the transfer of sovereignty to the Republic of the United States of Indonesia.

"I trust that the Netherlands-Indonesian Union thus established between the Netherlands and the Republic of the United States of Indonesia will contribute to peace and stability throughout the world.

"I have just informed Prime Minister Hatta that the Canadian Government has extended full recognition to the Republic of the United States of Indonesia."

To the Prime Minister of the Republic of the United States of Indonesia:

"Upon the proclamation of the independence of the Republic of the United States of Indonesia, I take great pleasure in extending to you and your people the cordial greetings and good wishes of the Government and people of Canada. The transfer of sovereignty which has just taken place constitutes a tribute to your statesmanship and that of your colleagues. We also welcome your voluntary association with the people of the Netherlands in the new Netherlands-Indonesian Union.

"I hope that Indonesia will enter upon an era of peace and prosperity that will contribute to the wellbeing and stability of all nations in the Pacific. I feel confident that by collaborating in the establishment of peace throughout the world, both your country and mine will be brought together in ever closer friendship for their mutual benefit.

"This message may be regarded as giving full recognition by the Government of Canada to the Republic of the United States of Indonesia."

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.

Preliminary figures for November, 1949, showed 20 strikes and lockouts in existence, involving 8,904 workers, with a time loss of 135,526 man-working days, as compared with 19 in October, 1949, with 16,008 workers involved and a time loss of 69,479 man-working days. In November, 1948, there were 21 strikes involving 3,452 workers with a time loss of 17,000 days.

MR. MAYHEW LEAVES FOR INDIA: The Minister of Fisheries, Mr. Mayhew, left on December 23 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 Conferences, 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.

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 in Ottawa. 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.

"COLONIAL" TALKS POSTPONED: 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 hearings 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.

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.

Born in Vernon, B.C., D.W. Jackson received his B.A. degree from the University of Western Ontario. During the war he served in the R.C.N.

and the R.N., attaining the rank of Lieutenant Commander. He served in the intelligence branch of the R.C.M.P., 1932-41, and since joining the Trade Commissioner Service in 1945, has been stationed in Paris, Frankfurt, and Washington.

C.J. Van Tighem was born in Strathmore, Alta., and received his B. Com. degree from the University of Manitoba. During the war, he served in the R.C.N.V.R., commanding a Fairmile in the Western Atlantic. Joining the Trade Commissioner Service in 1945, he was posted to Lima, Peru as assistant Commercial Secretary, and in 1947 was promoted to Commercial Secretary in the same office.

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.

Wheat production in Europe is now estimated at 1,465,000,000 bushels compared with the pre-war average of 1,595,000,000 bushels. The reduction is attributed to smaller acreage, with yields for the continent apparently near the pre-war level. Unusually favourable conditions over some areas resulted in record or near-record yields. In the Netherlands, Belgium, Denmark and the United Kingdom yields were generally higher than those experienced for many years. Drought in Spain and Portugal has been responsible for below-average yields but even so outturns were considerably better than anticipated on the basis of earlier reports. In the Balkan countries yields are also believed to be below average.

Wheat production in Africa is placed at about 156,000,000 bushels, which is somewhat above average as well as larger than the 1948 crop. In South America where the harvest is just getting under way, growing conditions have generally been favourable for grain. Indications are that a wheat outturn of 275,000,000 bushels is likely. Conditions in the

Argentine wheat areas point to above-average yields from a considerably below-average acreage. Production in Australia is estimated to be about the same as in 1948 when an above-average crop was harvested.

CANADIAN WHEAT SUPPLIES: Canadian wheat available for export and carry-over during the current crop year amounted to 319,100,000 bushels, based on the November 1 estimate by the Bureau of Statistics. This compares with 330,300,000 on the corresponding date last year.

Exports of wheat and wheat flour during the first three months of the current crop year totalled 63,900,000 bushels compared with 45,600,000 in the same period last year. The balance on hand on November 1 for export or carry-over amounted to 255,200,000 bushels as compared with 284,700,000 on the same date last year.

WHEAT STOCKS: Stocks of Canadian wheat in store or in transit in North America at midnight on December 8 amounted to 165,198,800 bushels as compared with 166,609,500 on December 1 and 177,007,800 on the corresponding date last year.

Overseas export clearances of wheat during the week ending December 8 totalled 3,298,800 bushels compared with 2,035,600 in the same week last year, and in the cumulative period, 74,292,300 bushels against 50,076,000.

MANUFACTURING INVENTORIES: The value of inventories held by Canadian manufacturers at the end of October showed a slight decline from the September level, the preliminary index number standing at 126.7 per cent of the average 1947 value as against the revised figure of 127.5 at the end of September. The index for October is six per cent below the February high and a fraction below the level of October, 1948.

Inventory values in the consumers' goods industries appear to have risen two points in October to reverse a steady decline since April, the October index at 125.0, being three per cent above October, 1948. In the capital goods industries, inventory values fell two points, continuing a steadily declining trend since June.

CARLOADINGS: Carloadings on Canadian railways during the week ended December 17 amounted to 72,123 cars as compared with 75,286 in the preceding week and 73,293 in the corresponding week last year. Loadings in the eastern division totalled 46,678 cars as compared with 49,001 a year ago, and in the western division, 25,445 cars compared with 24,292.

CANADIAN INTERNATIONAL TRADE FAIR, 1950

(C.W.B. December 30, 1949)

MORE OVERSEAS EXHIBITORS: It is just a year and a half since the first Canadian International Trade Fair introduced a new instrument of trade promotion to North America, and only six months until it opens its doors for the third time in Toronto, from May 29 to June 9, 1950. The change and progress in that short time has been considerable.

Evidence of its increasing stature is not hard to find. Commonwealth and foreign governments are showing concrete recognition of the experimental successes in 1948 and 1949 by the encouragement and special facilities they are giving their producers to exhibit in 1950. These range from relaxation of currency regulations in order to make the necessary dollar funds available to bona fide exhibitors, to actual cash subsidies which make their representation at the C.I.T.F. a matter of national policy.

The progressive results are shown in the figures of increasing international participation which reveal that, roughly 40% of exhibitors came from abroad in 1948, and 60% in 1949. Preliminary allocations of space for 1950 are running roughly 80% to overseas exhibitors, although this proportion is expected to decrease slightly as later applications from Canadian producers are completed. These figures are all the more significant when it is realized that 40% more space has been made available for 1950 than was used in 1949.

At the 1948 Trade Fair products were displayed from 28 countries, increasing to 35

countries in 1949. It is expected that still more will be represented in 1950, with substantial exhibits in a variety of classifications for the first time from France, Spain, Australia and Germany, to name just a few. British exhibits will be so numerous that it appears likely they will exceed the Canadian in the amount of space used. Italian firms are expected to make a strong bid for dollar markets in 1950, and there are indications of increased interest from Belgium and Denmark, among many others. Czechoslovakian and Yugoslavian products will again be displayed in greater quantity and variety, but on the other side of the ledger is the doubt concerning Chinese participation resulting from the political confusion in that country.

Greatest development in the Canadian picture is the organization of a nation-wide network of Trade Fair Committees, organized in December in each of the ten provinces, on a regional basis. Private business interests and local organizations are strongly represented, together with the trade development departments of the various provincial governments, to insure that every part of Canada shares to the fullest possible extent in the trade promotion possibilities presented at the Trade Fair. One effect is expected to be reflected in very much greater attendance of business visitors from all over Canada. Special trains to the Trade Fair from the Maritimes and the western provinces have already been projected.

CANADIAN ARMY, 1949: The Canadian Army hit its peacetime stride during 1949.

In a year's end roundup of Army progress and activity released on December 28, the Minister of National Defence, Mr. Claxton, cited as "outstanding" the Army's stepped-up program of airborne and winter training for all ranks; the introduction of newer clothing and more modern equipment, and the great strides made towards completion of an unprecedented construction program embracing armouries, barracks and married quarters for the troops.

But the most encouraging sign of all that the Army has settled into its peacetime role, and has become a vital factor in the life of young Canadians, was the fact that of the thousands of soldiers who completed their term of engagement in the past twelve months, 97 percent re-engaged to make a career of service life. Included in the three percent that failed to sign on for a second "hitch" -- this time for five instead of three years -- was a small number of men released as unsuitable.

The year opened with an obvious increase in interest in the army and January gave the service its biggest and best recruiting month

since May 1947. During that month no fewer than 513 applicants were accepted for enlistment, jumping the strength of the Active Force as at January 31, to 17,976 all ranks. Strength of the army as at December 3 was 20,244 -- an increase of more than 2,200 officers and men in less than 12 months.

ARMY WINTER TRAINING: With one course already underway at Prairie Command and others slated to begin in each of the four Commands early in the New Year, the Canadian Army's winter training programme is now proceeding on a greatly expanding scale.

In announcing formation of these Command Winter Training Schools, the Minister of National Defence, Mr. Claxton, said they are designed to provide troops with outdoor activities in winter time by applying normal tactical principles to cold-weather work.

Each course is of three weeks duration, and several will be run during the winter at each of the following centres: Eastern Command, Tracadie, N.S.; Quebec Command, Valcartier; Central Command, Petawawa; Prairie Command, Shilo; Western Command, Wainwright, Alta.

NOVEMBER EXPORTS TO U.S. REACH RECORD:

Canadian commodity exports to the United States during November reached the highest figure for any one month in the whole history of Canadian-United States trade. According to figures released by the Bureau of Statistics, Canada exported goods worth over \$173,000,000 to the United States in the month, an increase of more than \$8,000,000 over the previous peak in November last year. Last month's total included \$171,300,000 in domestic exports and \$2,300,000 in re-exports.

Total exports to all countries last month were valued at \$296,000,000, just fractionally under the extraordinarily high total value for November, 1948. For the 11 months the total stood at \$2,734,000,000 compared with \$2,791,000,000 for the corresponding period of 1948. This means that for the second peacetime year in succession Canadian exports may exceed \$3,000,000,000.

Import figures for November are not yet complete. But if commodity purchases from the United States were close to the average of preceding months this year, as a result of the high export value Canada will have a small credit balance with the United States for November.

To the end of November, the level of Canadian exports to the United States this year stood at \$1,362,000,000, only \$10,000,000 below the aggregate at November 30, 1948, despite the fact that exports to the United States in September this year were \$50,000,000 below the level of the same month in 1948. Exports to the United States increased from \$115,000,000 in September, when the Canadian dollar was devalued, to \$150,000,000 in October and to \$173,000,000 in November. While these three months are normally good months for our exports, there was a marked improvement of trend in comparison with last year. Due to the closing of navigation and the Christmas holidays, exports to the United States in December however, are often below November.

Domestic and foreign exports to the United Kingdom in November totalled \$57,200,000, about \$15,000,000 below the unusually high

value of \$72,300,000 reached in the previous month, but slightly above the value of \$56,900,000 for November, 1948. For the year to November 30, the aggregate value was \$659,000,000, up \$19,000,000 from the same time in 1948.

Domestic commodity exports to other Commonwealth countries were lower in overall value, declining in November to \$20,500,000 as compared with \$34,300,000 a year earlier, and for the 11 months totalling \$271,000,000 as against nearly \$288,000,000 last year. Sales to the British West Indies dropped to \$2,917,000 in the month from \$4,564,000 last year due chiefly to a sharp decline in shipments to Trinidad and Tobago, and for the 11 months totalled \$39,900,000 compared with \$54,300,000. To Commonwealth countries in Africa exports also dropped off to \$4,176,000 in November from \$11,000,000, and for the 11 months stood at \$78,900,000 compared with \$86,600,000. Accounting for most of this decrease, shipments to the Union of South Africa in the month declined to \$3,670,000 from \$10,220,000, bringing the cumulative total below last year at \$71,400,000 as against \$77,200,000.

CANADIAN NATIONAL RAILWAYS REVIEW:

It is estimated that the gross revenues of the Canadian National Railways for the past twelve months will establish a record high total of \$499 millions, an increase of \$8 millions over 1948. However, the shrinking margin between revenues and expenses continues to cause considerable anxiety. Operating expenses, with higher labour costs and an increased general price index for materials and supplies, climbed to \$480 millions by the close of the year, an increase of \$15 millions over 1948.

The operating surplus of approximately \$19 millions will be the lowest since 1938, and after provision for interest due on securities held by the public and owing to the Government, payment of taxes, equipment rents and similar charges, the year will end with an income deficit estimated at \$45 millions.