



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

Vol. 4 No. 14

February 11, 1949

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WEEK'S EVENTS IN REVIEW

MR. PEARSON'S SPEECH: The Secretary of State for External Affairs, Mr. Pearson, on Friday, February 4, in the House of Commons, spoke on the international situation. While the position, he said, still gave cause for much anxiety it should be considered without panic, but without illusions. There was no doubt that fear had gripped the world again, "fear arising primarily out of the extension of the brutal domination of revolutionary communism, based on the massive and expanding militarism of totalitarian Russia."

The Minister proceeded as follows:

"As yet, though there is still no ground for undue optimism, there has been, I think it is safe to say, an easing of the tension in recent months. Hon. members, and in fact the people throughout this country will be asking themselves the question, why is that? I suggest, Mr. Speaker, that it is certainly not due to the so-called peace overtures which have recently been made in Moscow, in Rome and in Paris, by communist leaders. To my mind it would, of course, be folly and even worse to reject or discourage any genuine move toward a peaceful solution of the problems that divide the world today between the democratic west and the totalitarian east.

"In this connection the house, and I am sure the country, will have read with much

interest the answers given recently by the head of the Soviet Government to certain questions asked him by a United States newspaper correspondent. I suggest that, we should be careful, in our reaction to these answers, not to confuse words with deeds or to be lured by them into wishful thinking. There is no doubt that much of the icy dread and fear in the world today would tend to melt away under the warm radiance of Mr. Stalin's smile if he could only hold it, and if it were the smile of genuine friendship. But Mr. Stalin himself has said that 'there is no logic stronger than the logic of facts.' That is true, and I think it can be applied to statements which come from Moscow or indeed from any other capitals. The leader of the Soviet Government also once said to a journalist: "The export of revolution?-- that is nonsense."

"But to his own people he has said in the Soviet Bible, which is called Problems of Leninism: "The goal is to consolidate the dictatorship of the proletariat in one country, using it as a base for the overthrow of imperialism (that is noncommunism) in all countries."

"The people of Czechoslovakia know which of the above statements is true. The leader of Russia and his followers in the various countries may now be willing to issue conciliatory

WAR MEDALS IN OCTOBER: Campaign stars and war medals earned for Second World War service in France, Italy, the Pacific and other theatres of operations, as well as on the high seas and in the air, will start going out to Canadian veterans next October.

The announcement came on February 4 from the Minister of National Defence and the Minister of Veterans' Affairs. They stated that by September 30 the Royal Canadian Mint expects to have sufficient stocks on hand to meet the first requirements, and medals needed after that date will be more than filled out of day-to-day production.

In early September all post offices in Canada will have cards available for veterans to fill in and forward to Ottawa postage free, so that the medals may be sent out to their correct addresses.

Full details regarding the distribution will be given through the press and radio when the medals are ready for issue.

Medals and stars for personnel presently serving in Canada's Armed Forces will be issued by their own Service headquarters, while those for all other veterans will be issued by the Department of Veterans' Affairs.

LIVING COSTS RISE: Exactly offsetting the decline during the previous month, Canada's official cost-of-living index rose from 158.9 at December 1 to 159.6 at the beginning of January. While all budget indexes were firm, more than half of the rise was due to changes in service rates, including health, personal care, laundry and fuel gas, which are prices only at annual intervals because of their characteristic stability, according to the Bureau of Statistics.

At the January level, the cost-of-living index is 11.3 points above that shown for the same time last year. From August 1939 to the beginning of January this year the increase amounted to 58.3 per cent.

The food index rose from 202.0 at the beginning of December to 202.2, with further declines in egg and fruit prices acting as a partial offset to generally firmer levels for other foods. Fuel and light moved up from 129.1 to 130.0.

The clothing index rose from 181.5 to 181.9, and homefurnishings and services from 166.2 to 167.0, on scattered increases which affected nearly all sub-groups. The advance in miscellaneous items from 124.6 to 126.6, reflected changes in health and personal care services. The rentals index remained unchanged at 121.7

At January 3 this year the standing of the cost-of-living index was 7.6 per cent higher than a year earlier. Among the group indexes the greatest increase during the 12 months was in the clothing index, which rose 12.8 per cent from 161.2 to 181.9. Food was second with an increase of nearly 11 per cent, from 182.2, to 202.2; followed by fuel and light, up nearly eight per cent from 120.4 to 130.0, and by

homefurnishings and services with an increase of 5.4 per cent from 158.4 to 167.0. The miscellaneous index rose 3.3 per cent from 122.6 to 126.6, while the rent index advanced about 1.5 per cent from 119.9 to 121.7.

UNEMPLOYMENT INSURANCE: There was a considerable increase in the number of claims filed for unemployment insurance benefits in December with all provinces contributing to the rise. The December total of claims filed stands at 114,506 as compared with 73,119 in November and 79,848 in December, 1947, according to the Bureau of Statistics. Ordinary claims on the live unemployment register at the end of December totalled 144,058 as against 83,710 at the end of November and 94,525 at the end of December, 1947.

A total of 99,802 persons received one or more benefit payments in December aggregating \$3,592,155 for 1,687,804 unemployed compensated days, compared with 64,960 persons paid \$2,283,383 for 1,106,864 compensated days in November and 69,097 persons paid \$2,544,796 for 1,315,282 compensated days during December, 1947. The average duration of the unemployment compensated was 16.9 days in December, 17.0 days in November and 19.0 days in December, 1947.

The average amount of benefit paid per beneficiary was \$35.99 in December, \$35.15 in November and \$36.83 in December, 1947, while the average amount of benefit paid per compensated day of unemployment was \$2.13 in December, \$2.06 in November and \$1.93 in December a year earlier.

CO-ORDINATE RCAF SIGNALS: Co-ordination of all RCAF signals activities under one Chief of Signals has been carried out at Air Force Headquarters, the Minister of National Defence, Mr. Claxton announced on February 8.

Previously each division at Air Force Headquarters was assigned separate signals responsibilities. The Operations and Training division controlled the allocation and usage of radio and radar equipment while the Technical Services division developed and supplied the equipment. Now all RCAF signals functions are amalgamated in one department providing overall co-ordination and control.

Taking over the new post as Chief of Signals is Air Commodore W.A. Orr, CBE, of Wetaskiwin, Alta. and Ottawa, a University of Alberta graduate who was commissioned in the RCAF in 1932 and has been a signals officer since 1937. He is a graduate of the specialist signals course of the RAF Electrical and Wireless School, and the Imperial Defence College, both in England. Appointed Commander of the Most Excellent Order of the British Empire in 1946, A/C Orr was Deputy Air Member for Air Plans, Organization, at Air Force Headquarters prior to taking up his new duties.

TOURIST SPENDING RECORD: American travel expenditures in Canada in 1948 set a new high record of about \$270,000,000, according to preliminary figures announced in the January issue of the Canadian Statistical Review. Only in two other years, 1946 and 1947, have United States spendings on travel in Canada totalled more than \$200,000,000, when they were \$216,000,000 and \$241,000,000, respectively.

Canadian expenditures in the United States in 1948 are placed at \$112,000,000, down sharply from the totals of \$130,000,000 in 1946 and \$152,000,000 in 1947, due mainly to the restrictions on the amount of money available to Canadians visiting the United States and to the suspension -- now removed -- of the customs regulation whereby \$100 worth of goods could be brought into this country free of duty by a traveller remaining out of Canada for more than 48 hours.

As a result of the simultaneous increase in American spendings in Canada and a decrease in Canadian expenditures in the United States, the net credit in Canada's favour of \$158,000,000 in 1948 exceeded any previously recorded. Only in the years 1929 and 1930 has this credit reached \$100,000,000. The credit balance in 1948 is slightly more than double the \$78,000,000 average for the last 23 years. In 1946 and 1947 the credits were \$86,000,000 and \$90,000,000, respectively.

The international travel industry has become a major source of United States dollars, the Review points out, ranking second only to newsprint paper in recent years. During the period 1926-1948 inclusive, it has been estimated, American visitors have spent in Canada approximately \$3,300,000,000, while Canadians have spent in the United States about \$1,500,000,000.

CRUDE PETROLEUM: With production from the Leduc field again sharply higher, Canada's production of crude petroleum and natural gasoline rose to a new high record total of 1,265,000 barrels in November, comparing with the October total of 1,206,000, and 731,000 in November, 1947. The previous high record was set in August 1948, when 1,245,000 barrels were produced. The November figure brought the output for the first 11 months of 1948 to 11,120,000 barrels as against 6,963,000 in the similar period of 1947.

Leduc's output rose in November to 617,000 barrels from 85,000 in the corresponding month of 1947, and in the 11 months ending November to 3,996,000 barrels from 264,000. Crude output from the Turner Valley field fell from 399,000 barrels to 350,000, and in the 11 months from 4,602,000 barrels to 4,082,000.

RAILWAY OPERATIONS: Operating revenues of Canadian railways in November aggregated \$80,750,000, a new peak for the month. This was \$14,155,000 or 21.3 per cent higher than

in November a year earlier, but off nearly \$2,090,000 from the peak established in October. The net improvement over the previous November was mainly in freight revenues which rose 26.2 per cent to \$67,553,000, while passenger revenues declined by \$351,000 to \$5,433,000, or by 6.1 per cent. Express and mail receipts were up \$401,000 to \$3,006,000.

Expenses reported for the month also increased considerably, totalling \$65,303,000 as against \$55,709,000, for an increase of 17.2 per cent. Each expense item registered an increase with maintenance rising \$3,643,000 to \$24,809,000, and transportation advancing \$5,330,000 to \$34,849,000.

In the income accounts, tax accruals, hire of equipment and rental of joint facilities were heavier, but operating income improved from \$7,473,000 to \$11,750,000. The net betterment of \$4,278,000 gained over November, 1947, and was the best showing for any month in 1948. Operating income was the highest since June, 1945.

For the 11 months of 1948, revenues increased from \$707,889,000 to \$789,066,000, but operating expenses showed a greater increase and the operating income was reduced from \$45,819,000 to \$28,075,000.

CANADIAN AVIATION: That Canada is setting a pattern for other nations to follow in the development of international air transport facilities was emphasized on February 4 by the Minister of Transport, Mr. Chevrier. In a luncheon address delivered before the International Chamber of Commerce in Toronto, Mr. Chevrier brought out some outstanding revelations with regard to Canada's development of its airport and airways system over the past ten years.

The Minister said that "Canada is at the crossroads of international air travel". He pointed to twelve civil airports stretching from coast to coast which have regular international commercial air services coming in to them. This was in addition to numerous other airports serving domestic needs. "All of these airports", he said "have been constructed to the standards required for international air operations as established by the International Civil Aviation Organization".

With respect to her international obligations in civil aviation, the Minister said that Canada firmly subscribed to the belief that "the future development of international civil aviation can greatly help to create and preserve friendship and understanding among the nations and peoples of the world". He stated that experience to date has more than justified this view and it is significant that 51 world states have already accepted the Convention on International Civil Aviation.

"Canada has taken and is taking a very active part in the work of ICAO and much is being accomplished in all spheres under this organization," he said, and then pointed to

the role that Canada has played as a major power in multilateral discussions with aviation matters.

With regard to this role of Canada's, he continued, "It was partially in recognition of Canada's importance in this field, and a tribute to the rôle that Canada is playing, that led to the selection of this country as the headquarters of the International Civil Aviation Organization."

Mr. Chevrier said that Canada's developments of air traffic facilities is a record unmatched by any other member state other than the United States because of that country's larger number of airports.

The Minister stated that in the future development of international air transport facilities, the national security aspect had to be included in long range planning. He said that the facilities provided for civil aviation could be utilized for military purposes in the event of emergency.

"For these various reasons," he said, "the Government has found it desirable in the national interest to provide for the development of air services and the ancillary facilities in Canada on a reasonable and efficient basis and at the same time to exercise close supervision over this development both in the domestic and international field."

In the improved construction aspect of these developments, Mr. Chevrier dwelt on the safety features of air travel. He said, "We have added to the safety of air travel, and increased the ability of air lines to fly in all types of Canadian weather and to maintain regular schedules under difficult conditions."

"Probably the most interesting development has been the introduction of the Instrument Landing System. This system, while not a complete blind landing device, is installed to permit accurate and safe approaches to airports during conditions of low ceiling and poor visibility, and provides for safe landings in weather conditions which would have been considered impossible a few years ago."

He said that 23 installations of the Instrument Landing System are expected for 16 of the bigger airports. Eleven of these were already in operation and the balance were being installed.

APPRENTICESHIP BOOKLET: Publication of a descriptive booklet on Apprenticeship in Canada has been announced by the Minister of Labour, Mr. Mitchell.

The booklet was prepared by the Training Branch of the Department of Labour and was designed as a descriptive, rather than a critical analysis of the subject of apprenticeship, the Minister explained.

The booklet contains, among other subjects, sections on Government apprenticeship training plans in Canada, industrial plans, and basic principles of apprenticeship. Outlines of the systems of apprenticeship in Great Britain,

South Africa, New Zealand, United States and Australia are also included.

Much of the information in the booklet was compiled through the co-operation of the Provincial Directors of Apprenticeship and the Canadian Manufacturers' Association.

MORE THAN 3,700,000 MEDALS: The amount of work that has gone into the minting of medals, campaign stars, clasps and oak leaves -- the eagerly awaited Service decorations of hundreds of thousands of Canadian men and women -- is revealed in figures released this week at Ottawa.

They show that to suitably reward all Canadians who served during the Second World War, more than 3,700,000 decorations must be turned out by the Royal Canadian Mint at Ottawa.

As almost everyone who enlisted for "active service" is entitled to the War Medal, some 1,060,000 have been ordered. For sheer numbers this is rivalled only by the Canadian Volunteer Service Medal of which 900,000 medals and 524,000 clasps -- denoting service outside of Canada -- are being struck.

Other decorations and the number on order at the Mint, are: 1939-45 Star, 288,000; Atlantic Star, 40,000; Africa Star, 12,000; Pacific Star, 10,250; Burma Star, 5,200; Italy Star, 102,500; France-Germany Star, 250,000; Defence Medal, 460,000, and the Air Crew Europe Star, 12,000.

DRILLING FOR FUELS: Contract drilling for petroleum, natural gas and other fuels in Canada during 1947 increased sharply over the previous year, while diamond drilling of mineral deposits (other than fuels) fell substantially below both 1946 and 1945.

Excluding drilling done by oil companies with their own equipment, the footage drilled totalled 1,253,794 as compared with 570,948 in 1946, according to the annual detailed report by the Bureau of Statistics. Sixty-two contractors reported drilling during the year, with income from operations amounting to \$7,484,243 compared with \$2,536,175 reported for 1946. Their employees numbered 1,020 and wages and salaries paid totalled \$2,063,629.

During 1947 there were 48 firms engaged in contract diamond drilling of mineral deposits other than fuels, compared with 62 operators in 1946.

WHEAT MARKETINGS: Stocks of Canadian wheat in store or in transit in North America at midnight on January 27 amounted to 161,473,000 bushels, showing a decline of 3,795,000 bushels from the January 20 figure of 165,268,000, but up 36,974,000 bushels over last year's corresponding total of 124,499,000 bushels.

WHEAT EXPORTS UP: Canada's exports of wheat and of wheat flour in terms of wheat during the five months of the 1948-49 crop year ending December 31, show an increase over the similar period of the preceding crop year, totalling 83 million bushels as against 77.4 million bushels, reports the Bureau of Statistics.

The gain in the aggregate was due to substantially increased shipments of the grain. These amounted to 59.6 million bushels compared with 48.2 million in the 1947-48 period. Exports of wheat flour fell off to the equivalent of 23.4 as against 29.5 million bushels.

Shipments of wheat were made to eight British and 13 foreign countries during last five months of 1948. Exports to the United Kingdom accounted for four-fifths of the total, at 48,315,000 bushels. Destinations of next largest quantities were: Italy, 2,449,764 bushels; India, 2,126,232; Egypt, 1,718,248; Norway, 957,830; Union of South Africa, 909,329; Malta, 897,848; Eire, 687,067, Switzerland, 600,000 bushels.

Wheat flour was exported in large and small quantities during the period to no less than 71 different countries, 22 being British and 49 foreign. As in the case of wheat, the United Kingdom was the major destination for flour, with shipments equal to 10,154,021 bushels of wheat. Trinidad and Tobago with 1,099,454 and Newfoundland with 919,310 bushels equivalent were next among British countries, while Italy with 2,159,568, Philippine Islands with 1,280,196, Syria with 1,818,036 and Venezuela with 895,689 bushels were the top destinations among foreign countries. Other larger purchases of Canadian flour were Hong Kong, Pakistan, Jamaica, Leeward and Windward Islands, Union of South Africa, British Guiana, Barbados and Palestine.

BELGIAN AMBASSADOR: The Department of External Affairs announced on February 8 that Vicomte du Parc presented on that day to His Excellency the Governor General at Government House his Letter of Credence as Ambassador Extraordinary and Plenipotentiary of Belgium in Canada.

Mr. Pearson, Secretary of State for External Affairs, was present. Baron Pierre de Gaiffier d'Hestroy, First Secretary of the Belgian Embassy, and Major J.A. Ducq, Military and Air Attache, accompanied the Ambassador. Mr. Howard Measures, Chief of Protocol, Department of External Affairs, presented Vicomte du Parc to His Excellency the Governor General.

Vicomte du Parc was born in Brussels in 1892. He is a Doctor of Law of the University of Louvain. He served in the Belgian Army during the First Great War and was seriously wounded. Vicomte du Parc entered the Diplomatic Service of his country in 1920 and he served in posts abroad as well as at the Belgian Foreign Office. He took an active part in United Nations conferences, in particular

U.N.R.R.A. and the Commission on Food and Agriculture.

Prior to his present appointment as Belgian Ambassador in Canada, Vicomte du Parc was Minister of Belgium in Sweden.

IRON AND STEEL RECORD: Canada's iron and steel mills operated at near-capacity levels in 1948 to produce record tonnages of steel, pig iron and ferro-alloys.

Preliminary figures released by the Bureau of Statistics place the year's output of steel ingots and castings combined at 3,202,000 tons, well above the preceding year's total of 2,945,000 tons and three per cent higher than the wartime peak of 3,110,000 tons in 1942. The current total compares with 1,294,000 tons in 1938.

The year's output of pig iron amounted to 2,121,000 tons compared with 1,970,000 tons in the preceding year and 1,975,000 tons in 1942--the previous high figure. The total for 1948 was close to three times the tonnage turned out in 1938.

The output of ferro-alloys also moved up sharply in 1948, totalling 251,000 tons compared with 150,000 tons in 1947, and 209,000 tons in 1942, the highest of the war years. Production last year was four times the 1938 total of 63,000 tons.

PUBLIC HEALTH RESEARCH: Research into the spread and control of infantile paralysis, studies of methods of obtaining information on illness in a community, and ways of reducing infant and maternal deaths will be financed with funds from the federal health grants, the Minister of National Health and Welfare, Mr. Martin, announced on February 9.

The infantile paralysis research will be directed by Dr. Andrew J. Rhodes of the Connaught Medical Research Laboratory, Toronto, and will concentrate on a study of methods of recovering polio virus from infected sewage and water of various types, the survival period of the polio virus, and the prevalence of polio infection in sewage between epidemics. Total cost of the research project is expected to be about \$20,000.

Mr. Martin said that a research grant has also been made to the Department of Obstetrics and Gynecology, University of Toronto, for a study of ways of eliminating eclamptic toxæmia as a cause of maternal deaths.

"In Manitoba the provincial Department of Health and Public Welfare will undertake field and laboratory studies to locate ground water supplies containing nitrate in sufficient quantities to cause methemoglobinemia in infants," the Minister said.

The East York-Leaside Health Unit, just outside Toronto, has been awarded a grant to finance a study of methods of obtaining information on morbidity or the ratio between sick

(C.W.B. February 11, 1949)

REPORTED IN PARLIAMENT BRIEFLY

(Continued from P.1)

persons and well ones in a community. This is a two-year study under the direction of Dr. William Mosley, D.P.H., Medical Officer of Health for East York-Leaside.

Mr. Martin said that under the National Health Plan \$100,000 was appropriated this year to encourage public health research. The money is not divided on a provincial basis, but each research project is reviewed by the Dominion Council of Health which recommends whether or not the proposed study should be given federal financial assistance.

INTERNATIONAL TRADE FAIR: Booking of space in the household furnishings section of the Canadian International Trade Fair, to be held at the Exhibition Grounds in Toronto, May 30 to June 10, under the sponsorship of the federal Government, indicates that Canadian and United Kingdom firms will be the heaviest exhibitors. A firm from the Malayan Union, displaying a line of rattans, rattan products, malacca canes and kindred tropical products, in exhibiting at the Fair for the first time. Another initial-exhibitor is from French Morocco displaying a line of household furnishings.

Flour coverings are to be displayed by many firms, the Canadians featuring linoleums and similar coverings, while the United Kingdom firms lean more towards woven rugs and carpets.

Metal and plastic kitchen utensils and equipment are being displayed by several Canadian firms in a variety of combinations. In a strong bid for the market, an English firm is showing a line of sinks and cabinets of stainless steel and vitreous enamel.

The English china firms are returning, as are the Czechoslovakian glass and crystal exhibitors. Included in this section are ten Canadian and English firms exhibiting at the Trade Fair for the first time.

Wood and plastic wood furniture is being displayed by Canadian firms, for the second year.

SIAMESE ARE BACK

The Siamese are coming back to display their Niello silver jewellery, handwoven sarongs, precious and semi-precious stones and other handicraft. This year's exhibit is under the aegis of a semi-government organization formed as a direct result of last year's successful display.

An English firm has taken an extremely large display space to exhibit jewellery and silver plated flatware. Other English firms in this section are displaying flat and hollow-ware of silver, cigarette cases and boxes and candle-sticks. The Czechoslovakian ornament-manufacturers will be seen again in this section.

A large Canadian clock manufacturer is showing a complete line of clocks, ranging from small travelling clocks to grandfather clocks. The Swiss watchmakers have taken a

large footage and, it is hoped, will show their latest development, the 'wrist alarm watch.' At the time of writing further details are not available.

Dresser-sets, travelling-sets, silver-plated hollow-ware, baby-brushes, cigarette cases and boxes and so forth will be displayed by Canadian firms.

LONG TRAINING FLIGHT: Air Force Headquarters announced on February 9 the completion of a non-stop 2900-mile navigation training flight from U.S. Air Force base Mather Field, near Sacramento, California, to Summerside, PEI, by two Lancasters of the RCAF Air Navigation School, located at Summerside.

Carrying nine students and three instructors, the four-engined aircraft left Summerside January 29, on the American tour, stopping at Washington, D.C., U.S. Air Force Base, Wright Field Ohio, and Mather Field, California.

The return flight direct from Mather Field is one of the longest non-stop flights flown by the RCAF. The trip gives the students a chance to practice some of the advanced theories they have learned at the school and also to see American developments in this field.

The student officers who made the flight are training to be specialist navigators enabling them to fill senior navigation positions. All are veteran navigators but this course will qualify them in the most advanced aspects of aerial navigation.

One of the students, Captain W.R. Haughey, (5626 Rangeview Ave.) Los Angeles, California, is a member of the United States Air Force training with the RCAF on an exchange posting basis.

EMPLOYMENT RECORD: Industrial employment and payrolls showed further slight increases at the beginning of December, due for the most part to seasonally heightened activity in logging and retail trade. Curtailment was indicated in manufacturing as a whole, and in mining, transportation, construction and maintenance, and hotels and restaurants. To a large extent, these losses were also seasonal in character.

According to information received by the Bureau of Statistics from 19,561 leading establishments in the eight major industrial divisions, their employees at December 1 totalled 2,118,698, and the disbursements in weekly salaries and wages, \$89,415,000. The rise in employment was 0.2 per cent, and in salary and wage payments, 0.4 per cent. The per capita weekly earnings rose to \$42.20 from \$42.14 at November 1, and \$38.28 a year earlier.

Based on the 1926 average as 100, the general index number of employment at December 1 reached a new all-time maximum, standing at 204.1 as compared with 203.6 in the preceding month and 199.6 at December 1, 1947. The index of payrolls, based on June 1, 1941 as 100, stood at 218.7 as compared with 218.0 at November 1, and 193.9 at December 1, 1947.

UNION WITH NEWFOUNDLAND: With but one dissenting voice, the House of Commons, on February 8, gave second reading to the legislation embodying the Terms of Union with Newfoundland, thereby approving in principle Newfoundland's entry into Confederation. Mr. Joseph Irene Hamel, of the Bloc Populaire Party, indicated his opposition to the measure by stating, "on division," as the Bill carried. The measure was then discussed in Committee.

NEWFOUNDLAND LEASES: The Prime Minister, Mr. St. Laurent, in the House of Commons on February 8, discussed the 99-year leases by the United States of bases in Newfoundland during the last war. The subject had been introduced by Mr. T.L. Church, Progressive Conservative member for Broadview, in discussing the Bill dealing with the union of Newfoundland with Canada. The Prime Minister said in part:

"There are in process at the present time negotiations looking to variation in the leases to bring them into accord with the joint declaration made by the President and the Prime Minister on February 12, 1947, about the principles which would govern the arrangements for military co-operation between the two countries. Those principles were agreed to by the two Governments. They were announced simultaneously by the President and by the Prime Minister. I believe they have received pretty universal approval throughout the United States and Canada. It is our hope that in our negotiations with the Government of the United States we shall have the actual exercise of the rights provided for by these leases brought into line with the principles which have been set out in this joint declaration. We hope that will be so because of the attitude of the two Governments of Canada and the United States. Their practice has not been to deal with each other at arm's length, but rather to try to make arrangements which would afford the most satisfactory method and degree of co-operation between the peoples of the two countries.

"We hope it will be possible to have the lessees, who by contract have their rights for ninety-nine years in these leases, agree that they should exercise their rights in the manner which the two Governments of Canada and the United States agreed would be the proper way to ensure co-operation between them as set out in their joint declaration of February 12, 1947. The hon. member for Broadview may be assured that I hope to be able to discuss with the President of the United States some aspects of these leases on the occasion of the visit I am to have the honour of paying him on this very week end."

statements. Of course, we should not go out of our way to rebuff them but at the same time we should not forget, in our anxiety to go far beyond half way to meet peace, that those leaders have affirmed and reaffirmed that it is inconceivable that communism and the Soviet Republic should continue to exist indefinitely side by side with capitalistic states. 'Ultimately', Mr. Stalin has said, 'one or the other must conquer.' By peaceful means? There is nothing of this in the communist dogma. Let me quote again from Stalin. He said: 'Transition from Capitalism to Socialism can be accomplished not by means of slow change, not by means of reform, but by means of revolution.'

"In bringing about this revolution, tactics of course may change and misleading answers may be given to questions asked by American journalists, and which the Soviet people are not allowed to see; but the strategy outlined above remains fixed and consistent. Again to quote Stalin, and I think this is the last time that I shall have to draw on his speeches or books in this speech of mine, he said: '... Tactics change dozens of times, whereas the strategical plans remain unchanged. Tactics deal with the forms of struggle and the forms of organization of the proletariat, with their changes and combinations . . . The object of this strategy is to gain time, to demoralize the enemy, and to accumulate forces in order later to assume the offensive.'

"Is it any wonder, therefore, that the western world looks to the future with anxiety?"

"Men of good will continually and rightly hope for a basic change in the relations of Soviet Russia with the noncommunist world. But easy optimism and self-delusion are disastrous substitutes for cool analysis and consistent policies. The door to real co-operation should always be open but not to admit Trojan horses."

ATLANTIC SECURITY LEAGUE

"If then, Mr. Speaker, the tension has recently decreased--and I think it has--it is not because of words which have come out of Moscow or because of any fundamental alteration in communist doctrine. It is because of the policy of steady but unprovocative resistance to communist aggression; of progress toward an Atlantic Security League; of the steps taken to restore the military and economic strength of Western Europe. These policies are working and they may have provoked one of those recurring changes in communist tactics of which we have had examples in the past...."

The Minister then stated that, in pursuance of a policy for peace, the Government had been for some months now negotiating with other North Atlantic countries a treaty for collec-

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tive defence. An excerpt from his references to the proposed North Atlantic Pact follows:

"This Atlantic pact, if we can bring it to a successful conclusion, does not give us the certainty of peace. No pact, no human achievement can do that. But it may give us a chance to establish peace in the future; and it is essential to our security in the present. It is certainly our best hope now for the prevention of aggression. It is our best hope for the establishment of relations between the two worlds on a basis, if not of friendship, at least of mutual toleration. That would give us time for men's minds to change and their souls to be freed so that toleration may turn to something better. That is all that we can ask for at this time from an Atlantic pact, but that is much and I think it is within our grasp.

"In this breathing space which we may now secure, there will be time to resolve the eternal struggle that goes on between conflict and co-operation; the paradox of good in the midst of evil, of life in the midst of death. That paradox, and the utter futility of war as a method of resolving it, was never more dramatically illustrated than by the fact that the same bombers and bomber pilots who smashed Berlin and its people in 1945 are keeping those people alive in 1949...."

HARBOUR TRAFFIC HIGH: Harbour traffic continued at a high level in 1948. Traffic returns of the National Harbours Board show an increase in the number and registered tonnage of vessel arrivals, and a moderate gain in aggregate cargo tonnage over the previous year. The preliminary statistics, released on February 9 by the Minister of Transport, Mr. Chevrier, show that in the eight "national" harbours, vessel arrivals in 1948 numbered 43,626, having a net registered tonnage of 32,999,920 as compared with 42,876 in 1947, having a net registered tonnage of 29,856,603. Aggregate cargo tonnage, inward and outward, was 31,326,279 last year, as compared with 31,163,807 in 1947, the increase being 162,472 tons.

GOLD PRODUCTION GAINS: Gold production in Canada moved upward during November for the second successive month, reaching the highest level for any month in 1948 and the highest since June, 1943, and increasing further the cumulative gain earlier recorded over 1947.

Output for the month, as reported by the Bureau of Statistics, amounted to 311,347 fine ounces compared with 306,928 in October and 252,235 in November, 1947. The figure for June, 1943, was 326,839 fine ounces. There were advances over a year earlier in all producing provinces, except Nova Scotia, the largest increase as in earlier months being in Ontario, followed by Quebec.

During the 11 months ending November, production totalled 3,200,640 fine ounces as

against 2,795,468 in the similar period of 1947. Gains were also shown in this period in all producing provinces, except Nova Scotia.

UNION WITH NEWFOUNDLAND: The granting of the right of appeal to the Privy Council to certain dissenters in Newfoundland should not occasion delay on the part of the Government in asking Parliament to confirm the agreement for Union, the Prime Minister, Mr. St. Laurent, told the House of Commons on February 10, prior to the passage of the Bill through Committee stage. The statement was made in reply to a question by the Leader of the Opposition, Mr. Drew, and is recorded in Hansard as follows:

Mr. Drew: Mr. Speaker, I should like to ask a question of the Prime Minister. In view of the announcement that the right to appeal to the Privy Council has been granted to certain appellants in Newfoundland with regard to Newfoundland's part in the agreement for union with Canada has the Prime Minister taken into consideration what effect, if any, that would have upon the discussions now taking place in the House?

Mr. St. Laurent: I have no information other than that gathered from the newspapers. However my understanding of the situation is that an action was instituted in the courts of justice of Newfoundland, and on motion it was dismissed as being frivolous and vexatious. An appeal was then taken to the Appeal Court of Newfoundland, and that appeal was dismissed, the Appeal Court confirming the opinion of the first judge that it was frivolous and vexatious. Now the newspapers report that leave has been granted to appeal to the Privy Council from the decision that the proceedings were frivolous and vexatious. Even if that appeal were heard, and even if it were allowed, it would not mean anything more than that the plaintiffs in the case would have the right to proceed on the merits of their suit; it being merely a pronouncement on a question of procedure. In view of the attitude taken by the Government of Newfoundland as to the terms of this agreement, and the time limit for accomplishing the further proceedings required to bring it into effect, there should be no delay on our part in asking Parliament to confirm the agreement.

STUDY AIR ELECTRICS: Four officers and two men of the Royal Canadian Navy's electrical department are at present undergoing a special course in air electrics and air instruments at the Fairey Aviation Company plant, Hayes, Middlesex, England, Naval Headquarters announced on February 11.

The course will familiarize the group with the R.C.N.'s new Firefly Mark V aircraft and the electrical equipment with which they are fitted. Instructional technique also is part of the course.

GEN. MCNAUGHTON PRAISED: At the opening of the Security Council meeting on February 8 the incoming President, Dr. T.F. Tsiang (China), praised the work of General Andrew G.L. McNaughton (Canada), who held the Council presidency during January, the U.N. Press Bureau reported. General McNaughton expressed appreciation for Dr. Tsiang's words.

The only item on the February 8 agenda was a letter dated January 14 from the Secretary-General transmitting to the Council the General Assembly resolution of November 19, 1948 regarding the regulation and reduction of armaments and armed forces.

CANADIANS IN KASHMIR: Sir Zafrullah Khan, Foreign Minister of Pakistan, welcoming the United Nations Commission for India and Pakistan back on the sub-continent, on February 7, declared that acceptance by the two Dominions of the UNCIP plebiscite proposals were "A source of great satisfaction." Sir Zafrullah also expressed the hope that the Commission would press forward on the two questions:

LIVING COSTS RISE: The downward tendency in regional city living costs which occurred between November and December was reversed in January when seven of the eight indexes moved to higher levels. Vancouver's index remained unchanged. Index advances were due principally to increases in service costs which, because of their usual inherent stability, are priced for the most part only at annual intervals. In addition, foods, clothing and homefurnishing prices registered moderate gains at most centres.

According to the Bureau of Statistics, composite city index increases between December 1, 1948 and January 3, 1949 for the seven centres registering changes were as follows: Halifax, 1.5 to 152.3; Winnipeg, 1.2 to 153.4; Edmonton, 0.9 to 154.5; Montreal, 0.8 to 162.3; Saint John, 0.7 to 156.2; Toronto, 0.5 to 155.0; and Saskatoon 0.4 to 162.0.

RETAIL SALES INCREASE: Topped off by an increase of 14 per cent in December and the highest value of Christmas trade on record, retail sales in Canada last year were 11 per cent higher in dollar volume than in 1947. The year's gain was almost exactly the same as that shown in 1947 over 1946. Increases were registered in all regions of Canada both in December and in the year, according to the Bureau of Statistics.

Sharpest gains in the month were in department stores, food stores, and shoe stores, all of which had increases of 18 per cent. Decem-

ber sales increases for the three trades in the apparel group -- family clothing, men's clothing and women's clothing -- were similar to the average gain for retail trade as a whole.

In the 12 months, largest gain over 1947 was 16 per cent shown by women's clothing stores, followed closely by variety and department stores with increases of 14.6 and 14 per cent, respectively. Food store sales had a 12-month rise of 13.9 per cent.

R.M.C. SCHOLARSHIPS: More than 70 scholarships, cadetships and bursaries are available to applicants admitted annually to the Royal Military College at Kingston, Ont., and Royal Roads, near Victoria, B.C., the Minister of National Defence, Mr. Claxton, announced on February 11.

The federal Government offers 15 cadetships each year on the basis of not more than five to each of the three services, providing tuition, recreation fee, and uniform expenses for the period of the first academic year at either R.M.C. or Royal Roads. In addition, the Government also offers 14 scholarships on a purely academic basis according to provincial quotas. Candidates for both Dominion Cadetships and Dominion scholarships are chosen by a joint selection board.

DAIRY PRODUCTS: Stocks of creamery butter on February 1 totalled 27,980,000 pounds, down from 37,397,000 on January 1 and 31,561,000 pounds on the corresponding date last year, according to the Bureau of Statistics.