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WEEK'S EVENTS IN REVIEW

(On Thursday Hon. L.B. Pearson, Secretary of State for External Affairs, announced that the Canadian Government has informed other participants in recent Washington discussions that Canada is ready to enter into negotiations for a regional treaty for collective security. See Page 9.)

MR. CLAXTON'S TORONTO SPEECH: The following is partial text of the speech, entitled, "Vigilance - The Price of Freedom," prepared by the Minister of National Defence and Acting Secretary of State for External Affairs, Hon. Brooke Claxton, for delivery at the Annual Meeting of the United Nations Association of Canada, in Toronto, on October 25:

"...The announcement of Western Union immediately was followed by statements by the President of the United States and the Prime Minister of Canada. These were of the utmost significance - they declared their Governments' intentions to support this effort to defend democratic order.

"The countries of Western Union have been working at political, economic and military levels to give substance to the words of this agreement. And, a matter of the greatest importance, they, together with the United States and Canada, have been working on the problem of how to strengthen Western Union with a North-Atlantic Security Pact. The reason for this is obvious. We all know now that it is much better to stand together than to fall separately. And make no mistake about it. If a war comes, if the Soviet Union commits an act of aggression, it will be an act which will break our peace and ultimately threaten our security. The only war possible today is a war of aggression by the Soviets. I have heard some people - just a few - speak about the possibility of Canada being neutral in such a war. I do not believe that this is even a theoretical possibility for us. Our vital

interests, even our territory could be open to attack. The choice in war would be a simple one - Communist or Canada. Our people would never tolerate a position in which we were passive while our country was being defended by others.

"For these reasons we have, as Mr. St. Laurent said, pressed for the consummation of a North-Atlantic Security Pact. That policy was supported unanimously by the National Liberal Convention in a resolution adopted at Ottawa on August 6 of this year, by the C.C.F. on August 21 and by the Progressive-Conservative Party on October 2.

"As Western Union becomes stronger, any chance that there might be of the Soviet Union winning an aggressive war will obviously become less. The existence of a North-Atlantic Security Pact of mutual assistance including the United States and Canada would further reduce the chance of Soviet success.

"The existence of an Atlantic Security Pact in 1935 would have prevented the Second World War in 1939.

"On this account the Soviet Union has pressed her efforts to drive the United States, Britain and France out of Berlin because her success in this line would deal a damaging blow at Western Union. It is this effort and the willingness to run the risks which it involves that has added tension to the present situation. I don't believe that the Russian people or even the Soviet leaders want war today; but their intransigent attitude has increased its possibility.

CONTINUE RENTAL CONTROL: The following statement was made October 22 by Hon. Douglas Abbott, Minister of Finance, regarding rent control.

"Prior to the expiration of the Continuation of Transitional Measures Act on March 31, 1949, it is the intention of the Federal Government to ask Parliament for power to continue the rental control of housing accommodation for a further twelve-month period. A number of changes in the rental regulations are being made effective immediately.

"At the same time the federal Government is prepared to vacate the field at any time after March 31, 1949, to any province which may decide to undertake rent control. Normally rent control would come under provincial jurisdiction and is peculiarly suitable for provincial or local administration because of the immovable nature of real property. The federal Government is anxious not to stand in the way of any province which believes that rent control can be better undertaken and administered locally.

"The constitutionality of continuing federal rent control has already been questioned and is now before the courts. The federal Government does not wish to do anything to prevent any province from making provisions to deal with the situation that would arise should continuing federal rent control be held invalid and is prepared not only to make available to any province the records, information and experience of the federal rental administration with all available staff, but also, subject to parliamentary approval, to pay the cost of any provincial rental administration for one year.

"This announcement of policy is being made at this time so that any provincial Government which wishes to do so will have sufficient time to prepare legislation for presentation to its legislature before March 31, 1949.

"The following changes are being made now in the rental regulations:

- (I) As and from November 1, 1948, all accommodation (other than rooms or so-called shared accommodation) which may from time to time become legally vacant will thenceforth be decontrolled.
- (II) On and after November 1, 1948, any landlord who has become the owner of housing accommodation prior to November 1, 1947, may give to his tenant a notice to vacate of six months' duration, provided the landlord declares in the notice that he needs the accommodation for himself and his family and undertakes not to rent or sell it before April 1, 1950. In each case the landlord will be given an order of the Wartime Prices and Trade Board forbidding him to rent or sell the accommodation prior to April 1, 1950.
- (III) Any landlord who acquired a house at any time and who wishes to occupy it himself may apply to a commissioner for power to give a valid notice to

vacate on the grounds that he is suffering a greater hardship than his tenant.

(IV) An overall increase in the rental ceiling of 10 per cent for housing accommodation (not including rooms and so-called shared accommodation and certain accommodations whose rentals have been fixed on a 'fair rental' basis). This means a permissible increase of up to 10 per cent for all landlords who have not availed themselves of the two-year lease but will not affect tenants of premises whose landlords have granted such leases.

(V) An additional overall increase in the rental ceiling of 5 per cent for all housing accommodation (other than rooms and so-called shared accommodation) where heat is supplied.

"Forms and instructions for giving effect to the ten and five per cent rental increases are now available at all offices of the Wartime Prices and Trade Board; forms and instructions for the six months' notice to vacate will be available at these offices on the morning of Monday, November 1, next."

UNITED NATIONS DAY: The Acting Prime Minister, Mr. Howe, on October 22, issued the following statement in connection with the observance of United Nations Day, October 24:

"On Sunday, October 24, the Members of the United Nations will commemorate the third anniversary of the coming into effect of the United Nations Charter. Arrangements for the observance of the day have been made by the United Nations Association in Canada, and these observances will take place on Sunday, October 24 and Monday, October 25. In their efforts to bring the work of the United Nations and the principles of this international organization to the attention of the public of Canada, the Association merits whole-hearted public support.

"United Nations Day is an occasion on which we might appropriately recall the ideals and purposes to which the United Nations is dedicated. The Members of the United Nations, which now number fifty-eight, have pledged themselves to conduct their international relations under the high principles of the Charter. They also pledged themselves to cooperate in collective measures to maintain international peace and security and to promote the welfare of all peoples.

"On this day it is also appropriate to recall that the United Nations came into existence amid the turmoil of the most destructive of wars, and that it has had to operate under the handicap of disagreements between Great Powers which has hampered the development of a system of international security and the constructive efforts of cooperation which this organization was intended to pursue. Nonetheless, the United Nations,

through the opportunities which it still offers of international co-operation for peace and welfare, remains the centre of man's hopes and efforts for peace and justice."

CANADIANS IN HONOLULU: On board H.M.C.S. "ONTARIO" at Pearl Harbour, October 22, 1948-- Canadian sailors are becoming familiar figures on the streets of Honolulu, and in keeping with the warm hospitality of the Hawaiian Islands, they are fast making friends with the people of the islands and members of the United States forces.

From their first arrival, when a hula troop came down to meet the five ships of the Canadian squadron, the men in the H.M.C. Ships "Ontario," "Cayuga," "Athabaskan," "Crescent" and "Antigonish" have been royally entertained by personnel of the Pearl Harbour Naval Base, and the citizens of the city and the county of Honolulu. Sight seeing tours around the beauties of Oahu, ship's company dances and invitations to private homes form only a part of this Hawaiian welcome. Relaxation has only come after a strenuous training programme at sea, and within a few days the Canadian ships will be out again to carry on further training exercises, using the facilities of the Pearl Harbour base.

As senior officer of the Canadian squadron, Captain J.C. Hibbard, D.S.C. and Bar, R.C.N., paid official calls on Ingrem M. Stainback, the Governor of Hawaii, Admiral D.C. Ramsey U.S.N., Commander in Chief, Pacific, Rear-Admiral C.H. McMorris U.S.N., Commander Hawaiian Sea Frontier, as well as other senior United States Officers and civic representatives.

REFUNDING OF SECURITIES: The Hon. Douglas Abbott, Minister of Finance, announced October 22 that arrangements have been completed for the redemption or refunding of three issues of securities of the Government of Canada which are maturing or have been called for payment in the next few weeks.

The aggregate principal amount of these issues is \$680,954,600. Of this total, an amount of \$180,954,600 will be paid off in cash. The remainder will be retired out of the proceeds of a new issue of \$500 million Government of Canada bonds which have been sold to the Bank of Canada and the chartered banks. This new issue will be dated November 1, 1948, and will mature November 1, 1951. It will bear interest at the rate of 1 3/4% per annum and has been sold at a price of par.

The issues which are to be paid off out of cash and the proceeds of the new issue are (1) Seventh Victory Loan 1 3/4% bonds due November 1, 1948, amounting to \$344,267,000; (2) 4 1/2% Conversion Loan bonds due November 1, 1952, and called for payment November 1, 1948, amounting to \$276,687,600; and (3) 3 1/2% Refunding Loan bonds due November 15, 1951, and called for

payment November 15, 1948, amounting to \$60,000,000.

GENEVA TEXTILE CONFERENCE: Hon. Humphrey Mitchell, Minister of Labour, announced October 22 the names of Canada's delegates to the second session of the Committee on the Textiles Industry of the International Labour Organization, which meets at Geneva from October 27 to November 6.

G.E. Nixon, Member of Parliament for Algoma West and V.C. Phelan, Director of Information of the Department of Labour, who is at present in Europe, have been named as Government representatives. John Robinson, Director of the Greater Hamilton Joint Board of the Textile Workers' Union and Gaston Ledoux of Granby, Quebec, President of the National and Catholic Textile Federation, are the Workers' Delegates, while Harold G. Smith of Hamilton, President of Mohawk Limited, and J.T. Irwin of Toronto, Industrial Relations Adviser of the Primary Textiles Institute will represent employers.

The Committee will discuss problems of employment and industrial relations in the textile industry. Also on the agenda are discussions of recent developments in the industry, and of the action taken in the various countries to give effect to the resolutions passed at the last session.

Mr. Mitchell stated that the Canadian delegation sailed October 16 from Montreal on board the Empress of Canada.

CANADA SAVINGS BONDS: The second report on sales of Canada Savings Bonds Series Three through the Payroll Savings Plan continues the trend revealed in the first report. Total sales through the Payroll Savings Plan stand at \$27,868,950 with all regions marking up new increases over last year's results. Officials of the Bank of Canada in commenting, said that these returns were most encouraging. Total Payroll Savings sales on the same day of the campaign last year (October 22) amounted to \$23,669,300.

"Special Groups", comprised of the Armed Forces, Civil Service, Railways and Banks, all show a substantial increase over returns of last year. Armed Forces sales are \$525,050 as compared with \$394,250. Civil Service purchases amount to \$1,790,450 as compared to \$930,350. Railways have lengthened their lead on last year's results with sales to date of \$3,683,900 as compared to \$2,367,850.

The average purchase on the Payroll Savings Plan to date stands at \$205.19 as compared to an average purchase on the same day last year of \$199.94. The number of applications also is up, running at 135,822 as compared to 118,382.

The standing between the various regions at this date shows the Maritimes in the lead by a hair with an increase of 39.6%.

(C.W.B. October 20, 1948)

MR. M.W. MACKENZIES' TORONTO SPEECH

TO EXPORTERS' ASSOCIATION: Following are excerpts from the speech delivered by M.W. Mackenzie, Deputy Minister of Trade and Commerce, at the Fifth Annual Meeting and Convention of The Canadian Exporters' Association, in Toronto, October 22:

.... "Whether we like it or not, and irrespective of the particular technique that is used in any country, the trade of a large number of our traditional customers is going to be regulated for as far ahead as one cares to look these days....

"The volume of Canadian domestic investment since the war has been as impressive as the volume of Canadian foreign trade.... In the four years 1945-48 we have made a larger investment in manufacturing enterprises and utilities, and for that matter in all forms of business, than we made in the four boom years 1926-29 and the four pre-war years 1936-39 added together. The wartime elimination of the trade of Germany and Japan... is one of the factors that has forced Canadian industrial development. The necessary post-war relief and reconstruction is another. Our total new capital investment this year is, as I have said, of the order of \$3 billion. About half of this total is in manufacturing plants and utilities, with manufacturing plants accounting for about \$600 million. Here we have a serious dilemma developing. On the one hand, we are engaged in the greatest capital investment boom that this country has ever known and yet, while our domestic industry is expanding and improving its competitive position, our traditional foreign markets for manufactured products are closing.

"While the fundamental reasons for the loss of these markets is deep-seated, the problems are brought into focus and to some extent sharpened by the Marshall Plan or, as it is now known, the European Recovery Program. I do not wish to be misunderstood on this point. We are all deeply appreciative of the magnificent measures which the United States has taken to assist European recovery. Canada will derive great benefits from these measures and we are co-operating with the United States in the European Recovery Program to the maximum of our ability. Nevertheless, we must recognize that the European Recovery Program will not solve our problems -- that, even when it has run its course and the recipient countries are able to stand on their own feet, that is, without direct outside assistance, they will still be a long way from being open for 'business as usual'; and, furthermore, that the program itself has some unfavourable implications for us.

"In the first place, the program contemplates a four-year period, during which it is recognized that the European recipient countries will not be able to make both ends meet and will be dependent on some form of outside

assistance -- the direct aid reducing as the period progresses and as recovery proceeds. European countries are, therefore, under strong pressure to provide for themselves and for each other. Furthermore, by reason of the financial and trading relationships between certain of the recipient countries and other parts of the world, particularly the relationship between the United Kingdom and the sterling area, the necessary dollar conservation program will probably extend in increasing measure to even more of our traditional markets.

"Still another aspect is that the E.C.A., which, in this age of using initials rather than names is the designation of the United States organization in charge of the program, naturally favours purchases of United States rather than Canadian manufactured products, where manufactured products are judged essential to the program of any of the recipient countries. In the same way, when any product of the United States is in surplus supply, which surplus is judged by the American authorities to be burdensome, it follows, with some justification, that United States supplies only may be financed under the plan.

"The impact of all this has fallen to some extent on our agricultural products, but in particular it is hitting our export manufacturing industries. The net effect is to increase the importance of many of our raw material supplies from Canada, but to weaken our competitive position in the more profitable field of manufactured exports.

"We are thus concerned with the possible need of re-orientating an important portion of our foreign trade....

"It is equally important to consider what basic redirection of our trade may be necessary. A comforting development in this connection is the strides we have already made in expanding our markets in the United States and improving our balance of trade with that country. In this connection it is interesting to note that, on a most conservative basis of estimate, between 40 and 50 per cent of the \$600 million invested in manufacturing enterprises in 1948 will effect immediate and direct gains in our U.S. dollar sales, or reductions of our U.S. dollar imports.

"In the first nine months of 1948 we have whittled our adverse merchandise trade balance with the United States down from \$720 million to \$267 million. This is an improvement averaging \$50 million a month. We have done this in spite of some deterioration in the terms of trade resulting from the higher prices for American coal, steel and oil. It is the most tangible evidence possible that Canadian industry has now come of age and can, in an increasing number of lines, compete with any company in any country. The Geneva Trade Agreements were one important step in making it

possible for Canadian industry to compete on equal terms and it has been frequently stated that the Government will continue to press for the expansion of these agreements and further relaxation of trade barriers, with particular reference to the American market....

"It would, I think, be difficult to over-emphasize the importance of the American market, but there are also other markets which should not be overlooked. Here again, I have in mind not so much our balance of payments problem as the position of, say, a small Canadian manufacturer who finds himself losing his traditional markets in the British West Indies or other parts of the sterling area. What I have said about the potentialities of the United States market is, I believe, true, but obviously it will not be open to all our exporters who may lose markets elsewhere. Some there will be who, despite their best endeavours, just can't get into that market under present circumstances. To them I suggest a study of trade statistics of some of the markets that have not been traditional outlets for Canadian products. Don't just study Canadian trade statistics, but look at the total imports of those countries and see the sources from which they are now drawing their supplies. Try the Belgian Congo, Burma, Madagascar, Portuguese Africa and others....

DR. LOCKE MONUMENT: A bronze tablet commemorating the life and achievements of the late Dr. George Herbert Locke, educator and author, was unveiled at the Municipal Building, Beamsville, Ontario, on Tuesday October 26. The tablet has been erected by the Department of Mines and Resources, Ottawa, on the recommendation of the Historic Sites and Monuments Board of Canada.

SECURITIES TRANSACTIONS: Sales and purchases of securities between Canada and other countries in August dropped to the lowest level in 12 months, total volume of transactions amounting to \$25,200,000 compared with \$34,900,000 in July and \$60,000,000 in June, according to the Bureau of Statistics. A purchase balance of \$3,400,000 replaced the sales balance of \$1,700,000 which occurred in July. Transactions in the first eight months of this year resulted in a purchase balance of \$17,500,000, almost twice as large as the corresponding figure for 1947.

In the trade with the United States in August, both sales and purchases were lower than in the preceding month. Net purchases at \$3,100,000 were the highest in the current year with the exception of the month of May when a purchase balance of \$5,100,000 was recorded. Sales of common and preference stocks were almost equal to purchases, but sales of bonds and debentures were considerably lower than purchases due to fairly heavy repurchases of Dominion bonds.

Transactions with the United Kingdom in the month amounted to only \$400,000, the lowest monthly total in six years. Sales barely exceeded \$100,000, resulting in a purchase balance of \$200,000. Trade with other countries totalled about half the volume of the preceding month and resulted in a purchase balance of \$100,000.

COAST ARTILLERY TRAINING: As part of the normal development of the defence forces program, coastal artillery units of the Reserve Force are to be expanded and more emphasis is to be placed on coast artillery training in the future, it was indicated at Army Headquarters here October 25.

Reserve Force coast artillery units are to be formed on both the Pacific and Atlantic coasts. At the same time training will be stepped up, using the facilities of the new Anti-Aircraft and Coast Artillery School at Esquimalt, B.C., and by retaining at the east coast an Active Force coast artillery unit for the continued training of both Active and Reserve Force personnel.

The training requirement and operation of coast artillery units is of a highly specialized nature. It is therefore hoped that present training plans and the formation of new Reserve Force units will serve to meet the deficiency in this field.

Active Force artillery personnel are also to be available as a highly trained nucleus to assist in the maintenance and operations of the coast batteries.

ASSISTANCE FOR PILOTS: It was announced on October 25 by the Right Hon. C.D. Howe, Acting Minister of Transport, that next year the Government will participate in a program for the training of air pilots by financially assisting approved flying clubs or schools for pupils receiving training from these organizations.

The proposal will be submitted to Parliament for approval at the next session. In general the program to be administered by the Department of Transport will provide for a grant of one hundred dollars to each approved flying club or school for each qualified pilot turned out, and one hundred dollars to each trainee when he qualifies for Department of Transport private pilot's licence. In addition each trainee, meeting R.C.A.F. service qualifications and joining either the R.C.A.F. reserve or the R.C.A.F. auxiliary, will receive an additional grant of one hundred dollars.

"Training of a large number of pilots will do more to foster and develop interest in civil aviation in Canada than any other comparable measure," said Mr. Howe. The program would, in his opinion, result in greater use by the public of Government airports and aerodromes, development of airports and aerodromes by private enterprise, the growth of a healthy

light aircraft industry and of an aircraft service, repair and accessory business.

It is anticipated that some fifteen hundred persons will take advantage of this new scheme during 1949.

STRIKES AND LOCKOUTS: Time loss due to work stoppages arising out of industrial disputes in Canada during September, 1948, showed a slight decrease from the previous month, and was considerably lower than the figure recorded for September, 1947, it was announced by the monthly summary of strikes and lockouts for September issued October 21 by Hon. Humphrey Mitchell, Minister of Labour.

Preliminary figures for September, 1948, show 32 strikes and lockouts in existence, involving 11,878 workers, with a time loss of 118,293 man-working days, as compared with 31 strikes in August, 1948, with 8,169 workers involved and a time loss of 119,935 days.

Two strikes accounted for a loss of 70,000 man-working days, almost 60 per cent of total time loss for the month. The strike of automotive parts factory workers at St. Catharines, Ontario, involving 2,589 workers, accounted for 50,000 days, and the strike of furniture factory workers, involving 1,150 workers in six towns in Quebec accounted for 20,000 days. These strikes, which began in July, were still un-terminated at the end of September although work was resumed in two of the six Quebec towns.

Of the 32 strikes which were in existence for varying periods during September, 1948, 15 were in effect before the beginning of September. Of these 15 strikes, nine were terminated before the end of the month and of the 17 which commenced during September, 10 were terminated by October 1. Thus, at the beginning of October 13 strikes were still in effect.

For the first nine months of 1948, preliminary figures show 121 strikes and lockouts, involving 35,115 workers, with a time loss of 776,243 days. For the same period of 1947, there were 184 strikes with 83,293 workers involved and a time loss of 1,855,266 days.

Based on the number of non-agricultural wage and salary workers in Canada, the time lost in September, 1948, was .15 per cent of the estimated working time as compared with .16 per cent in August, 1948; .35 per cent in September, 1947; .11 per cent for the first nine months of 1948; and .27 per cent for the first nine months of 1947.

HEALTH SERVICES: Expansion and improvement of health services to native and white residents of the Northwest Territories were discussed at length at the meeting of the Northwest Territories Council held in Ottawa, October 21. Commissioner H.L. Keenleyside stated at the close of the meeting that the Council would continue to rely upon the medical ser-

vices which the Department of National Health and Welfare has established in the Northwest Territories and appreciates the assistance of those directing these services in the maintenance of adequate measures for the protection of the health of Northwest Territories residents.

EMPLOYMENT CONDITIONS: Employment conditions in Canada at the beginning of September were booming with 5,042,000 persons employed, according to the Bureau of Statistics, which released the results of the 12th quarterly survey of the labour force. This was the highest figure yet recorded by any labour force survey and compares with 5,008,000 on August 16, 1947. Total unemployment in the first week of September was only 67,000 as against 73,000 a year ago.

The figures for total employment in the different regions for the late summer of 1946, 1947 and 1948 indicate that total employment in Canada is growing at a steady rate. With the exception of an increase in Quebec and a small drop in the Prairies, the changes in regional employment since the summer of 1947 are remarkably small.

MISS SMELLIE APPOINTMENT: One of the best known persons in Canadian public health, Miss Elizabeth L. Smellie, C.B.E., R.R.C., LL.D., of Toronto, former Chief Superintendent of the Victorian Order of Nurses, has been appointed to the Dominion Council of Health, Hon. Paul Martin, Minister of National Health and Welfare, announced October 27.

The Dominion Council of Health, set up in 1919, consists of the Deputy Ministers of Health of the nine provinces and the federal Government, along with representatives from labour, agriculture, scientific research, and women's organizations. It meets twice yearly to advise the federal Government on health policy. Only other woman on the Council is Mme Pierre Casgrain of Montreal. The Council's 55th meeting will be held in Ottawa late next week.

Miss Smellie served as Chief Superintendent of the V.O.N. for Canada from 1924 to 1947, except for four years' service during World War II as Matron in Chief (Canada) of the Royal Canadian Army Medical Corps' nursing service from which she retired with the rank of colonel.

CANADA SAVINGS BONDS: As of October 26, sales of Series Three Canada Savings Bonds on the Payroll Savings Plan show 275,956 individual orders for \$57,176,900. This compares with 246,911 orders for \$48,319,550 as of the same date in last year's offering. The average employee purchase is running at \$207.20 as compared to \$195.70.

(Continued from P. 1)

"Even though the situation in Berlin might improve, there would be other points of tension and difficulty. We shall only have a stable peace when the Soviet Government seeks the welfare of their people rather than the extension of their power.

"In short, the Soviet attitude since the end of the war has driven and is driving the Western democracies into the same kind of union to preserve the peace as was needed to win the war. It is a defensive union. No one of these countries has any aggressive intentions, and Russian distortions will not alter the fact....

PLANS ALONE USELESS

"Plans alone are useless. We must put them into effect.

"First, there must be action on the political front so that the countries concerned will consider their essential common objectives of security and recovery as well as their individual interests.

"Second, there must be action on the economic front so that the countries concerned will work together for prosperity as well as for security and peace.

"Third, there must be action on the military front so that there will be a concerted effort with unity of command, agreed strategy and planned use of resources.

"We are giving credits and loans and advances to Britain and the countries of Europe because we believed it was in Canada's own interest to do so, though it also happens to be the Christian, the humane and the decent thing to do. It has been in our own interest because our long-term prosperity in part depends on the productive capacity of Britain and Europe being restored so they can pay for the Canadian goods we have to sell. But not only this - it has been in our own short-term interest because we do not send dollars abroad, we send goods, goods for which, for a large part, there is no alternative market anywhere. We have extended credits so that we might sell our products and at the same time help to revive Europe to buy more.

"With regard to defence, we are building up the defence forces necessary to defend Canada against immediate attack and to serve as the nucleus for large forces should an emergency arise. We have close working arrangements with the United States under the Joint Declaration of February 12, 1947, which extended the life and the usefulness of the Permanent Joint Board on Defence; and we are working out with other free nations plans for joint defence based on self help and mutual aid as part of a combined effort to preserve peace and to restrain aggression.

"We know what we want. Some of this work has been done, more is being done and more will be got underway. Our representatives have been in close consultation with the representatives of other nations as to what the role of each would be. Any arrangement such as a North

Atlantic Security Pact will be submitted to Parliament for its approval. We are making no commitments without the approval of Parliament. On the other hand we are planning our defences after consultation with others so that what we do will fit into any subsequent plan that may be arrived at after Parliament has given its approval to Atlantic Security.

"We all hope that these anxious days will pass. But there will only be peace when the nations agree that their highest aim is not the power of the state but the welfare of the citizen. We all know that the standards of living in Eastern Europe are not to be compared with our own. Let the Communist regimes work at building up the standards of living of their own people there rather than pulling down the standard of living in the West. The main hope of peace is in such a change of policy. Whether or not it will come about I cannot say. It is certainly difficult to be optimistic, but the problem of administering a complex of nations like the Soviet Bloc and the occasional glimpses through the Iron Curtain of the possibilities of a life on North American standards and based on freedom may in time bring about a change.

DETERMINING FACTOR

"We want to let time, not trial of war, be the determining factor.

"That is what democracies in search of peace must be working for now - time. And the only way we can gain the time is to be prepared to defend our way of life and to proclaim our willingness to do just that in such unmistakable terms that no one can stumble into war without knowing where each of us will stand.

"It is on this account that we are today, within three years of the war, spending ten times as much as we did on the average in the years before the wars. Today we have in the Active and Reserve defence forces of Canada and in civilians in the Department of National Defence a total of 95,000. We are wanting more. We mean to build up our forces to meet our needs as I have described them for the defence of our country and the defence of peace.

"Canada wants peace. The defence of peace means today the defence of Canada. Vigilance is the price of freedom."

DISPLACED PERSONS' CAMPS: The Minister of Labour, Hon. Humphrey Mitchell, issued a statement on October 23 in regard to the camps in which Displaced Persons have been housed in the Province of Manitoba. He said the worst feature of the whole affair, in his opinion, was the fact that a most unwarranted letter implying that men who failed to carry out instructions might be sent back to Germany. Not only was the letter unwarranted but it was contrary to the well publicized instructions of the Labour Department that threats of such a nature were not to be even hinted at. The Minister condemned this act most emphatically.

and said that were it not for the fact that the work was about finished and the temporary services of the author of the letter would automatically cease it is probable that the man would have been dismissed.

The Minister explained that the camp work in Manitoba had been carried out under the Dominion-Provincial Agreement between his Department and the Manitoba Agriculture Department and could be said to be a partnership plan. Both Departments do look to the Manitoba Health Department to make inspections of camps and direct that necessary improvements be carried out. The operators of camps have an obligation of course to comply with the Manitoba Regulations applying to camps and the direct responsibility for violations of the law would be that of the Manitoba Sugar Company.

In my opinion, the Minister said, the main difficulties in the camps are due to insufficient camp help and some carelessness on the part of the men themselves.

Finally, the Minister said he was very surprised and seriously concerned, over the fact that a number of men were sick and had been sick on previous occasions and no doctor called. There was no excuse for this neglect, in his view, especially when Emerson doctors were within easy reach.

The Minister stated that as a result of the contents of the first report and of the sickness of the men, arrangements were made to reinspect the Emerson Camp.

This reinspection was carried out by a group from Winnipeg and, according to telephone advice, the most serious unsanitary conditions have been remedied; the sick men were better, and the situation already had been materially improved.

NEW TRADE DISCUSSIONS: Canada will participate in a new series of multilateral tariff negotiations with eleven countries which have indicated their desire to become parties to the General Agreement on Tariffs and Trade, Ré. Hon. C.D. Howe, Minister of Trade and Commerce, announced October 27. The countries with which Canada will negotiate include Denmark, Dominican Republic, El Salvador, Finland, Greece, Haiti, Italy, Nicaragua, Sweden, Peru, and Uruguay. The tariff negotiations will take place in Geneva, Switzerland, commencing April 11, 1949.

Canadian Government Departments concerned are now making preparations for these negotiations. In order to aid these preparations Canadian business firms and organizations interested in trade with the countries listed above, are invited to submit written representations.

Representations dealing with foreign tariffs are to be addressed to the Commercial Relations and Foreign Tariffs Division of the Department of Trade and Commerce. Representations dealing with the Canadian tariff are to

be addressed to the International Economic Relations Division of the Department of Finance. In view of the fact that request lists for tariff and other concessions must be exchanged between Canada and the listed countries before January 15, 1949, representations are to be submitted as soon as possible but in any case not later than December 20, 1948.

There will generally be no negotiations among the countries which participated in the Geneva negotiations last year. Further negotiations between Canada and the United States, United Kingdom or any other country which participated in the Geneva negotiations in 1947 are not scheduled on this occasion. Canada and the other countries which negotiated in Geneva last year will be expected to negotiate only with the 11 countries listed above. Generally speaking, contracting parties will not be required to negotiate on products already in the schedules, except in individual cases where one of the acceding governments has a special interest. In these negotiations the concessions already contained in the existing schedules will, of course, be taken fully into account.

DEFENCE COLLEGE REOPENING: Canada's National Defence College will reopen on November 1. National Defence Headquarters announced October 28. The course, lengthened from seven to nine months, will be the second of its nature in Canadian history. As he did last January, Hon. Brooke Claxton, Minister of National Defence, will deliver the opening address. Eleven officers of the three armed services, eight civilians, one naval officer from the United Kingdom and one officer from the United States Army will attend the course. The college is located at history-shrouded Fort Frontenac in Kingston.

Designed as an institution for the advanced study of war and security problems in relation to other aspects of national policy in times of emergency, the unique program includes the study of new and foreseeable development in science, economics and international politics and their effects upon national security. Many of the lecturers who addressed students at the first course will return during the next nine-months period. These will include Cabinet Ministers and leaders in diplomatic, military, scientific, industrial, political, educational and other walks of life. Most of the lecturers are Canadian, but some will come from points in the United States and the United Kingdom.

BUTTER SHORTAGE: Domestic disappearance of butter in Canada during September amounted to an estimated 34 million pounds, second highest quantity for any month this year, according to the Dairy Review of Canada issued by the Bureau of Statistics. This total compares with 35½ million pounds in August, the peak month so far this year, and with 32½ million pounds in

September last year.

Per capita, the domestic disappearance last month amounted to 2.65 pounds as against 2.75 pounds in August and 2.58 pounds in September a year ago. On a cumulative basis, the per capita disappearance in the nine months ending September was 21.08 pounds as against 20.48 pounds in the similar period of 1947. During the nine months the domestic disappearance aggregated 270½ million pounds, an increase of 13 million pounds over the January-September period of 1947.

Stock holdings of butter at October 1 were about 4½ per cent greater than a month earlier but 27 per cent below those for a year earlier. The total butter supply, as represented by stocks at the beginning of the month, plus butter produced during the month, increased 1½ per cent over the previous month but fell 17½ per cent below the total of September last year.

FEDERAL BY-ELECTIONS: Results in the two federal by-elections held on Monday of this week were as follows:

ALGOMA EAST
(95 out of 105 polls)

Hon. L.B. Pearson, Lib.....4,581
Lorne Callahan, CCF.....2,174
J.J. Fitzgerald, SC.....1,142

ROSTHERN
(Complete)

W.A. Boucher, Lib.....6,233
P.G. Makaroff, CCF.....3,268
G.W. Beilhartz, SC.....2,344

FIRST HOSPITAL GRANT: The first cheque to be issued by the federal Government to assist hospital building in Canada is being forwarded this week for the Killarney and District General Hospital at Killarney, Man., Hon. Paul Martin, Minister of National Health and Welfare, announced October 29.

This cheque, for slightly more than \$5,000, marks the beginning of federal grants for hospital construction under the new National Health Program announced by the Prime Minister in May. The federal appropriation for hospital construction throughout Canada this year is \$13,000,000 out of a grand total of \$30,020,300 set aside for the entire program.

Approximately 40 other projects totalling more than \$1,225,000 have already been approved and an additional 60 are expected to be passed within a few days. These include grants for health surveys, professional training, and control of cancer, venereal diseases and tuberculosis.

The Killarney hospital is a 30-bed institution established to serve approximately 15,000

people in the towns of Killarney and Boissevain, the village of Cartwright, the municipalities of Turtle Mountain and Morton, and parts of Roblin and Riverside. It is a general hospital with complete diagnostic facilities, operating room and laboratory. Already in operation, it is a part of the overall program to provide complete hospitalization facilities for people in all parts of Manitoba.

Construction was almost complete on April 1 when the federal grants came into effect, and hence the hospital did not qualify for the full \$1,000 per bed provided for in the hospital construction plan. In addition to matching the federal grant, the Province is making up the difference between the federal contribution and the \$1,000 figure.

The Killarney hospital is municipally financed, owned and operated.

NORTH ATLANTIC TREATY: The following statement was given by Hon. L.E. Hearson, Secretary of State for External Affairs, at his press conference Thursday morning:

The Canadian Government, he said, noted with great interest the statement of October 26 in Paris of the Foreign Ministers of Western Union that they are 'in complete agreement on the principles of a defensive pact for the North Atlantic and on the next steps to be taken in this direction.' The Canadian Government has been giving careful study to the question of North Atlantic security. Canada's representatives have been participating from the beginning in conversations which have been taking place in Washington since July 6 between representatives of the Western Union countries, the United States and Canada. These conversations were informal, non-committal and exploratory and had reached the point where they were referred back to the respective governments for observations and comments. As a result of its study of the question, the Canadian Government has informed other participants in the Washington discussions that Canada is now ready to enter into negotiations for a regional treaty for collective security with them and with other North Atlantic states.

The general lines of such a North Atlantic treaty desired by the Canadian Government and of the implications to Canada have been made clear by public statements during the past six months.

Mr. Pearson said the informal conversations in Washington had reached the end of the first stage of discussions. Any treaty would be submitted to Parliament for approval. All of the implications involved in such a treaty would be clearly understood before Parliament was asked to consider it.

GOLD PRODUCTION: Canadian production of gold in August passed the 300,000-ounce mark for the first time since June, 1943.

SEA FISHERIES: Landings and landed value of products of the sea fisheries of Canada both showed substantial increases during the first nine months of this year. During the period, landings reached 925,600,000 pounds, which is 125,000,000 pounds more than the 799 800,000 pounds last year, according to the Bureau of Statistics, and the landed value at \$47,100,000 rose 33 per cent over the figure of \$35,400,000 for the same period in 1947.

Landings in September amounted to 106,500,000 pounds, a decline of 25,000,000 pounds from the 1947 figure of 131,500,000 pounds, but their value rose to \$6,800,000 as compared with \$5,400,000, a gain of \$1,400,000. The drop in the salmon catch in British Columbia was mainly responsible for the reduced quantity.

Although the salmon fishery in British Columbia usually continues until the end of November, the catch after September is not large. During the current season the catch has followed almost exactly the pattern of last year, nearly 80 per cent having been canned and about 20 per cent marketed in the chilled or frozen form. A probable pack of at least 1,200,000 cases is indicated by the latest reports.

On the Atlantic Coast, the downward trend in the cod catch has been checked and landings for September were somewhat higher than in 1947. Vinegar curing of Atlantic herring is reported larger this year, about 10 per cent of the total catch being diverted to this product with an indicated production of some 30,000 barrels to the end of September.

Shipments of chilled salmon to the United States have been larger this year, amounting to 11,600,000 pounds to August 31 as compared

with 8,100,000 for the same period in 1947, and sales of canned sardines in South Africa have increased to 3,900,000 pounds as compared with the 1947 figure of 2,300,000 pounds. Exports of kippered herring to the United States are also higher than usual, although production appears to be down.

The index of wholesale prices of fishery products is at an all-time high. On the base 1935-39=100, the August figure is at 258.0, an increase of 26 points from the previous month. This sharp increase was due almost entirely to the higher prices of the 1948 pack of canned salmon.

MOTOR VEHICLES SHIPMENTS: Factory shipments of Canadian-made motor vehicles rose sharply in September after a two-month recession in July and August. The month's shipments totalled 23,775 units, the highest since April, comparing with 16,959 in August and 24,205 in September last year, according to the Bureau of Statistics. During the first nine months of this year, 185,022 units were shipped compared with 187,986 in the similar period of 1947.

Shipments in September comprised 16,378 passenger units and 7,397 commercial units. Of the former, 13,384 were made for sale in Canada and 2,994 for export, while of the latter, 5,936 were for sale in Canada and 1,461 for export.

During the nine months ending September, 94,622 passenger models were shipped for sale in Canada and 17,170 for export. During the same period, 55,476 commercial units were shipped for sale in Canada and 17,754 for export.